



INTERIM FINANCIAL  
REPORT

Q3

2020

JULY - SEPTEMBER



## SELECTED FINANCIAL INFORMATION

Period	Net sales	EBITA*	EBIT	Earnings for the period after tax	Earnings <sup>1)</sup> per ordinary share after dilution
Jul - Sep 2020	515.9 MSEK (441.6)	92.8 MSEK (63.9)	86.6 MSEK (51.1)	87.1 MSEK (41.9)	2.44 SEK (1.26)
Jan – Sep 2020	1,483.7 MSEK (1,312.4)	246.4 MSEK (178.5)	233.4 MSEK (142.3)	177.3 MSEK (109.9)	5.16 SEK (3.22)
LTM 30 Sep 2020	1,996.7 MSEK (1,731.5)	330.1 MSEK (235.0)	312.9 MSEK (184.3)	232.6 MSEK (135.3)	6.81 SEK (3.87)

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

### THIRD QUARTER 2020

- Operating profit EBITA\* increased by 45.2% compared to the previous year to SEK 92.8 million (63.9), corresponding to an EBITA\* margin of 18.0% (14.5). Organic EBITA\* growth for the Group was 18.6%, excluding currency effects.
- Net sales increased by 16.8% to SEK 515.9 million (441.6). In total for the Group, organic sales growth was 8.2%, excluding currency effects.
- Profit after acquisition costs before financial items (EBIT) increased by 69.5% and amounted to SEK 86.6 million (51.1).
- Earnings after tax for the Group amounted to SEK 87.1 million (41.9), of which SEK 86.5 million (41.7) was attributable to the Parent Company's shareholders.
- Cash flow from current operations amounted to SEK 74.6 million (87.9), corresponding to a cash conversion of 58.8% (148.7).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares amounted to SEK 2.47 (1.26). After dilution, earnings per shares amounted to SEK 2.44 (1.26).
- On July 24, Sdipotech acquired all shares in Alerter Group Ltd.
- In May 2018, Sdipotech's shareholding in the Support business was divested. The deal included a number of additional purchase payments that were realized during the quarter, which had a positive effect on earnings of approximately 27 million. The cash settlement of the remaining cash and cash equivalents took place in October 2020, which was earlier than previously communicated.

### FIRST NINE MONTHS 2020

- Operating profit EBITA\* increased by 38.0% to SEK 246.4 million (178.5), corresponding to an EBITA\* margin of 16.6% (13.6). Organic EBITA\* growth for the Group was 17.8%, excluding currency effects.
- Net sales increased by 13.1% to SEK 1,483.7 million (1,312.4). In total for the Group, organic sales growth was 2.1%, excluding currency effects.
- Profit after acquisition costs before financial items (EBIT) increased by 64.0% and amounted to SEK 233.4 million (142.3).
- Earnings after tax for the Group amounted to SEK 177.3 million (109.9), of which SEK 175.4 million (107.9) was attributable to the Parent Company's shareholders.
- Cash flow from current operations amounted to SEK 296.5 million (208.7), corresponding to a cash conversion of 99.1% (108.9).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 5.20 (3.22). After dilution, earnings per shares amounted to SEK 5.16 (3.22).
- During the period January to September, three acquisitions were completed: Oy Hilltip Ab, Stockholmradi AB and Alerter Group Ltd.
- In addition, a directed share issue was carried out in June of approximately SEK 353 million.

### COMMENT ON THE IMPACT OF COVID-19

The result for the first nine months of the year includes a total of SEK 7.7 million in government support connected to covid-19, of which SEK 2.0 million was received during the third quarter. Support has only been sought and received for business units that have been negatively affected.

### KEY RATIOS (for definitions, please refer to page 22)

SEK million	3 months		9 months		12 months	
	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM 30 Sep 2020	Jan-Dec 2019
EBITA* margin	18.0%	14.5%	16.6%	13.6%	16.5%	14.4%
Net debt/EBITDA, multiple	2.62	3.08	2.62	3.08	2.62	3.11
Financial net debt/EBITDA, multiple	0.87	1.08	0.87	1.08	0.87	1.21
Return on capital employed	13.2%	12.6%	13.2%	12.6%	13.2%	12.6%
Return on equity	16.7%	12.4%	16.7%	12.4%	16.7%	15.1%
Cash flow generation	58.8%	148.7%	99.1%	108.9%	105.3%	114.7%

\*) EBITA\* is the Group's operating profit and corresponds to EBITA before acquisition costs and before income from remeasurements of contingent consideration payments, see page 7.



## COMMENTS BY THE CEO

### SDIPTech IS GOING STRONG IN AN UNCERTAIN MARKET

The year has continued to be characterized by a troubled world. Despite this, the first nine months of 2020 have been strong for SdipTech. Our overall goal is to increase profits through both organic growth and acquisitions. During the past three quarters, EBITA\* profit increased by a total of 38.0 percent, of which 17.8 percent was organic, 21.0 percent from acquisitions and -0.8 percent from currency effects. In addition, the EBITA\* margin has been strengthened by three percentage points to 16.6 (13.6) percent. Cash flow generation amounted to 99.1 (108.9) percent and earnings per share increased to SEK 5.16 (3.22).

