Year End Report 2022

JANUARY - DECEMBER

SELECTED FINANCIAL INFORMATION

Period	Net sales	EBITA*	EBIT	Earnings for the period after tax	Earnings [1] per ordinary share after dilution
October - December 2022	**1,017.5 MSEK** (749.1)	**195.6 MSEK** (153.2)	**171.3 MSEK** (82.7)	**107.0 MSEK** (47.0)	**2.80 SEK** (1.21)
January - December 2022	**3,505.2 MSEK** (2,718.9)	**671.1 MSEK** (509.3)	**641.2 MSEK** (364.4)	**428.1 MSEK** (246.9)	**11.48 SEK** (6.55)

1) based on average number of shares after deduction of minority interests and dividends to preference shareholders. EBITA* is the Group's adjusted operating profit, see also page 24.

FOURTH QUARTER 2022

- Net sales increased by 36% to SEK 1,017.5 million (749.1). In total for the Group, organic sales growth was 2.1 %, excluding currency effects. Excluding the Group's electric car charger unit, organic growth was 9.6 %.
- Operating profit EBITA* increased by 28% to SEK 195.6 million (153.2), corresponding to an EBITA* margin of 19.2% (20.5). Organic EBITA* growth for the Group was -14.3%, excluding currency effects. Excluding the Group's electric car charger unit, organic growth was 0.0 %.
- Operating profit, EBIT, increased by 107% and amounted to SEK 171.3 million (82.7). Changes in contingent considerations have contributed a net of SEK 0.5 million (-39.8).
- Profit after tax for the Group increased by 128% and amounted to SEK 107.0 million (47.0) during the period, of which SEK 106.8 million (46.7) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 201.4 million (138.9). corresp. to a cash conversion of 99% (92).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 2.81 (1.22). After dilution, earnings per ordinary share amounted to SEK 2.80 (1.21).
- During the period, acquisitions of all assets in Industrial Metal Products Inc (IMP) and of all shares in Patol Ltd and Linesense Fire Detection Ltd, which became the Group's 12th business unit in the UK, were completed. In addition, all shares in Mecno Service were acquired, which constitutes the Group's second business unit in Italy.

JANUARY – DECEMBER 2022

- Net sales increased by 29% to SEK 3,505.2 million (2,718.9). In total for the Group, organic sales growth was -0.4%, excluding currency effects.
- Operating profit EBITA* increased by 32% to SEK 671.1 million (509.3), corresponding to an EBITA* margin of 19.1% (18.7). Organic EBITA* growth for the Group was -10.1%, excluding currency effects.
- Operating profit, EBIT, increased by 76% and amounted to SEK 641.2 million (364.4). Changes in contingent considerations have contributed a net of SEK 61.6 million (-43.0).
- Profit after tax for the Group increased by 73% and amounted to SEK 428.1 million (246.9) during the period, of which SEK 427.1 million (245.9) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 564.6 million (385.3), corresp. to a cash conversion of 80% (71).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 11.53 (6.62). After dilution, earnings per ordinary share amounted to SEK 11.48 Kr (6.55).
- During the period January to December acquisitions, in addition to what is mentioned for the quarter, were made of Agrosistemi Srl. Temperature Electronics Ltd and TEL UK Ltd. Resource Data Management Ltd. e-l-m Kragelund A/S. The acquisitions include the Group's first business units in Italy and Denmark.
- In March, management subscribed for 216,100 newly issued class B Sdiptech shares, which constituted the exercise of the long-term incentive program with warrants of series 2018/2022. The issue entails that the company has received SEK 14.5 million in equity.
- Based on the authorisation granted by the annual general meeting, Sdiptech AB completed a directed share issue of 2,200,000 B-shares and raises proceeds of SEK 506 million. After the Directed Share Issue, the total number of B-shares in Sdiptech have increased by 35 801 348.

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 Class B.

KEY RATIOS (for definitions, please refer to page 24)	3 months		12 months	
(SEK million)	**Oct-Dec 2022**	**Oct-Dec 2021**	**Jan-Dec 2022**	**Jan-Dec 2021**
EBITA* margin	19.2%	20.5%	19.1%	18.7%
Financial net debt/EBITDA, multiple	1.79	1.20	1.79	1.20
Return on capital employed	12.2%	10.0%	12.2%	10.0%
Return on equity	14.9%	10.3%	14.9%	10.3%
Cash flow generation	99%	92%	80%	71%

COMMENTS BY THE CEO

STRONG DEVELOPMENT ACCORDING TO PLAN AND GOOD OUTLOOK

We can proudly sum up another positive year for Sdiptech. Strong cash flow, stable demand and a margin increase for the fifth year in a row. According to plan and as previously communicated, the unit for electric car chargers' sales were lower in the last two quarters of the year, but we are optimistic about the new year.

THE FULL YEAR

We experienced continued good demand from our customers, which resulted in net sales during the year increasing by 29 percent, of which -0.4 percent organically. EBITA* rose 32 percent, of which -10.0 organically. The weak organic development is mainly driven by the previously announced investment carried out in one of our largest business units, which had a negative impact on earnings over the past six months. Excluding the otherwise highly profitable unit for EV chargers, the Group showed positive organic sales growth of +6.2 percent during the period that was affected negatively, i.e. the last two quarters, and an organic EBITA* growth of +4.3 percent, excl. currency effects.

Our margin strengthening continues for the fifth year in a row and the EBITA* margin was 19.1 percent (18.7). New acquisitions contributed to the increased profitability and we remain confident that the Group's profitability will continue to grow and establish around 20 percent in EBITA* margin.

This year's profit after tax increased by 73 percent and it is satisfying to deliver a strong earnings per share for the year of SEK 11.48 (6.55).

Our financial net debt to EBITDA ratio was 1.79, which is well within our financial target of 2.5 and gives us continued head room for acquisitions. Total net debt, i.e. including provisions for future payments of earn-outs, amounted to 3.55 in relation to EBITDA. Notably, these earn-outs assume increased profits from today's levels. This is a central part of our financing model as it means that if profits do not grow as expected, the debt decreases. For example, if profits in the future were to remain at the 2022 level, the booked liability for earn-outs would decrease by 40 percent.

THE QUARTER

The market situation remained positive for most of our business units during the last quarter of the year, resulting in an organic sales growth of 2.1 percent, despite a negative development in the Group's EV charger unit. Excluding this unit, organic sales growth in the quarter was 9.6 percent.

Revenues in our business unit for EV chargers decreased as expected also in the fourth quarter. The reason was, as previously communicated, a delay in the production of the new technology platform. At the same time as the launch of this new important technology, we moved manufacturing from China to the UK. The new production has now been fine-tuned and the volumes are scaled up according to plan to reach adequate capacity during the first quarter. Demand and the order book are good, and we are optimistic about the new year.

The cash flow from operating activities during the quarter was strong and amounted to SEK 201.4 million (139.1), corresponding to a cash conversion of 99 percent (92). As the availability of critical components and materials improved during the quarter, we have consequently reduced the levels in our safety stocks.

ACQUSITIONS

2022 has been a successful acquisition year and we have had the pleasure of welcoming seven new companies to the Group, with a total EBITA* profit of approximately SEK 161 million on an annual basis. We have thus exceeded our acquisition target of SEK 120–150 million. At the same time, we have entered three new markets: Italy, Denmark, and the United States.

All acquisitions for the year all contribute to our position in attractive product and customer segments. The new companies complement our existing operations and Sdiptech increasingly acts as a cohesive group in the infrastructure sector.

As the pace of acquisitions in 2022 was higher than our financial targets, and to maintain continued flexibility in the acquisition work, we carried out a directed share issue in November in our B-share that provided approximately SEK 500 million in growth capital. There was great interest from both new and existing investors to participate in the issue.

OUTLOOK

According to the UK Government, the number of EV charging points in the UK is expected to have grown about ten times by 2030 from today's levels. With our investments, we have doubled our production capacity, shortened lead times to customers, reduced our climate footprint and, we have eliminated geopolitical risk exposure. We are thus better equipped than ever to grow with continued profitability in line with the continued expansion of charging infrastructure.

We stay disciplined in the review of new acquisitions, and our focus is, as always, high-quality companies with a sustainable offering. It is therefore extra gratifying to be able to state that we have a continued strong pipeline to welcome more high-quality companies in 2023.

We have strong confidence in our decentralized model, consisting of almost 40 business units with leading niche positions and complementary offerings. Our products meet critical needs in an infrastructure that must always work regardless of the economic situation, and we are well equipped for the new year.