#### QUARTER – Strong end to an already stable quarter

There are still uncertainties about how long the current pandemic will last, and how its impacts may affect our society. However, its effect on SdipTech's operations remains limited, which is related to our role as a provider of solutions to critical infrastructure needs. Several of our operations have begun to catch up on delayed orders, and during the end of the quarter most of our business units delivered according to plan or over. This has resulted in us being able to increase our delivery levels compared to last year, corresponding to an organic sales increase of 8.2 percent, excluding currency effects.

The Group showed very strong organic EBITA\* growth of 18.6 percent during the quarter, without currency effects. An important reason for this profit growth is the extra high delivery levels in the quarter when delayed orders are catching up. When this happens in business units with scalable business models, the sales increase has a clear result effect on the bottom line. Another reason is that a large part of the cost savings that were implemented in the spring remains. Our business units were cost-effective even before the pandemic, but as in all crises, unnecessary expenses and structures are identified, which is why measures linked to these will be permanent. However, other investments that have been paused but are assessed as long-term value-creation, will be resumed as soon as possible. Overall, we still have extra high profitability, resulting in operating margins during the period, which should not be considered as permanent.

#### ACQUISITIONS - Welcome Alerter Group

During the quarter, we acquired Alerter Group Ltd, which is our sixth business unit in the UK. Alerter Group specializes in radio-based fire alarm systems for the deaf and hard of hearing, radio-based emergency rescue systems, and other adaptable communication systems for so-called high-risk workplaces. Their main customers are schools and universities. With the help of Alerter Group's communication system, people with disabilities have a faster and safer opportunity to get out of a building, which can be a decisive factor when there is a fire.

In addition, we have completed the divestment of the Support Operation, which provided administrative services in areas such as law, acquisitions and marketing communications and which until the spring of 2018 was owned by SdipTech. Subsequently, and as part of the strategic refinement of SdipTech's core business towards products and services for critical infrastructure needs, SdipTech divested its holding. The deal included a number of additional purchase payments that were realized during the third quarter of 2020.

#### OUTLOOK – Increased drivers for investments in sustainable infrastructure

With the threat of a second pandemic wave and an American presidential election around the corner, there is much to suggest that the remaining months of the year will continue to be marked by uncertainties in the world. Despite this, we are optimistic. In connection with the restart of the economy, we are seeing new efforts and a completely new will to move towards a more sustainable society. Infrastructure has a given role in this change. For example, too little is still invested in infrastructure for municipal water and sewage supply. There is a great need for renewal, climate adaptation and upgrading of pipe networks and waterworks that must be able to cope with increased capacity and environmental requirements. There is also a large waste of heat where large proportions of the energy required to heat our properties leak out. We also have a shortage of capacity in the electricity grid networks and most regions have delivery problems to an increased supply need. There is thus a great need to invest more in sustainable infrastructure, not least in water, energy and transport - three capital-intensive areas that are central to society's long-term welfare and growth.

SdipTech's margin strengthening, which has been going on for a long time, continues. Partly organic, as a result of our focus on building strong market positions, partly as a result of positive margin additions from acquisitions. This has previously been particularly clear in Special Infrastructure Solutions, but also applies to Water & Energy. At the same time and as mentioned earlier, there is a high level of profitability given the extra high delivery right now, but also due to temporary savings that have lasted a little longer than we previously anticipated. With all this in mind, we increase the guidance for the EBITA\* margin for Special Infrastructure Solutions from 22–25 percent to 28–30 percent for the full year 2020, and for Water & Energy from 17–20 percent to 19–21 percent for the full year 2020.

In summary, SdipTech is doing well through this uncertain 2020 and we have a strong belief in our business model and the driving force that underlines the demand in our operations' offerings. So far this year, the Group has shown organic profit growth of 17.8 percent and the goal of profit growth of 5–10 percent will in all probability be exceeded for the full year. Regarding acquisitions, we have so far bought companies corresponding to SEK 37 million EBITA. However, we have a solid pipeline, and we are sticking to our goal of acquiring SEK 90 million in added EBITA in 2020.

Finally, I would like to extend a big thank you for the trust to our 1,515 new shareholders that were added during the third quarter. And it is exciting that we have more than doubled the number of shareholders in one year. In addition, I would like to thank all our dedicated employees for your commitment and strong efforts that continue to show fantastic leadership and business acumen.



Jakob Holm  
VD, SdipTech AB (publ.)

# OVERVIEW OF OPERATIONS

## FINANCIAL POSITION FOR THE GROUP

### JULY - SEPTEMBER

#### Net sales

Net sales for the Group amounted to SEK 515.9 million (441.6) during the third quarter. Net Sales in comparable units, i.e. companies that were part of the Group during the whole period and the whole comparative period, amounted to SEK 442.1 million (415.2), which corresponded to an organic change of 8.2% for the period excluding currency effects. The currency effect of the quarter on comparable units was -1.7%. Non-comparable units contributed SEK 73.8 million (26.4) to Net Sales for the period. Also see Business areas, page 5-6.

#### Earnings

During the third quarter, EBITA\* amounted to SEK 92.8 million (63.9) in total for the Group. EBITA\* adjusted for grants received of SEK 2.0 million (0.0) amounted to SEK 90.8 million (63.9), corresponding to an EBITA\* margin of 17.7% (14.5).

EBITA\* in comparable units, i.e. companies that were part of the Group during the whole period and the whole comparative period, amounted to SEK 73.5 million (62.8), which corresponded to an organic growth of 18.6% for the period excluding currency effects. The currency effect of the quarter on comparable units was -1.7%. Incomparable units contributed SEK 27.1 million (6.7) to the profit for the period.

Through the realization of an additional purchase consideration linked to the sale of the previous support operations, the Group's net financial items were positively affected by SEK 26.9 million. In other respects, net financial items consist of exchange rate differences of SEK -1.2 million (10.8) as well as SEK -5.2 million (-5.7) in interest cost (including discount rates of SEK -0.9 million (-0.6) according to IFRS 16 Leasing and SEK -2.8 million (-1.8) regarding contingent purchase prices.

During the third quarter, profit after tax amounted to SEK 87.1 million (41.9).

#### Acquisitions and disposals during the period

On July 24, 2020, Sdiptech acquired all shares in Alerter Group Ltd. Alerter is a British technology company providing emergency communications systems for disabled people in the UK and Ireland. Alerter has a turnover of approximately GBP 3 million with good profitability.

### JANUARY-SEPTEMBER

#### Net sales

Net sales for the Group amounted to SEK 1,483.7 million (1,312.4) for the first nine months of the financial year. Net sales in comparable units, i.e. companies that were part of the Group during the whole period and the whole comparative period, amounted to SEK 1,220.0 million (1,200.0), which corresponded to an organic change of 2.1% for the period excluding currency effects. The currency effect of the period on comparable units was -0.4%. Non-comparable units contributed SEK 263.7 million (112.4) to Net Sales for the period. For more detailed information, refers to Business Areas, pages 5-6.

#### Earnings

During the first nine months, EBITA\* amounted to SEK 246.4 million (178.5) in total for the Group. EBITA\* adjusted for grants received of SEK 7.7 million (0.0) amounted to SEK 238.7 million (178.5), corresponding to an EBITA\* margin of 16.2% (13.6).

EBITA\* in comparable units, i.e. companies that were part of the Group during the entire period and the entire comparison period amounted to SEK 190.9 million (163.2), which corresponds to an organic increase of 17.8%, excluding currency effects. The currency effect of the period on comparable units was -0.8%. Incomparable units contributed SEK 80.4 million (31.7) to the profit for the period.

The Group's net financial items were positively affected by SEK 26.9 million through the realization of an additional purchase consideration linked to the sale of the support operations that took place in 2018. In other respects, net financial items consist of exchange rate differences, realized as well as unrealized, which correspond to SEK -10.7 million (18.5) as well as SEK -24.6 million (-18.3) in interest cost, including discount rates of SEK -2.2 million (-1.8) according to IFRS16 Leasing and SEK -8.5 million (-5.5) regarding contingent liabilities. Other financial expenses amount to SEK -0.2 million (-5.2).

During the first nine months of the year, profit after tax amounted to SEK 175.4 million (109.9).

During the period January to September, three acquisitions were completed, Oy Hilltip Ab, Stockholmradio AB and Alerter Group Ltd. In addition, a directed share issue was carried out contributing SEK 353 million, before issue costs.

Group EBITA* (SEK m)	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM Sep 2020	Jan-Dec 2019
Water & Energy	32.3	25.3	93.0	83.6	132.1	122.8
Special Infrastructure Solutions	53.3	26.0	138.2	67.3	176.8	105.9
Property Technical Services	15.0	18.2	40.2	44.5	56.2	60.5
<b>Business areas</b>	<b>100.6</b>	<b>69.5</b>	<b>271.3</b>	<b>195.5</b>	<b>365.0</b>	<b>289.2</b>
Central units	-7.8	-5.6	-24.9	-17.0	-34.9	-27.0
<b>Total</b>	<b>92.8</b>	<b>63.9</b>	<b>246.4</b>	<b>178.5</b>	<b>330.1</b>	<b>262.2</b>

## BUSINESS AREAS

Infrastructure is in focus around the world for many reasons. Examples of areas we have identified as particularly important for the development of society, and that therefore are showing good demand, are water, energy, climate control, communication, transport and security. We have therefore for a long time directed our acquisition work towards precisely these areas. The business is divided into three business areas: Water & Energy, Special Infrastructure Solutions and Property Technical Services.