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

Jakob Holm
VD, Sdiptech AB (publ.)

OVERVIEW OF OPERATIONS

OCTOBER - DECEMBER

Net sales

Net sales amounted to SEK 1,017.5 million (749.1) during the period. Sales in comparable units, amounted to SEK. 796.3 million (749.0), which corresponded to an organic growth of 2.1% for the period, excluding currency effects. Excluding the Group's unit for electric car chargers, however, organic growth was 9.6%. excluding currency effects.

Non-comparable units contributed SEK 221.3 million (-) to net sales for the period. Also see Business areas, page 6, for more detailed information.

Earnings

Operating profit, EBIT, amounted to SEK 171.3 million (82.7) during the quarter. In the quarter, a revaluation of contingent consideration took place, resulting in other revenue, and thus increased EBIT, of SEK 0.5 million (-39.8), see further note 5.

Operating profit EBITA* amounted to SEK 195.6 million (153.2) in total for the Group, corresponding to an EBITA* margin of 19.2% (20.5). The increase in earnings stems from both organic growth and from acquired units.

EBITA* in comparable units, amounted to SEK 149.2 million (168.1) corresponding to an organic change of -14.3%, excluding currency effects. Excluding the Group's EV charger unit, organic profit growth was 0.0%. excluding currency effects. High comparative figures during the corresponding quarter of 2021, were a challenge for some of the Group's units. Non-comparable units contributed SEK 63.6 million (-) to the profit for the period.

Acquisition costs amounted to SEK 6.5 million (3.7) in connection with acquisition activities during the period.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -63.9 million (-42.2), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -18.4 million (-12.6).

Net financial items consist of exchange rate differences of SEK -1.4 million (-5.2) in the quarter and SEK -37.6 million (-12.9) in interest expense, of which discount rates relating to contingent considerations of SEK –8.6 million (-3.4). Other financial expenses amounted to SEK -0.8 million (-0.6). For more information, see Note 3.

Profit after tax increased by 128% and amounted to SEK 107.0 million (47.0). Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 2.81 (1.22). After dilution, earnings per ordinary share amounted to SEK 2.80 (1.21).

JANUARY - DECEMBER

Net sales

Net sales amounted to SEK 3,505.2 million (2,718.9) during the period. Sales in comparable units, amounted to SEK 2,756.2 million (2,622.2), which corresponded to an organic change of -0,4% for the period, excluding currency effects. Excluding the Group's unit for electric car chargers, however, organic growth was 2.8%, excluding currency effects.

Non-comparable units contributed SEK 749.0 million (96.6) to Net sales for the period. Also see Business areas, page 6, for more detailed information.

Earnings

Operating profit, EBIT, amounted to SEK 641.2 million (364.4). during the period. Other income, regarding a revaluation of contingent consideration and a changed discount rate for contingent considerations in the period amounted to SEK 61.6 million (-43.0), for more info see Note 5.

Operating profit EBITA* amounted to SEK 671.1 million (509.3) in total for the Group, corresponding to an EBITA* margin of 19.1% (18.7).

EBITA* in comparable units, amounted to SEK 531.0 million (557.5), which corresponded to an organic change of -10.0%, excluding currency effects. Excluding the Group's unit for electric car chargers, however, the organic profit development was -2.0%, excluding currency effect. Non-comparable units contributed SEK 197.3 million (0) to the profit for the period.

Acquisition costs amounted to SEK 22.2 million (26.4), in connection with acquisition activities during the period. Stamp duty för the acquisition in UK that amounted to SEK 4.6 million (6.8) was included in these costs.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -217.1 million (-141.6), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -65.1 million (-40.6).

Net financial items consist of exchange rate differences of SEK 4.9 million (11.4) for the period and -108.6 million (-47.4) in interest expense, of which discount rates relating to contingent considerations of SEK -30.0 million (-17.3). Other financial expenses amounted to SEK -2.4 million (-3.8). For more information, see Note 3.

Profit after tax increased by 73% and amounted to SEK 428.1 million (246.9). Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 11.53 Kr (6.62). After dilution, earnings per ordinary share amounted to SEK 11.48 (6.55).

Acquisitions

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

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

On 13 May 2022, Sdiptech acquired all shares in Resource Data Management Ltd (RDM). The company specializes in control and monitoring of cooling and building management systems. RDM has annual sales of GBP 14 million and pre-tax operating profit of GBP 3.5 million. RDM is part of the Special Infrastructure business area.

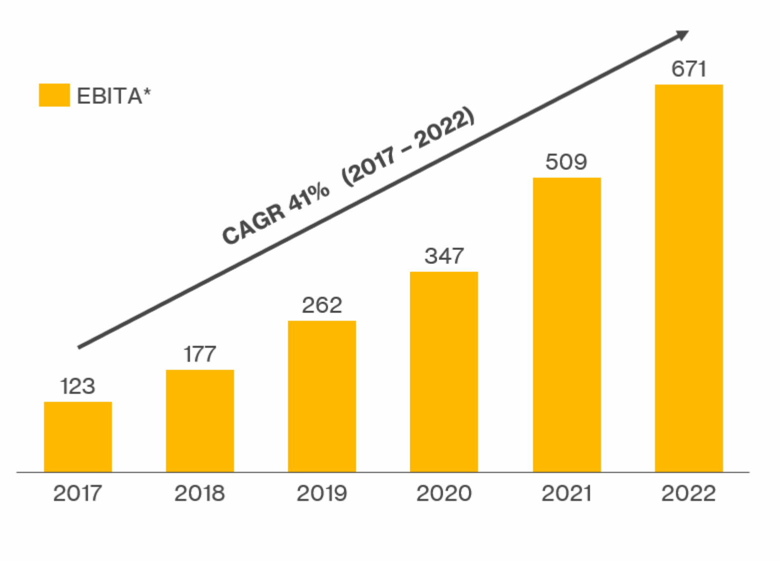
On 1 June 2022, Sdiptech acquired 80% of the shares in e-l-m Kragelund A/S in Denmark. The company develops and manufactures innovative tools for forklifts. ELM has an operating profit of approximately DKK 32 million. ELM is Sdiptech's first business unit in Denmark and is part of the Special Infrastructure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

On 28 October 2022, Sdiptech (publ) acquired all assets in Industrial Metal Products Inc (IMP), which specialises in niche products for road maintenance in the United States. IMP is Sdiptech's first acquisition in the United States and an add-on to Hilltip Oy and its subsidiary Hilltip Inc.

On 9 November 2022, Sdiptech AB (publ) acquired all shares in Patol Ltd and Linesense Fire Detection Ltd (Patol). Patol design, manufacture and supply niche fire safety products and systems with applications in a wide variety of infrastructure sectors. The companies have an annual turnover in excess of GBP 3.2 million with good profitability. The companies are part of the Special Infrastructure Solutions business area.

On 23 November 2022, Sdiptech (publ) acquired all shares in Mecno Service. The company designs, manufactures and sells grinding machines specialized for trams and subway, as well as provides grinding services based on a self-developed, unique, technology. Mecno Service has an annual turnover of EUR 13 million, with good profitability. The company is Sdiptechs second business unit in Italy and is included in the business area Special Infrastructure Solutions.

Group EBITA* **(SEK m)**	**Oct-Dec 2022**	**Oct-Dec 2021**	**Jan-Dec 2022**	**Jan-Dec 2021**
Water & Energy	57.7	74.8	276.0	249.6
Special Infrastructure Solutions	155.0	93.5	452.1	313.8
Business areas	**212.7**	**168.3**	**728.1**	**563.4**
Central units	-17.1	-15.1	-57.0	-54.1
Totalt	**195.6**	**153.2**	**671.1**	**509.3**



BUSINESS AREAS AND CENTRAL UNITS

Infrastructure is in focus around the world for many reasons. Examples of areas we have identified as particularly important for the development of society, and that therefore are showing good demand, are water and sanitation, power and energy, bioeconomy, waste management, air & climate control, transport and safety and security. We have therefore for a long time directed our acquisition work towards these areas. Apart from previously identified areas water and sanitation and power and energy we have chosen to add bioeconomy and waste management. In connection with this, the Water & Energy business area changed name to Resource Efficiency as of January 2022.

During the previous financial year, seven out of a total of nine units in the business area Property Technical Services were divested, whereupon a re-organization resulted in the remaining operations being reported under Special Infrastructure Solutions as of the third quarter of 2021.