For a description of the business areas' operations and which companies are included in each business area, see Description Business areas, page 20.

### WATER & ENERGY

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

#### Comments to the financial development:

The business area's sales decreased by 3.8% for the third quarter to SEK 146.7 million (152.5) compared with the previous year. We see a continued stable demand. The decrease in sales, which are considered temporary, applies to a few units within the sub-segment Energy.

The units in the UK have returned to normal activity, as local restrictions were limited during the quarter, areas as sales of disinfectants and pool products have been strong.

EBITA\* for the third quarter increased by 27.6% to SEK 32.3 million (25.3). Companies in both temporary electricity and water and sanitation have shown a strong profit trend. All companies in the business area are comparable for the period.

The EBITA\* margin increased during the third quarter to 22.0% (16.6). The margin strengthening stems partly from growth in units with high margins, partly from cost savings and received grants/cost reductions. During the period, the business area received grants of SEK 1.1 million. Excluding these items, the EBITA\* margin was 21.5% (16.6).

The EBITA\* margin for the full year 2020 is expected to exceed what was previously guided and will therefore be increased from 17–20% to 19–21% for the full year 2020. This is because the subsidiaries continue to work under strict cost control and to some extent receive grants/subsidies.

Water & Energy (SEK m)	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM Sep 2020	Jan-Dec 2019
Net sales	146.7	152.5	450.7	470.7	621.4	641.4
EBITA*	32.3	25.3	93.0	83.6	132.1	122.8
EBITA* margin %	22.0%	16.6%	20.6%	17.8%	21.3%	19.1%

### SPECIAL INFRASTRUCTURE SOLUTIONS

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

#### Comments to the financial development:

The business area's sales increased by 45.7% to SEK 180.8 million (124.19) for the third quarter. Acquisitions and a good development in Air & Climate control, where the underlying driving forces are strong in the long term, contributed to the strong growth. In comparable units, sales increased by 9.5%.

No special impacts from covid-19 were noted during the quarter, but uncertainty ahead remains. Potential new restrictions in the UK could affect the business area's companies in the coming quarters.

EBITA\* for the third quarter increased by 105.2% to SEK 53.3 million (26.0). In comparable units, EBITA\* increased by 35.7%. The EBITA\* margin increased during the third quarter to 29.5% (21.0). A number of units, e.g. in Air & Climate control and Security had a positive earnings trend. Several units also had historically high profit margins due to scalable business models. The continued strict cost control has also contributed to the good margin.

The business area received grants in the period of SEK 0.8 million. Excluding these items, the EBITA\* margin was 29.2% (21.0).

The EBITA\* margin for the full year 2020 is expected to exceed what was previously guided and will therefore be increased from 22–25% to 28–30% for the full year 2020.

Special Infrastructure Solutions (SEK m)	Jul-Sep 2020	Jul-Sep 2019	an-Sep 2020	Jan-Sep 2019	LTM Sep 2020	Jan-Dec 2019
Net sales	180.8	124.1	487.4	327.0	639.8	479.4
EBITA*	53.3	26.0	138.2	67.3	176.8	105.9
EBITA* margin %	29.5%	21.0%	28.4%	20.6%	27.6%	22.1%

### PROPERTY TECHNICAL SERVICES

The objective for the business area is primarily to develop existing companies in order to further strengthen our market positions in each market segment.

#### Comments to the financial development:

The business area's sales increased by 14.2% for the third quarter to SEK 188.4 million (165.0). EBITA\* for the third quarter decreased by 17.6% to SEK 15.0 million (18.2). The EBITA\* margin amounted to 8.0% for the quarter (11.1). All companies in the business area are comparable for the period.

The good order intake for the Group's companies in shell completion has continued to be realized. Some units within the sub-segment Elevator have also had good sales. However, the business units in elevator and roof safety have seen lower profit margins, partly due to certain restructuring costs, but also due to some continued restrictions on the mobility of technical staff in Central Europe. The business area has received grants in the period of SEK 0.2 million. Excluding these items, the EBITA\* margin was 7.9% (11.1).

The EBITA\* margin for the full year 2020 is expected to amount to approximately 8–10%.

Property Technical Services (SEK m)	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM Sep 2020	Jan-Dec 2019
Net sales	188.4	165.0	545.6	514.9	735.5	704.8
EBITA*	15.0	18.2	40.2	44.5	56.2	60.5
EBITA* margin %	8.0%	11.1%	7.4%	8.6%	7.6%	8.6%

### CENTRAL UNITS – GROUP-WIDE FUNCTIONS AND ELIMINATIONS

Central units consist of the Group's parent company, Sdiptech AB, the Group's holding company. The Parent Company's revenue consists of an internally invoiced management fees, directed to the subsidiaries for the parent company's services. The result below is reported after group elimination of such revenues.