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

RESOURCE EFFICIENCY

Comments on the financial performance:

The business area’s sales increased by 3% for the quarter to SEK 308.7 million (301.3) compared to the previous year. The increased sales are due to acquisitions and good sales in most units in the business area, especially the electricity-related ones. However, the Group's EV charger business reported weaker turnover and earnings in the quarter than last year, mainly driven by a temporary drop in revenue. The reason is that the production of a new technology platform was delayed due to component shortages. The production and deliveries of the new EV chargers are now underway. In addition to new features, the new technology meets the UK regulations for electric car chargers that were updated on 1 July and 30 December 2022.

EBITA* for the quarter decreased by -23% to SEK 57.7 million (74.8) Despite good organic profit development in most other units in the business area, as well as acquisitions, the weaker performance of the Group's EV charger business was not compensated.

The EBITA* margin during the quarter decreased to 18.7% (24.8) mostly due to the effect of the lower sales in the Group's EV charger unit.

Resource Efficiency (SEK m)	**Oct-Dec 2022**	**Oct-Dec 2021**	**Jan-Dec 2022**	**Jan-Dec 2021**
Net sales	308.7	301.3	1,269.8	1,028.2
EBITA*	57.7	74.8	276.0	249.6
EBITA* margin %	18.7%	24.8%	21.7%	24.3%

SPECIAL INFRASTRUCTURE SOLUTIONS

Comments on the financial performance:

The business area's sales in the quarter increased by 58% to SEK 708.8 million (447.7). The increase in sales is mainly due to acquisitions and good sales in several units in the business area. Not least the Group's operations in road maintenance equipment, especially in winter, had a strong development. Also, the Group's business unit that specializes in automation of, among other things, container ports showed strong sales. The business in transport cooling solutions has noticed a better supply of transport vehicles among their customers, which provides increased opportunities to deliver their products on the order backlog.

EBITA* for the quarter increased by 66% to SEK 155.0 million (93.5), mainly through contributions from acquired units and continued good development in, among other things, the Group's operations for equipment for road maintenance and automation of container ports.

The EBITA* margin increased during the quarter to 21.9% (20.9), primarily through contributions from acquired entities. But also, from organic profit development in most other units in the business area.

Special Infrastructure Solutions (SEK m)	**Oct-Dec 2022**	**Oct-Dec 2021**	**Jan-Dec 2022**	**Jan-Dec 2021**
Net sales	708.8	447.7	2,235.4	1,690.7
EBITA*	155.0	93.5	452.1	313.8
EBITA* margin %	21.9%	20.9%	20.2%	18.6%

CENTRAL UNITS – GROUP-WIDE FUNCTIONS

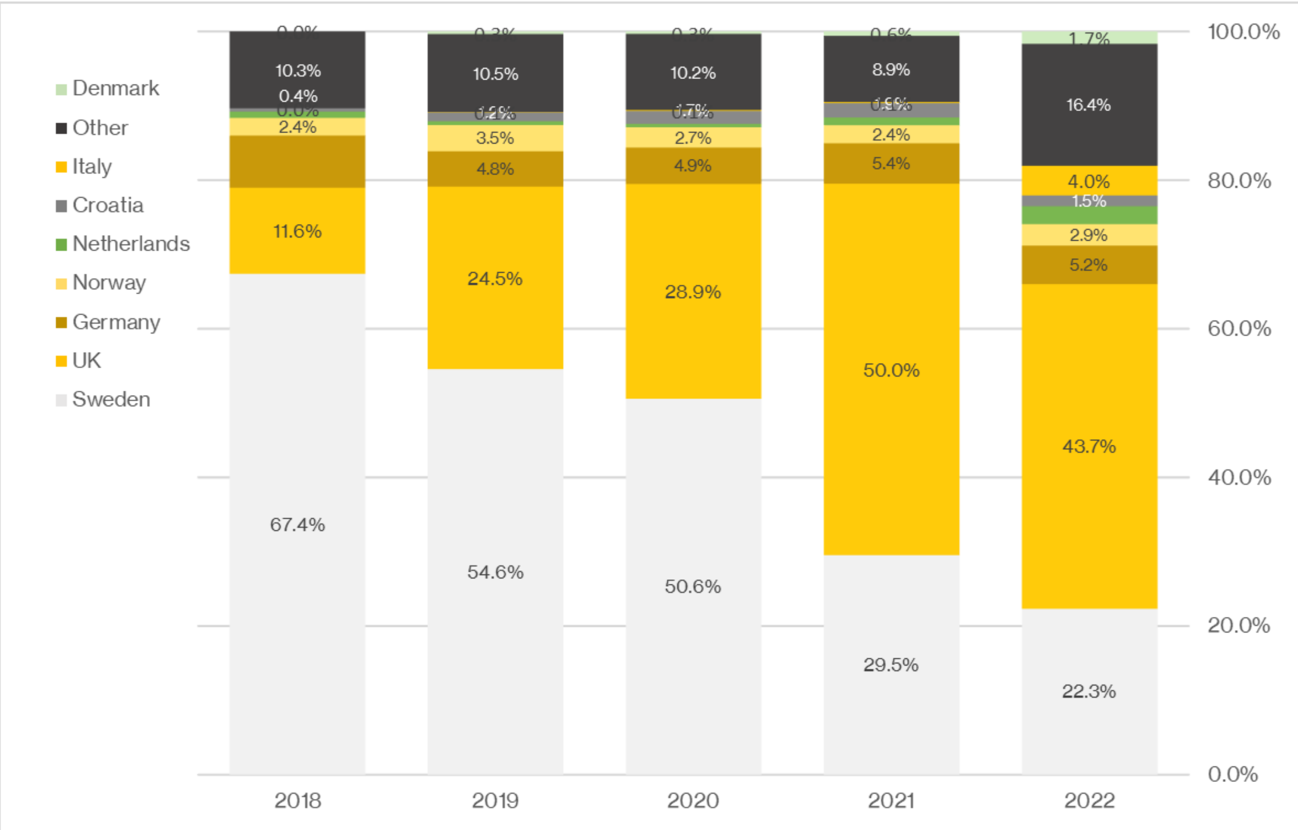
Central units consist of the Group's parent company, Sdiptech AB and the Group's holding companies. The Parent Company's revenue consists of management fees, directed to the subsidiaries for the Parent Company's services. The costs consist of costs for central functions such as management, acquisition teams, group finance and other central functions.

Comment:
EBITA* was SEK -17.1 million (-15.1) for the quarter.

Group-wide functions and eliminations (SEK m)	Oct-Dec 2022	Okt-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
EBITA*	-17.1	-15.1	-57.0	-54.1

GEOGRAPHICAL DISTRIBUTION OF SALES

Over the years, Sdiptech has acquired units outside Sweden; in Norway, Finland, the UK, and Croatia (with significant operations in Germany) and during the last 12 months also in the Netherlands, Italy and Denmark. The Group's business units have customers primarily locally and regionally in their respective geographies, but some exports also occur. Below are the Group's sales, broken down by the geographies where the customers have their main operations.



COMMENTS ON THE FINANCIAL DEVELOPMENT

FINANCIAL POSITION JANUARY - DECEMBER

Cash Flow

Cash flow from operating activities after changes in working capital, amounted to SEK 564.6 million (385.3) during the period. Cash flow generation, expressed as a percentage of profit before tax adjusted for non-cash items, increased to 80% (71) during the year. Cash flow from the good earnings is burdened during the period by continued inventory build-up to ensure capacity for the increased sales and uncertainties mainly linked to possible component shortages. During the period, this inventory build-up amounted to SEK 94.3 million (39.4). A decrease in operating receivables and an increase in operating liabilities contributed positively to cash flow in the period of a total of SEK 61.1 million (-20.9).

Cash flow from investing activities amounted to SEK -1,700.4 million (-1,083.6). The cash flow effect of completed acquisitions during the period amounted to SEK -1,125.7 million (-1,160.4), 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 –356.1 million (-108.9) during the period. Investments in property, plant and equipment amounted to SEK –123.2 million (-42.2) and investments in intangible fixed assets of SEK –84.4 (-8.9) were made during the period. The latter primarily concerns the development of the next generation of electric car chargers.

Cash flow from financing activities amounted to SEK 1,138.6 million (770.0). Through the directed share issue on November 16, 2022, the Group received SEK 492.8 million in equity, after issue costs. The redemption of warrants of series 2018/2022 contributed SEK 14.5 million to equity (13.3). Gross borrowing amounted to SEK 1,980.8 million (1,190.4) while amortisation has been made of SEK -1,275.1 million (-736.3). Dividends on the preference shares amounted to SEK -14.0 million (-14.0) and dividends to holders without controlling influence amounted to SEK -1.0 million (-6.6).