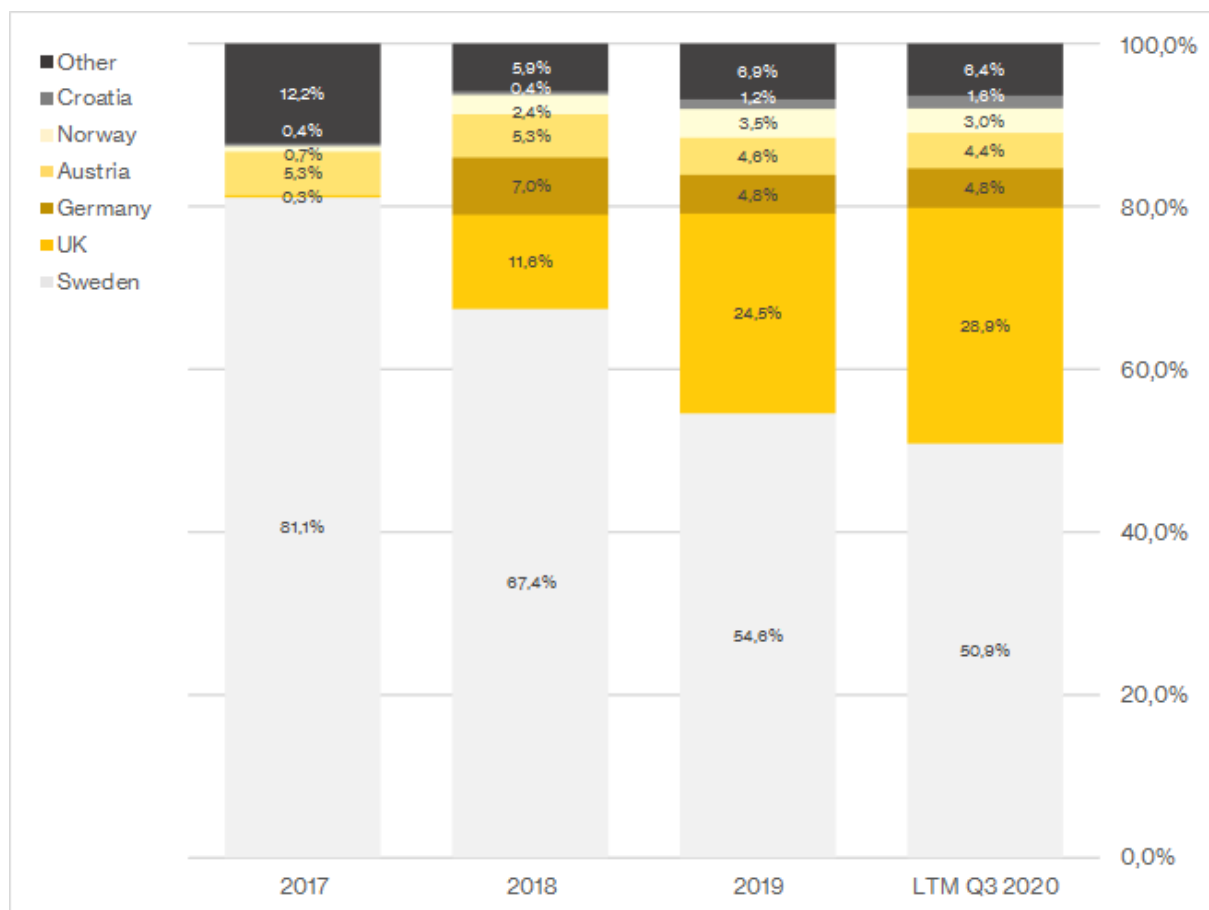
#### Comment:

EBITA\* amounted to SEK -7.8 million (-5.6) for the third quarter. The cost increase mainly consists of increased staffing in the Group's parent company by building up its own acquisition team that replaced the previous external team. Also increased activities within investor relations and cost for advisors have been charged to the period.

Group-wide functions and eliminations (SEK m)	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	LTM Sep 2020	Jan-Dec 2019
EBITA*	-7.8	-5.6	-24.9	-17.0	-34.9	-27.0

### GEOGRAPHICAL DISTRIBUTION OF SALES

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



**EBITA\***

\*consists of EBITA before acquisition costs and before amortization and write-downs of intangible fixed assets that arose in connection with acquisitions and before revaluation of contingent consideration payments.

Acquisition costs related to a specific acquisition are recorded in full at the time of completion of the acquisition. Accordingly, transaction costs arise as acquisitions are completed, and not as costs are incurred.