Liabilities

Interest-bearing liabilities including contingent considerations and lease liabilities amounted to SEK 3,585.9 million (2,496.1). The two largest items within interest-bearing liabilities consisted of SEK 1,944.4 million (1,166.9) in liabilities to credit institutions, and SEK 1,266.0 million (1,131.3) 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 -30.0 million (-17.3) for the period.

Revaluations of liabilities relating to contingent considerations, e.g. as an effect of lower profits than expected or an increase in the discount rate, have resulted in an income of SEK 61.6 million, which includes revaluation related to final payments of contingent consideration. The contingent consideration payments are recognised in accordance with IFRS at the present value of the estimated fair value based on the remaining term and expected outcome. The remeasurement is recognised net under other income or other external expenses.

During the period, the result was charged with SEK -5.3 million (-4.1) regarding discount rates in accordance with IFRS 16 regarding leasing liabilities.

Net debt, consisting of interest-bearing liabilities less cash and cash equivalents in remaining operations, amounted to SEK 3,202.7 million (2,127.3).

The financial net debt, according to the calculation method above but only for liabilities to credit institutions, amounted to SEK 1,561.2 million (798.1).

The key ratio Financial net debt in relation to EBITDA, which is calculated on a rolling twelve-month basis, amounted to 1.79 (1.20) as of December 31.

Financing

The Group renewed its credit agreements in the second quarter of 2022. These agreements, with two different financial institutions, run for three years with an option to extend. The agreed credit volume currently amounts to a total of SEK 2,100 million and GBP 36 million (corresponding to approximately SEK 455 million. The credits run at variable interest rates in 3-6 months intervals. However, the Group has agreements on so-called interest rate swaps, corresponding to approximately 20% of the agreed credit volume, with a 2-year maturity. In addition, the Group uses currency swaps, for a balanced exposure to GBP and EUR. Currently, these volumes amount to approximately SEK 615 million and SEK 340 million respectively.

Parent Company

The Parent Company Sdiptech AB's internal net sales, containing mainly, management fee amounted to SEK 18.3 million (15.4) for the period and profit after financial items amounted to SEK -32.0 million (-53.7).

OTHER INFORMATION

Employees

The number of employees at the end of December was 2,127 (1,673). Acquisitions completed during the last twelve months increased the number of employees by 429.

Incentive programme

Incentive programs for executives and senior executives in the Group in the form of warrants were introduced in 2018, divided into three series: series 2018/2021, series 2018/2022 and series 2018/2023. In 2021, a corresponding incentive program was introduced for warrants of series 2021/2024.

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

As of December 31, 190 590 warrants of series 2018/2023 and 337 625 warrants of series 2021/2024 are outstanding, after repurchases. The subscription price for new Class B shares subscribed for under these warrants amounts to SEK 75.20 and 463.00 SEK per share, respectively.

Risks and uncertainty factors

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

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

In February 2022, Russia's armed forces invaded Ukraine, which apart from causing great human suffering also affecting global trade and the financial markets. For Sdiptech, however, the direct business exposure in Russia and Ukraine is negligible. In addition to this, we see no significant impact on demand. Ultimately, the long-term economic consequences, including the consequences for the financial markets in general and the Group in particular, depend on the duration of the crisis and the measures taken by governments, central banks, and other public authorities. Should the situation worsen because of the war in Ukraine, risks such as increased raw material and energy prices, component shortages and availability problems can materialize and have a negative impact on the Group's possibilities to conduct its business, which would have a negative effect on the Group's earnings and financial position.

During 2022, inflation has risen sharply in most of the countries in which the Group's companies operate. This has resulted in higher prices for inputs and personnel for the Group's companies. Most of the cost increases have been or will be compensated for by increased prices towards the customer. However, there is a certain delay between these events, as the Group's companies to some extent have contracts with customers that regulate these processes over time. Rising inflation has also led central banks to raise their key interest rates, with increased borrowing costs as a result. This affects the Group to the extent that loan interest rates are variable.

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

Related-party transactions

No related party transactions occur within the group.

Events after the end of the reporting period

No significant events after the end of the reporting period.

Sdiptech Annual General Meeting 2023

The Annual General Meeting 2023 will be held on 22 May 2023, 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 2023, or the later time when it is still possible to include the matter in the convening notice.

The Annual Report is published on 24 April 2023. 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 2023 AGM. Proposals to the Nomination Committee from shareholders may be sent by e-mail to valberedningen@sdiptech.com or by post to the company's address. More information is available on www.sdiptech.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 to have financial readiness for continued acquisitions.

CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	2	1,017.5	749.1	3,505.2	2,718.9
Other operating income	2	4.9	6.7	79.9	23.1
Total income		**1,022.4**	**755.8**	**3,585.1**	**2,742.0**
Operating expenses					
Materials, contracting and subcontracting		-392.6	-320.4	-1,387.5	-1,152.6
Other external expenses		-100.9	-112.1	-321.4	-317.9
Employee expenses		-293.7	-198.4	-1,017.9	-765.5
Depreciation and amortisation of tangible non-current assets		-38.2	-25.5	-129.7	-90.4
Depreciation and amortisation of intangible non-current assets		-25.7	-16.7	-87.4	-51.2
Operating profit		**171.3**	**82.7**	**641.2**	**364.4**
Profit/loss from financial items	3				
Financial income		1.3	-	6.7	11.8
Financial expenses		-39.7	-18.7	-111.1	-51.2
Profit after financial items		**132.9**	**64.0**	**536.8**	**325.0**
Tax on profit for the period		-25.9	-17.0	-108.7	-78.1
Profit for the period		**107.0**	**47.0**	**428.1**	**246.9**
Profit attributable to:					
Parent Company's shareholders		106.8	46.7	427.1	245.9
Non-controlling interests		0.2	0.3	1.0	1.0
Earnings per share (average number), attributable to the Parent Company's shareholders during the period, less dividends to preference shareholders (in SEK per share)					
Earnings per share (before dilution)		2.81	1.22	11.53	6.62
Earnings per share (after dilution)		2.80	1.21	11.48	6.55
EBITA*		**195.6**	**153.2**	**671.1**	**509.3**
Average number of common shares		36,701,348	35,363,927	35,828,726	35,050,858
Average number of common shares after dilution		36,828,613	35,708,771	35,969,623	35,385,015
Number of ordinary shares at the end of the period		37,801,348	35,363,927	37,801,348	35,363,927

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Profit for the period	**107.0**	**47.0**	**428.1**	**246.9**
Other comprehensive income for the period				
Changes in accumulated translation differences	29.8	20.7	67.0	55.5
Comprehensive income for the period	**136.8**	**67.7**	**495.1**	**302.4**
Attributable to:				
Parent Company's shareholders	136.6	67.4	494.1	301.4
Non-controlling interest	0.2	0.3	1.0	1.0

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	31 Dec 2022	31 Dec 2021
Non-current assets			
Intangible non-current assets			
Goodwill	4	4,299.1	3,183.3
Other intangible assets		1,101.6	664.8
Tangible non-current assets			
Tangible non-current assets		403.4	239.6
Right-of-use assets		377.2	195.9
Financial non-current assets			
Other financial non-current assets		15.2	10.6
Total non-current assets		**6,196.5**	**4,294.2**
Current assets			
Completed products and goods for resale		562.4	323.7
Accounts receivable		687.0	498.2
Other receivables		47.7	66.3
Current tax assets		38.5	40.9
Prepaid expenses and accrued income		180.5	99.8
Cash and cash equivalents		383.2	368.8
Total current assets		**1,899.3**	**1,397.7**
Total assets		**8,095.8**	**5,691.9**
Shareholders' equity			
Shareholders' equity attributable to Parent Company's shareholders			
Share capital		1.0	0.9
Other contributed capital		2,068.9	1,555.8
Reserves		0.9	0.9
Profit/loss brought forward including earnings for the period		1,446.3	966.8
Total equity attributable to Parent Company's shareholders		**3,517.2**	**2,524.4**
Non-controlling interests		4.8	4.8
Total shareholders' equity		**3,521.9**	**2,529.1**
Long term liabilities			
Interest-bearing long-term liabilities	5	3,317.6	2,082.9
Non-interest-bearing long-term liabilities		252.9	150.9
Total long term liabilities		**3,570.5**	**2,233.8**
Short term liabilities			
Interest-bearing short-term liabilities	5	268.4	413.2
Non-interest-bearing short-term liabilities		735.1	515.8
Sum short term liabilities		**1,003.5**	**929.0**
Total liabilities		**4,574.0**	**3,162.8**
Total shareholders' equity and liabilities		**8,095.8**	**5,691.9**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