**Adjustment items for EBITA\***

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

Acquisition cost	Q1	Q2	Q3	Q4	Total
2020	-	2.2	2.2		4.4
2019	18.8	2.0	10.8	0.3	31.9
2018	11.9	4.4	2.1	2.7	21.1

**Adjustment of liability for earnouts**

	Q1	Q2	Q3	Q4	Total
2020	-	-	-		-
2019	-	51.0	-	9.3	60.3
2018	-	-	14.7	19.2	33.9

Effects on EBITA\*, compared with EBITA, are distributed as follows:

	Q3 2020	Jan- Sep 2020	Full year 2019
<b>EBITA* to EBIT bridge</b>			
<b>EBITA*</b>	92.8	246.4	262.2
Adjustment of liability for earnouts	-	-	60.3
Acquisition costs	-2.2	-4.4	-31.9
<b>EBITA</b>	90.6	242.0	290.7
Depreciation and amortisation of intangible non-current assets	-4.0	-8.5	-68.8
<b>EBIT</b>	86.6	233.4	221.9

# COMMENTS ON THE FINANCIAL DEVELOPMENT

## FINANCIAL POSITION JANUARY - SEPTEMBER

### Cash flow

Cash flow from operating activities after changes in working capital amounted to SEK 296.5 million (208.7). Cash flow generation, expressed in percentage of profit before tax adjusted for non-cash items, decreased during the period January to September to 99.1% (108.9). Cash flow during the third quarter was lower, 58.8% (148.7), as the Group's companies now settled operating liabilities which due to the pandemic was postponed during the second quarter.

Cash flow from investing activities was negative in the amount of SEK -308.6 million (-521.6). The cash flow effect of completed acquisitions (see also Note 5) amounted SEK -230.8 million (-473.0) for the period. Cash flow related to payment of acquisitions from previous years during the period amounts to negative SEK -66.4 million (-26.1). Investments in tangible non-current assets amounted to a negative SEK -9.0 million (-17.8) and investments in intangible non-current assets amounted to a SEK -2.4 million (-8.0).

Cash flow from financing activities amounted to SEK 81.8 million (160.6). Through a directed share issue on June 10, the Group has received SEK 347.1 million in equity, after issue costs. Amortisation of loans has been made by SEK -213.9 million (-17.8). Dividends on preference shares amounted to SEK -10.5 million (-10.5).

### Liabilities

Interest-bearing liabilities including earnouts and finance leases amounted to SEK 1,224.9 million (1,421.9). The two largest items within interest-bearing liabilities amounted to SEK 470.5 million (690.4) in liabilities to credit institutions, and SEK 567.6 million (603.0) in deferred payments of purchase considerations for acquisitions, so-called contingent consideration payments.

These contingent consideration liabilities are classified as interest-bearing as they are presented at net present value, but they do not give rise to any actual interest payments that are charged to the Group's cash flow until final settlement. However, a discounted interest rate is booked as a financial expense for the period. The Group's Financial expenses includes this interest rate of SEK -8.5 million (-5.5) in the first nine months of 2020.

Due to covid-19, any need for impairment of intangible assets, including goodwill, has been considered. The assessment has been made on the Group's cash-generating units based on available information and forecasts. The assessment has shown that there is no need for impairment. During the first nine months of the comparative year 2019, impairment testing of goodwill took place for the companies whose additional purchase consideration was revalued, which resulted in an impairment loss of (-51.0).

Revaluation of liabilities regarding contingent consideration has not had any effect on earnings during the first nine months of 2020. For the comparison year 2019, a revaluation of (-51.0) was made with corresponding income. Last year, an adjustment was also made for preliminary acquisition analyses (SEK -18.3) million, which was adjusted against goodwill.

During the period, the result was charged with SEK -2.2 million (-1.8) regarding discount rates in accordance with IFRS 16 regarding leasing liabilities.

Net debt, consisting of interest-bearing liabilities less cash and cash equivalents in remaining operations, amounted to SEK 1,009.5 million (1,245.9).

The key ratio Financial net debt in relation to EBITDA, which is calculated on a rolling twelve-month basis, amounted to 0.87 (1.08) as of 30 September.

### Parent Company

The Parent Company Sdiptech AB's internal net sales during the period January to September amounted to SEK 8.1 million (6.1) and profit after financial items amounted to SEK 5.4 million (0.8).

## OTHER INFORMATION

### Employees

The number of employees at the end of September was 1,358 (1,262). Acquisitions made during the period increased the number of employees by 75.

### Incentive programme

During the spring of 2018, a long-term incentive programme for managers and senior executives within the Group was introduced. The programme is based on warrants for Series B shares and is issued in three series. Outstanding programmes mean that shares can be subscribed on three different occasions, with deviation from the shareholders' preferential right, after three, four and five years, respectively, from the issue.

The incentive program comprises a maximum of 756,000 warrants, of which 666,300 warrants have been subscribed to three series so far: 222,100 warrants of the 2018/2021 series, 222,100 warrants of the 2018/2022 series and 222,100 warrants of the 2018/2023 series. The subscription price for new B shares subscribed based on these warrants amounts to SEK 59.80, 67.10 and 75.20 per share.

### Risks and uncertainty factors

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

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

At the beginning of 2020, the virus outbreak of covid-19 has had a major negative impact on society. Sdiptech is primarily affected by the fact that employees may fall ill, have difficulty getting to their workplace and perform their job or that certain inputs to the Group's companies receive delayed deliveries. Sdiptech closely monitors developments and takes proactive measures, both to reduce risks for employees and to ensure that operations can continue.