		Shareholders' equity attributable to Parent Company shareholders						
(SEK m)	Note	Share capital	Other contr. capital	Reserves	Retained earnings	Total	Non-controlling interests	Share-holders' equity
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								
Dividend paid to preference shareholders	7	-	-	-	-14.0	-14.0	-	-14.0
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
Change in non-controlling interests		-	-	-	35.6	35.6	-35.6	-
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
Opening balance, January 1 2022		**0.9**	**1,555.8**	**0.9**	**966.8**	**2,524.4**	**4.7**	**2,529.1**
Income for the period		-	-	-	427.1	**427.1**	1.0	**428.1**
Other comprehensive income for the period		-	-	-	66.9	**66.9**	0.1	**67.0**
Total income for the period		**0.9**	**1,555.8**	**0.9**	**1,460.8**	**3,018.4**	**5.8,**	**3,024.2**
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-14.0	-14.0	-	-14.0
Share issue of ordinary shares series B		0.1	522.6	-	-	522.7	-	522.7
Share issue expenses		-	-9.2	-	-	-9.2	-	-9.2
Share premiums		-	-0.3	-	-	-0.3	-	-0.3
Dividend paid to non-controlling interests		-	-	-	-0.5	-	-1.0	-1.5
Total shareholder transactions		**0.1**	**513.1**	-	**-14.5**	**498.7**	**-1.0**	**497.7**
Closing balance, December 31 2022		1.0	2,068.9	0.9	1,446.3	3,517.1	4.8	3,521.9

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Continued operations				
Earnings after financial items	132.9	64.0	536.8	325.0
Adjustment for items not included in cash flow[1)]	70.1	87.7	171.6	214.7
Paid taxes	-34.2	-5.9	-110.6	-94.1
Cash flow from continuing operations before change in working capital	**168.8**	**145.6**	**597.8**	**445.6**
Cash flow from change in working capital				
Increase(-)/decrease(+) in stock	-2.4	0.5	-94.3	-39.4
Increase(-)/decrease(+) in operating receivables	30.8	-8.1	26.6	-45.7
Increase(+)/decrease(-) in operating liabilities	4.2	0.9	34.5	24.8
Cash flow from current operations	**201.4**	**138.9**	**564.6**	**385.3**
Investing activities				
Acquisitions of subsidiaries	-267.0	-339.9	-1,117.8	-1,160.4
Acquisitions of subsidiaries, paid contingent considerations	-133.3	-2.5	-356.1	-108.9
Divestment of subsidiaries	-	-	-11.0	-71.2
Consideration paid for divestment of subsidiaries	-	-	-	381.7
Acquisition of minority stakes	-	-	-	-73.7
Acquisitions of intangible non-current assets	-18.8	-8.0	-84.4	-8.9
Acquisitions of tangible non-current assets	-55.3	-23.5	-123.2	-42.2
Acquisition of business segment	-7.9	-	-7.9	-
Cash flow from investing activities	**-482.3**	**-373.9**	**1,700.4**	**-1,083.6**
Financing activities				
Warrant program	-	0.8	-0.3	16.8
New share issue	492.8	-	513.8	477.0
Loans raised	278.8	522.3	1,980.8	1,090.4
Amortisation of loans	-477.2	-178.5	-1,275.1	-736.3
Amortisation of lease liability	-18.7	-14.0	-65.6	-57.3
Dividends paid	-4.5	-10.1	-15.0	-20.6
Cash flow from financing activities	**271.2**	**320.5**	**1,138.6**	**770.0**
Cash flow for the period	**-9.7**	**85.5**	**2.8**	**71.7**
Cash and cash equivalents at beginning of year	388.5	281.4	368.8	279.5
Exchange rate difference in cash and cash equivalents	4.4	1.9	11.6	17.6
Cash and cash equivalents at end of period	**383.2**	**368.8**	**383.2**	**368.8**

1) Adjustment for items included in profit or loss after financial items but which are not cash flow affecting consists substantially without depreciation and amortization of, and revaluation of, contingent considerations.

PARENT COMPANY INCOME STATEMENT

(SEK m)	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	4.6	3.8	18.3	15.4
Other operating income	-	-	0.7	-
Total income	**4.6**	**3.8**	**19.0**	**15.4**
Operating expenses				
Other external expenses	-5.6	-5.6	-21.4	-26.2
Employee expenses	-14.0	-10.9	-48.2	-41.3
Depreciation of tangible and intangible non-current assets	-0.3	-0.1	-0.8	-0.6
Operating profit	**-15.3**	**-12.9**	**-51.4**	**-52.7**
Profit/loss from financial items				
Result from participation in Group companies	-	-	-	-19.0
Result from participation in associated companies	-	-	-	3.6
Financial income	5.1	4.2	19.7	14.8
Financial expenses	-0.1	-0.1	-0.3	-0.4
Profit/loss after financial items	**-10.3**	**-8.8**	**-32.0**	**-53.7**
Group contributions received	62.0	75.0	62.0	75.0
Group contributions provided	-	-27.6	-	-27.6
Tax on profit	-	-	0.6	-
Profit/loss for the period	**51.8**	**38.6**	**30.5**	**-6.3**

PARENT COMPANY BALANCE SHEET

(SEK m)	2022 31 Dec	2021 31 Dec
Non-current assets		
Intangible non-current assets		
Other intangible non-current assets	0.1	0.2
Tangible non-current assets		
Tangible non-current assets	1.2	1.5
Financial non-current assets		
Financial non-current assets	0.3	25.7
Receivables, Group companies	2,061.7	1,683.0
Total non-current assets	**2,063.3**	**1,710.3**
Current assets		
Receivables, Group companies	1,202.9	1,162.0
Trade receivables	-	0.3
Other receivables	1.3	1.2
Prepaid expenses and accrued income	2.8	3.3
Cash and cash equivalents	3.5	6.1
Total current assets	**1,210.5**	**1,172.8**
Total assets	**3,273.8**	**2,883.2**
Shareholders' equity		
Share capital	1.0	0.9
Share premium reserve	2,068.9	1,555.8
Retained earnings including profit/loss for the period	232.7	215.7
Total shareholder's equity	**2,302.6**	**1,772.4**
Liabilities		
Other long-term interest-bearing liabilities	841.7	664.0
Short-term liabilities to Group companies	3.0	91.4
Short-term liabilities	126.5	355.3
Total liabilities	**971.2**	**1,110.8**
Total equity and liabilities	**3,273.8**	**2,883.2**

NOTES

ACCOUNTING PRINCIPLES IN ACCORDANCE WITH IFRS

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

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

The same accounting principles and calculation bases have been applied for the Group and the Parent Company as in the preparation of the most recent annual report for the 2021 financial year.

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

New and amended standards for the financial year 2022

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

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

Estimates and assumptions are continuously assessed based on historical experience and other factors, including expectations of future events considered reasonable under prevailing conditions. For more detailed information, please refer to Note 1 of the Annual Report 2021.

Valuation of financial assets and liabilities

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

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

NOTE 2 SEGMENT REPORTING

Sdiptech reports profit from operations in two segments: Resource Efficiency and Special Infrastructure Solutions.

RESOURCE EFFICIENCY

Companies within Resource Efficiency provide niche products and services that contribute to the use of resources, such as water, energy, minerals, forest and food, in an efficient and sustainable way. The main geographic markets are northern Europe and the United Kingdom.

SPECIAL INFRASTRUCTURE SOLUTIONS

The companies within Special Infrastructure Solutions provide niche products and services for specialised needs in air and climate control, safety and surveillance and transport systems. The main geographic markets are northern Europe and the United Kingdom.

During the previous financial year, seven out of a total of nine units in the business area Property Technical Services were divested, whereupon a re-organization resulted in the remaining operations being reported under Special Infrastructure Solutions as of the third quarter of 2021.

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

Group **Net Sales (SEK m)**	**Oct-Dec 2022**	**Oct-Dec 2021**	**Jan-Dec 2022**	**Jan-Dec 2021**
Resource Efficiency	308.7	301.3	1,269.8	1,028.2
Special Infrastructure Solutions	708.8	447.7	2,235.4	1,690.7
Total Net Sales	**1,017.5**	**749.1**	**3,505.2**	**2,718.9**

Group **Operating profit (SEK m)**	**2022 okt-dec**	**2021 okt-dec**	**2022 jan-dec**	**2021 jan-dec**
Resource Efficiency	51.3	72.3	246.5	237.6
Special Infrastructure Solutions	136.6	74.8	405.8	275.8
Segment total	**187.9**	**147.1**	**652.3**	**513.4**
Central units	-16.5	-64.5	-11.1	-149.2
Total	**171.3**	**82.7**	**641.2**	**364.4**
Net financials	-38.4	-18.7	-104.4	-39.4
Profit before tax	**133.0**	**64.0**	**536.8**	**325.0**

Revenue from agreements with customers (SEK m)	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Resource Efficiency				
Products	176.1	231.6	858.9	780.8
Installation, direct	23.5	36.4	166.2	126.7
Installation, over time	68.4	19.4	86.8	69.1
Service, direct	13.6	0.7	97.2	13.6
Service, over time	22.6	9.0	42.2	23.4
Distribution	4.3	4.1	18.3	14.6
Sum Sales Resource Efficiency	**308.7**	**301.3**	**1,269.8**	**1,028.2**
Special Infrastructure Solutions				
Products	319.6	190.5	1,100.1	646.5
Installation, direct	77.7	121.8	298.1	366.1
Installation, over time	67.7	48.2	222.3	189.7
Service, direct	175.2	45.5	509.0	392.4
Service, over time	66.2	37.5	95.0	82.1
Distribution	2.5	4.3	10.9	14.0
Sum Sales Special Infrastructure Solutions	**708.8**	**447.7**	**2,235.4**	**1,690.7**
Sum Products	*495.7*	*422.2*	*1,959.0*	*1,427.3*
Sum Installation, direct	*101.2*	*158.2*	*464.3*	*492.8*
Sum Installation, over time	*136.1*	*67.5*	*309.1*	*258.8*
Sum Service, direct	*188.8*	*46.2*	*606.2*	*406.0*
Sum Service, over time	*88.8*	*46.5*	*137.2*	*105.5*
Sum Distribution	*6.8*	*8.5*	*29.2*	*28.6*
Total sales	***1,017.5***	***749.1***	***3,505.2***	***2,718.9***

Other income (SEK m)	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Resource Efficiency	1.3	5.7	5.5	9.3
Special Infrastructure Solutions	3.0	1.0	11.8	10.3
Business areas	**4.3**	**6.7**	**17.3**	**19.6**
Central units	0.5	-	62.6	3.5
Total	**4.9**	**6.7**	**79.9**	**23.1**

NOTE 3 FINANCIAL INCOME AND COST

(SEK m)	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Financial income				
Interest income	1.2	-	1.5	0.4
Net exchange gain	-	-	4.9	11.4
Other financial income	0.1	-	0.2	
Total financial income	**1.3**	**-**	**6.7**	**11.8**
Financial cost				
Interest expense on financial liabilities to credit institutions	-27.2	-8.2	-73.3	-26.0
Discount rate for lease liabilities	-1.8	-1.4	-5.3	-4.1
Discount rate on contingent considerations	-8.6	-3.4	-30.0	-17.3
Exchange rate difference	-1.4	-5.2	-	
Other financial cost	-0.8	-0.6	-2.4	-3.8
Total financial cost	**-39.7**	**-18.7**	**-111.1**	**-51.2**
Net financial cost	**-38.4**	**-18.7**	**-104.4**	**-39.4**

The Group's net financial items consist of interest expenses divided into interest expenses relating to financial liabilities to credit institutions as well as discount rates regarding leasing liabilities in accordance with IFRS 16 and contingent consideration. These conditional purchase considerations are classified as interest-bearing as they are presented at net present value, but they do not give rise to any actual interest payments that are charged to the Group's cash flow. In addition. the Group is affected by exchange rate differences regarding internal and external loans in foreign currency.

NOTE 4 GOODWILL

(SEK m)	31 Dec 2022	31 Dec 2021
Opening balance	3,183.3	**2,268.4**
Acquisitions for the period	962.2	1,041.9
Adj. of preliminary acquisition analysis	12.8	-9.4
Divested units	-	-244.9
Operations held for sale Currency translation effects	140.7	127.3
Carrying amount at end of period	**4,299.1**	**3,183.3**

Compared to 31 December 2021 goodwill increased by SEK 1,115.8 million and amount to SEK 4,299.1 million as per December 31, 2022. Acquisitions made during January to December 2022 resulted in an increase in goodwill of SEK 962.2 million.

NOTE 5 INTEREST-BEARING LIABILITIES

(SEK m)	31 Dec 2022	31 Dec 2021
Liabilities to credit institutions	1,931.3	1,156.6
Leases	286.4	135.0
Contingent consideration	1,098.3	789.6
Other non-current liabilities	1.5	1.7
Total non-current interest-bearing liabilities	**3,317.6**	**2,082.9**
Liabilities to credit institutions	13.0	10.2
Leases	87.1	60.8
Contingent consideration	167.7	341.7
Other current liabilities	0.5	0.5
Total current interest-bearing liabilities	**268.4**	**413.2**

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 2022	31 Dec 2021
Opening balance	1,131.4	**694.8**
Acquisitions	476.9	435.4
Paid purchase considerations relating previous acquisitions	-356.1	-108.9
Interest expenses (discount effect due to present value calculation)	30.0	17.6
Revaluation via operating profit	-61.6	43.0
Exchange differences	45.5	49.5
Carrying amount at period end	**1,266.0**	**1,131.4**

Revaluation of liabilities for contingent consideration was generated during the year in other income of SEK 61.6 million (-43.0). The contingent consideration is recognized in accordance with IFRS at the present value of estimated fair value based on the remaining maturity and expected outcome.

The contingent purchase prices are discounted by present value calculation. On June 30, 2022, the discount rate was adjusted from two to three percentage points, resulting in a reduction in debt of SEK 35.4 million (-). The adjustment of the discount rate takes place when the Group's borrowing rate has been increased, due to the increased policy rate.

NOTE 6 BUSINESS ACQUISITIONS

PRELIMINARY ACQUISITION ANALYSIS. regarding acquisitions during January to December 2022

(Mkr)	Agrosistemi[1]	TEL UK[2]	RDM[3]	ELM[4]	Patol[5]	Mecno[6]	Other	Sum
Intangible non-current assets	5.1	-	-	-		1.6	-	6.7
Tangible non-current assets	24.8	0.6	35.9	45.0	0.5	133.8	1.7	242.3
Other fixed assets	1.0	-	-	-	-	0.1	-	1.1
Inventories and work in progress	-	11.1	59.8	34.7	9.3	8.6	4.5	128.0
Cash and cash equivalents	42.9	16.8	27.2	-	43.6	21.0	0.1	151.6
Trade receivables [7]	28.3	27.5	45.1	40.8	9.3	41.8	4.2	197.0
Other current assets	14.7	20.7	53.3	0.1	3.0	21.2	0.3	99.7
Other long-term liabilities	-5.8	-9.6	-0.6	-31.8	-	-111.0	-	-158.2
Deferred tax	-4.9	-2.8	-3.2	-8.6	-3.4	-	-	-22.9
Current tax liability	-26.6	-23.1	-34.2	-34.8	-4.8	-57.9	-5.1	-186.5
Net identifiable assets and liabilities	**79.5**	**41.2**	**183.3**	**45.4**	**57.5**	**59.2**	**5.7**	**471.8**
Consolidated goodwill	72.7	142.8	286.7	287.9	19.7	131.5	21.1	962.4
Brand	14.2	10.5	17.7	37.9	3.9	-	-	84.2
Customer relations	71.3	55.0	67.0	33.8	11.3	42.2	-	280.6
IPR	-	-	-	28.2	-	14.4	-	42.6
Deferred tax liability	-20.5	-12.4	-16.1	-22.0	-2.9	-13.6	-	-87.5
Total calculated purchase price	**217.2**	**237.1**	**538.6**	**411.2**	**89.5**	**233.8**	**26.8**	**1,754.2**
Cash and cash equivalents	103.2	154.9	440.4	300.3	81.1	186.5	10.9	1,277.3
Contingent consideration	114.0	82.2	98.2	110.9	8.4	47.3	15.9	476.9
Total consideration	**217.2**	**237.1**	**538.6**	**411.2**	**89.5**	**233.8**	**26.8**	**1,754.2**