See Note 15 from the 2019 Annual Report for further detailed information.

### Related-party transactions

Related-party transactions refer to rent of premises for S Fund 1 AB, whose main owner is a Board member of Sdiptech AB.

### Events after the reporting date

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

### Nomination Committee for the 2021 Annual Meeting

The Annual General Meeting, held on 18 May 2020, resolved to give the Chairman of the Board of Directors the assignment of contacting the largest shareholders by voting power as of 31 August 2020 and request them to appoint members, who would constitute the Nomination Committee.



In accordance therewith, a Nomination Committee for the 2021 annual meeting has now been appointed, consisting of:

- Saeid Esmaeilzadeh
- Ulrik Grönvall (representing Swedbank Robur Fonder)
- Helen Fasth Gillstedt (representing Handelsbanken Fonder AB)
- Jan Samuelson (Chairman of the Sdiptech Board of Directors)

See further press release from October 8, 2020

Proposals to the Nomination Committee from shareholders can be sent to the company for further promotion or sent by email to:

[valberedningen@sdiptech.com](mailto:valberedningen@sdiptech.com).

## CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Jul-Sep 2020	Jul-Sep 2020	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Net sales		515.9	441.6	1,483.7	1,312.4	1,825.4
Other operating income	2	5.7	3.1	17.7	67.5	82.9
<b>Total income</b>		<b>521.6</b>	<b>444.6</b>	<b>1,501.4</b>	<b>1,380.0</b>	<b>1,908.3</b>
<b>Operating expenses</b>						
Materials, contracting and subcontracting		-205.8	-174.6	-578.4	-534.5	-720.4
Other external expenses		-49.7	-57.3	-145.1	-162.0	-219.3
Employee expenses		-160.3	-143.1	-482.8	-439.7	-610.8
Depreciation and amortisation of tangible non-current assets		-13.5	-16.4	-49.2	-45.7	-67.1
Depreciation and amortisation of intangible non-current assets		-5.7	-2.1	-12.5	-55.6	-68.8
<b>Operating profit</b>		<b>86.6</b>	<b>51.1</b>	<b>233.4</b>	<b>142.3</b>	<b>221.9</b>
<b>Profit/loss from financial items</b>						
Financial income		27.0	11.0	27.1	17.5	16.9
Financial expenses		-6.5	-6.0	-35.9	-22.5	-29.7
<b>Profit/loss after financial items</b>		<b>107.1</b>	<b>56.1</b>	<b>224.7</b>	<b>137.3</b>	<b>209.0</b>
Tax on profit for the period		-20.0	-14.2	-47.3	-27.5	-43.8
<b>Profit/loss for the period</b>		<b>87.1</b>	<b>41.9</b>	<b>177.3</b>	<b>109.9</b>	<b>165.2</b>
<b>Profit/loss attributable to:</b>						
Parent Company's shareholders		86.5	41.7	175.4	107.9	161.4
Non-controlling interests		0.6	0.2	2.0	2.0	3.8
Earnings per share (number at end of period), attributable to the Parent Company's shareholders during the period, less dividends to preference shareholders (in SEK per share)		2.47	1.26	4.90	3.22	4.87
Earnings per share (average number), attributable to the Parent Company's shareholders during the period, less dividends to preference shareholders (in SEK per share)		2.47	1.26	5.20	3.22	4.87
Earnings per share (average number) after dilution, attributable to the Parent Company's ordinary shareholders during the period, less dividends to preference shareholders (expressed in SEK per share).		2.44	1.26	5.16	3.22	4.87
<b>EBITA*</b>		<b>92.8</b>	<b>63.9</b>	<b>246.4</b>	<b>178.5</b>	<b>262.2</b>
Number of ordinary shares at the end of the period		33,641,827	30,277,645	33,641,827	30,277,645	30,277,645
Average number of common shares		33,641,827	30,277,645	31,677,341	30,277,645	30,277,645
Average number of common shares after dilution		34,016,041	30,277,645	31,939,451	30,277,645	30,277,645

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Jul-Sep 2020	Jul-Sep 2020	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Profit/loss for the period	87.1	41.9	177.3	109.9	165.2
Other comprehensive income for the period					
Components that will be reclassified to profit/loss in the period					
Changes in accumulated translation differences	3.5	-0.2	-23.4	-0.3	10.6
Total components that will be reclassified to profit/loss in the period	3.5	-0.2	-23.4	-0.3	10.6
Comprehensive income for the period	90.6	41.7	153.9	109.6	175.8
Attributable to:					
Parent Company's shareholders	90.0	41.5	152.0	107.6	171.9
Non-controlling interest	0.6	0.2	1.9	2.0	3.9