Liquidity impact on the Group	Agrosistemi[1]	TEL UK[2]	RDM[3]	ELM[4]	Patol[5]	Mecno[6]	Other	Sum
Acquired cash and cash equivalents	42.9	16.8	27.2	-	43.6	21.0	0.1	151.6
Transferred consideration	-103.2	-154.9	-440.4	-300.3	-81.1	-186.5	-10.9	-1,277.3
Total liquidity impact	**-60.3**	**-138.1**	**-413.2**	**-300.3**	**-37.5**	**-165.5**	**-10.8**	**-1,125.7**

Other information [8]	Agrosistemi[1]	TEL UK[2]	RDM[3]	ELM[4]	Patol[5]	Mecno[6]	Other	Sum
Run rate Net sales	89.1	64.5	172.9	274.7	39.7	142.6	32.1	815.6
Run rate profit before tax	21.0	16.1	43.2	45.1	8.8	25.0	1.6	160.8

The acquired units' contribution to the Group's sales and earnings	Agrosistemi[1]	TEL UK[2]	RDM[3]	ELM[4]	Patol[5]	Mecno[6]	Other	Sum
Acquired units' contribution to the Group's sales	94.1	87.1	149.5	168.4	8.0	18.7	4.1	525.8
Acquired units' contribution to the Group's profit before tax	24.5	41.9	55.1	20.9	2.8	4.3	0.3	149.8
Transaction costs, including stamp fee	-1.6	-4.1	-7.4	-2.6	-2.5	-1.0	-1.5	-20.7
Depreciation and write-downs of intangible assets	-4.3	-3.5	-3.3	-3.9	-0.2	-0.3	-	-15.4

[1)] Agrosistemi S.r.l and Amaltea S.a.r.l.s
[2)] Temperature Electronics Ltd and TEL UK Ltd
[3)] Resource Data Management Group Ltd with subsidaries
[4)] e-l-m Kragelund A/S
[5)] Patol Ltd and Linesense Ltd
[6] Mecno Service Srl
[7)] The receivables are measured at fair value no provision for bad debts is recognized
[8)] Run rate is based on sales and operating profit before tax. on a 12-month basis, at the time of acquisition. For foreign acquisitions, the result has been recalculated based on the price at the time of acquisition.

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

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

Transaction costs for acquisitions are expensed during the period they arise, and the services are performed. These costs, together with costs for divestments. are recognized in the income statement under the item “Other external costs”. Acquisition and divestment costs for the period January to December 2022 amounted to SEK 22.2 million (26.4), se also page 24.

Description of acquisitions during the period January - December 2022
Sdiptech AB (publ) acquired all shares in Agrosistemi Srl and Amaltea Sarl on January 31, 2022. Agrosistemi specialized in the treatment and recovery of biological sludge originated by wastewater purification with over 20 years of experience. The company is located in Piacenza, Italy, and has developed a patented treatment process that is used to clear sludge from harmful substances and convert it into high-quality organic fertilizer products. This makes it possible to replace synthetic fertilizers with organic ones, while recovering valuable resources that would otherwise be lost. The use of more organic products in soils also helps fight desertification, which is a growing problem in much of the world. Agrosistemi has an annual turnover of EUR 8.5 million, with an EBIT of EUR 2.0 million. Agrosistemi is Sdiptech's first business unit in Italy and adds complementary focus areas and expertise in waste management and bioeconomy to the Group.

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

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

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

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

The estimated contingent consideration for TEL UK amounts to SEK 82 million at the time of acquisition. The assessment is based on an assessment of the likely outcome based on forecasts for the company from the time of acquisition until the end of the period of the conditional purchase price and for the acquisition of the remaining share of shares, whereupon no holding is recognized in respect of the minority shares instead a financial liability is recognized. The liability is recognized as a contingent purchase price at the present value of the redemption amount for the shares, which is dependent on the company's earnings development. TEL UK is part of the Special Infrastructure Solutions business area.

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

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

The estimated contingent purchase price for RDM amounts to SEK 98 million at the time of acquisition after calculating the present value. The assessment is based on an assessment of the likely outcome based on forecasts for the company from the time of acquisition until the end of the period of the contingent purchase price. RDM is part of the Special Infrastructure Solutions business area.

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

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

On October 28, 2022, Sdiptech (publ) acquired all assets in Industrial Metal Products Inc (IMP), which specialises in niche products for road maintenance in the United States. IMP is Sdiptech's first acquisition in the United States and an add-on to Hilltip Oy and its subsidiary Hilltip Inc. Industrial Metal Products Inc, located in Fort Wayne Indiana, is a reputable player on the US-market in the design and manufacturing of niche products and equipment adapted for pickup trucks. The people, products, supply chain and the manufacturing footprint will become valuable assets for Hilltip's further expansion in the US.

The acquisition will have a limited effect on current financials and will be part of Hilltip Group, included in the Special Infrastructure Solutions business area, from October 2022.

At the date of the transaction, the business is valued at USD 750,000 and financing is done with own funds. The final purchase price, settled at the end of the earn-out period running until October 31, 2027, will be between USD 750,000 and USD 2,500,000, depending on the company's earnings performance during the earn-out period. A final total purchase price that is higher than the current value assumes a higher level of earnings than the current one. At the time of the acquisition, IMP has 12 employees.

On November 9, 2022, Sdiptech AB (publ) acquired all shares in Patol Ltd and Linesense Fire Detection Ltd (Patol). Patol and Linesense design, manufacture and supply niche fire safety products and systems with applications in a wide variety of infrastructure sectors, including power generation, waste recycling, road infrastructure, food production and data centres. The companies have been operating in the fire detection market since 1968. Patol and Linesense are well known for its high-quality products and systems as well as strong technical support. The companies are headquartered in Reading, Berkshire, UK with an annual turnover in excess of GBP 3.2 million with good profitability.The companies are part of the Special Infrastructure Solutions business area. Patol and

Linesense represented together as Patol, is Sdiptech's twelfth business unit in the UK and will be included in the business area of Special Infrastructure Solutions as of November 2022.

At the date of the transaction, the company is valued at GBP 7.3 million. Financing is done with own funds and bank credits. The final purchase price, which will be settled at the end of the earn-out period running until March 31, 2024, will be between GBP 7.3 million and GBP 8.0 million, depending on the company's performance during the earn-out period. A final total purchase price higher than the current value of GBP 7.3 million also assumes a higher level of profit than the current one. Patol and Linesense has 21 employees at the time of the acquisition.

The estimated contingent consideration for Patol amounts to SEK 8 million at the time of acquisition. The assessment is based on an assessment of the likely outcome based on forecasts for the company from the time of acquisition until the end of the period of the conditional purchase price. The reference point for growth is calculated on the basis of normalized annual profit at the time of acquisition.

On November 23, 2022, Sdiptech (publ) acquired all shares in Mecno Service. The company designs, manufactures and sells grinding machines specialized for trams and subway, as well as provides grinding services based on a self-developed, unique, technology. Customers worldwide are typically municipalities, cities and public transport companies, which are based on long relationships. The company is located in Venice, Italy, and is since 2008 also present in the monorail market, as well as designing and manufacturing turnouts and crossings for Translohr tramways. Strong international patents give Mecno Service's products a high degree of quality and innovation. Mecno Service has an annual turnover of EUR 13 million, with good profitability. The company is Sdiptechs second business unit in Italy and is included in the business area Special Infrastructure Solutions, from November.

At the date of the transaction, the company is valued at EUR 17.0 million. Financing is done with own funds and bank credits. The final purchase price, which will be settled at the end of the earn-out period running until December 31, 2027, will be between EUR 17.0 million and GBP 20.0 million, depending on the company's performance during the earn-out period. A final total purchase price higher than the current value of EUR 17.0 million also assumes a higher level of profit than the current one. Mecno has 30 employees at the time of the acquisition.

The estimated contingent consideration for Mecno amounts to SEK 47.0 million at the time of acquisition. The assessment is based on an assessment of the likely outcome based on forecasts for the company from the time of acquisition until the end of the period of the conditional purchase price. The reference point for growth is calculated on the basis of normalized annual profit at the time of acquisition.

If the acquired units for the year had been consolidated as of January 1, 2022, net sales for the period January to December would have amounted to approximately SEK 3,835 million and EBITA* would have amounted to approximately SEK 752 million.

NOTE 7 DIVIDENDS

In March 2015, 1.750.000 preference shares were issued with an issue price of SEK 100 per share. Dividend amounts to SEK 8 per year, divided into quarterly payments. Redemption price is SEK 120 during 0–24 months after the exhibition, SEK 110 during month 25–48, and SEK 105 thereafter. Dividends on preference shares require a general meeting resolution. The holders of the preference shares have no right to demand redemption or demand a dividend. The dividend on preference shares is regulated in the Articles of Association. The dividend amounts to SEK 14.0 million annually, divided into SEK 3.5 million per quarter, with payment in March, June, September, and December.

COMPANIES PER BUSINESS AREA

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

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

• Agrosistemi Srl (as of jan-22)	Treatment and recovery of biological sludge
• CentralByggarna i Åkersberga AB	Producer of customised switching stations and electrical automation
• Centralmontage i Nyköping AB	Producer of customised switching stations and electrical automation
• EuroTech Sire System AB	Installation and service of uninterruptible power supply
• Hansa Vibrations & Omgivningskontrol AB	Performs vibration measurements in infrastructure projects
• Hydrostandard Mätteknik Nordic AB	Replacement. renovation and calibration of water meters
• Multitech Site Services Ltd	Temporary infrastructure such as temporary electricity, water, fire protection and lighting
• Polyproject Environment AB	Installations and components for water treatment in industry and municipalities
• Pure Water Scandinavia AB	Producer of ultra-pure water products
• Rogaland Industri Automasjon AS	Control and regulating systems for water and sewerage systems
• Rolec Services Ltd (One Stop Europe Ltd)	Development and manufacture of charging equipment and systems for electric vehicles
• Topas Vatten AB	Installation and service of smaller water and wastewater treatment plants
• Unipower AB	Measuring systems for monitoring of power quality
• Vera Klippan AB	Producer of large-dimension cisterns for larger water and sewerage systems
• Wake Power Distribution Ltd (IDE Systems)	Temporary power distribution and monitoring systems
• Water Treatment Products Ltd	Preparation and manufacture of water treatment products

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

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

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

DEFINITIONS ALTERNATIVE PERFORMANCE MEASURES

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

EBITA*	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.
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.
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.
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.
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, attributable to the Parent Company's shareholders, adjusted for dividend to preference shares. for the four most recent quarters in relation to average equity, attributable to the Parent Company's shareholders, adjusted for preference capital. for the four most recent quarters on closing day.
Cash conversion	Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.
Earnings per ordinary share (number share per end of period)	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the number of ordinary shares per the end of the period.

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

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

Acquisition and divestment costs, which mainly relate to external consultants, are expensed during the periods in which they arise, and the services are performed. During the period January to December 2022 the acquisition costs also include stamp duty of SEK 4.6 million (6.8), which is a non-recurring cost.

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

Acquisition and disposal costs	Q1	Q2	Q3	Q4	Total
2022	-3.9	-10.6	-1.2	-6.5	**-22.2**
2021	-15.3	-1.9	-5.5	-3.7	**-26.4**
2020	-	-2.2	-2.2	-5.2	**-9.6**

Adjustment of liability for earnouts (SEK m)	Q1	Q2	Q3	Q4	Total
2022	-5.8	38.0	28.9	0.5	**61.6**
2021	-2.5	-	-0.7	-39.8	**-43.0**
2020	-	-	-	-13.5	**-13.5**

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

For acquisitions, part of the purchase price is allocated to goodwill and amortisable intangible assets, also see Note 4. The heading "Amortisation and write-downs of intangible fixed assets" includes any write-downs of goodwill. Amortisation, which is a result of 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 2022	Oct-Dec 2021	Full year 2022	Full year 2021
EBITA*	**195.6**	**153.2**	**671.1**	**509.3**
Adjustment of liability for earnouts	0.5	-39.8	61.6	-43.0
Acquisition and divestment cost	-6.5	-3.7	-22.2	-26.4
Result of divestments	-	-11.0	-	-31.4
Adjustment of previous years, not material	-	-3.7	-4.4	-3.7
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	7.2	4.1	22.2	10.6
EBITA	**197.0**	**99.3**	**728.6**	**415.6**
Non-acquisition-related amortization and write-downs of intangible fixed assets	-7.2	-4.1	-22.3	-10.6
Acquisition-related amortization and write-downs of intangible fixed assets	-18.4	-12.6	-65.1	-40.6
EBIT	**171.3**	**82.7**	**641.2**	**364.4**

EBITA*-margin
EBITA* in relation to Net Sales

EBITA* in relation to Net Sales (SEK m)	Oct-Dec 2022	Oct-Dec 2021	Full year 2022	Full year 2021
EBITA*	195.6	153.2	671.1	509.3
Net Sales	1,017.5	749.1	3,505.2	2,718.9
EBITA* margin %	**19.2**	**20.5**	**19.1**	**18.7**

EBITDA

Operating profit before depreciation and impairment losses.

EBITDA (SEK m)	Oct-Dec 2022	Oct-Dec 2021	Full year 2022	Full year 2021
Operating profit	171.3	82.7	641.2	364.4
Depreciation and amortisation of tangible non-current assets	38.2	25.5	129.7	90.4
Depreciation and amortisation of intangible non-current assets	25.7	16.7	87.4	51.2
EBITDA	**235.2**	**124.9**	**858.3**	**506.0**

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

Average interest-bearing financial net debt (SEK m)	Average	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Interest-bearing financial debt	1,904.8	1,944.4	2,162.5	2,170.3	1,342.1
Cash and cash equivalents	-369.1	-383.2	-388.5	-436.3	-268.6
Interest-bearing financial net debt	**1,535.7**	**1,561.2**	**1,774.0**	**1,734.0**	**1,073.4**

Average Financial net debt in relation to EBITDA (SEK m))	Full year 2022	Full year 2021
Interest-bearing financial net debt	1,535.7	607.3
EBITDA	858.3	506.0
Financial net debt/EBITDA	**1.79**	**1.20**

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 2022	Q3 2022	Q2 2022	Q1 2022
Interest-bearing liabilities	3,414.7	3,585.9	3,678.5	3,697.8	2,696.7
Cash and cash equivalents	-369.1	-383.2	-388.5	-436.3	-268.6
Interest-bearing net debt	**3,045.6**	**3,202.7**	**3,290.0**	**3,261.5**	**2,428.1**

Average net debt in relation to EBITDA (SEK m)	Full year 2022	Full year 2021
Interest-bearing net debt	3,045.6	1,709.9
EBITDA	858.3	506.0
Net debt/EBITDA	**3.55**	**3.38**

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 2022	Q3 2022	Q2 2022	Q1 2022
Interest-bearing net debt	3,045.6	3,202.7	3,290.0	3,261.5	2,428.1
Shareholders' equity	2,950.3	3,521.9	2,897.3	2,763.7	2,618.4
Capital employed	**5,995.9**	**6,724.7**	**6,187.3**	**6,025.1**	**5,046.5**

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 2022	Full year 2021
EBITA	728.6	415.6
Capital employed	5,995.9	4,144.3
Return on capital employed %	**12.2**	**10.0**

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

Average adjusted net profit in relation to average equity (SEK m)	Full year 2022	Full year 2021
Profit after tax. adjusted	413.1	231.7
Equity	2,770.1	2,245.2
Return on capital employed %	**14.9**	**10.3**

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

Cash flow generation %	Oct-Dec 2022	Oct-Dec 2021	Full year 2022	Full year 2021
EBT	132.9	64.0	536.8	325.0
Adjustment for items not included in cash flow	70.1	87.7	171.6	214.7
Adjusted EBT	**203.0**	**151.7**	**708.4**	**539.7**
Cash flow from continuing operations	201.4	138.9	564.6	385.3
Cash flow generation %	**99.2**	**91.6**	**79.7**	**71.4**

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 2022	Oct-Dec 2021	Full year 2022	Full year 2021
Profit/loss attributable to Parent Company's shareholders	106.8	46.7	427.1	245.9
Dividend paid to preference shareholders	-3.5	-3.5	-14.0	-14.0
Profit/loss attributable to Parent Company's shareholders	**103.3**	**43.2**	**413.1**	**231.9**
Number of ordinary shares outstanding (thousand)	37,801	35,364	37,801	35,364
Earnings per ordinary share	**2.73**	**1.22**	**10.93**	**6.56**

STOCKHOLM 10 FEBRUARY 2023

Jakob Holm
President and CEO

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

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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 2023 at 08.00 CET.

UPCOMING REPORTS

Annual Report 2022	24 April 2023
Interim report January - March 2023	4 May 2023
Annual General Meeting	22 May 2023
Interim report April - June 2023	21 July 2023
Interim report July-September 2023	27 October 2023
Year-end report for för 2023	9 February 2024

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 2023