# CONSOLIDATED BALANCE SHEET

(SEK m)	Note	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Non-current assets</b>				
<i>Intangible non-current assets</i>				
Goodwill	3	2,028.5	1,874.6	1,870.1
Other intangible assets		174.3	97.8	99.0
<i>Tangible non-current assets</i>				
Tangible non-current assets		136.2	122.6	137.6
Right-of-use assets		184.4	121.0	120.4
<i>Financial non-current assets</i>				
Other financial non-current assets		10.1	4.1	14.0
<b>Total non-current assets</b>		<b>2,533.6</b>	<b>2,220.1</b>	<b>2,241.1</b>
<b>Current assets</b>				
Completed products and goods for resale		181.3	116.4	117.1
Accounts receivable		360.4	345.8	333.3
Other receivables		71.0	64.3	45.8
Current tax assets		33.5	33.8	25.4
Prepaid expenses and accrued income		67.6	64.7	66.8
Cash and cash equivalents		215.4	175.9	156.3
<b>Total current assets</b>		<b>929.1</b>	<b>800.8</b>	<b>744.7</b>
Assets in disposal group		3,462.6	3,020.8	2,985.8
<b>Total assets</b>				
<b>Shareholders' equity</b>				
<b>Shareholders' equity attributable to Parent Company's shareholders</b>				
Share capital		0.9	0.8	0.8
Other contributed capital		1,062.1	714.9	715.2
Reserves		0.9	0.9	0.9
Profit/loss brought forward including earnings for the period		647.5	454.3	505.8
<b>Total equity attributable to Parent Company's shareholders</b>		<b>1,711.4</b>	<b>1,171.0</b>	<b>1,222.7</b>
Non-controlling interests		37.4	34.0	35.8
<b>Total shareholders' equity</b>		<b>1,748.7</b>	<b>1,205.0</b>	<b>1,258.5</b>
<b>Liabilities</b>				
Interest-bearing long-term liabilities	4	1,145.1	1,353.4	1,266.3
Non-interest-bearing long-term liabilities		45.5	18.9	16.3
Interest-bearing short-term liabilities	4	79.9	68.4	66.2
Non-interest-bearing short-term liabilities		443.5	375.1	378.5
<b>Total liabilities</b>		<b>1,713.9</b>	<b>1,815.8</b>	<b>1,727.3</b>
<b>Total shareholders' equity and liabilities</b>		<b>3,462.6</b>	<b>3,020.8</b>	<b>2,985.8</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(SEK m)	Shareholders' equity attributable to Parent Company shareholders					Non-controlling interests	Shareholders' equity
	Share capital	Other contr. capital	Reserves	Retained earnings	Total		
<b>Opening balance, 1 January 2019</b>	<b>0.8</b>	<b>714.6</b>	<b>11.5</b>	<b>361.6</b>	<b>1,088.5</b>	<b>32.6</b>	<b>1,121.1</b>
Comprehensive income for the period	-	-	-	107.9	107.9	2.0	109.9
Other comprehensive income for the period	-	-	-	9.0	9.0	0.2	9.2
<b>Comprehensive income for the period</b>	-	-	-	<b>116.9</b>	<b>116.9</b>	<b>2.2</b>	<b>119.1</b>
Dividend paid to preference shareholders	-	-	-	-10.5	-10.5	-	-10.5
Change in non-controlling interests	-	-	-	-0.3	-0.3	0.3	-
Option premiums	-	0.3	-	-	0.3	-	0.3
Dividend paid to non-controlling interests	-	-	-	-	-	-1.1	-1.1
Sales of subsidiaries	-	-	-10.6	-13.4	-24.0	-	-24.0
<b>Closing balance, 30 September 2019</b>	<b>0.8</b>	<b>714.9</b>	<b>0.9</b>	<b>454.3</b>	<b>1,171.0</b>	<b>34.0</b>	<b>1,205.0</b>
<b>Opening balance per 1 October 2019</b>	<b>0.8</b>	<b>714.9</b>	<b>0.9</b>	<b>454.3</b>	<b>1,171.0</b>	<b>34.0</b>	<b>1,205.0</b>
Comprehensive income for the period	-	-	-	53.5	53.5	1.8	55.3
Other comprehensive income for the period	-	-	-	1.5	1.5	-0.1	1.4
<b>Comprehensive income for the period</b>	-	-	-	<b>55.0</b>	<b>55.0</b>	<b>1.7</b>	<b>56.7</b>
Option premiums	-	0.3	-	-	0.3	-	0.3
Dividend paid to preference shareholders	-	-	-	-3.5	-3.5	-	-3.5
<b>Closing balance per 31 December 2019</b>	<b>0.8</b>	<b>715.2</b>	<b>0.9</b>	<b>505.8</b>	<b>1,222.7</b>	<b>35.8</b>	<b>1,258.5</b>
<b>Opening balance per 1 January 2020</b>	<b>0.8</b>	<b>715.2</b>	<b>0.9</b>	<b>505.8</b>	<b>1,222.7</b>	<b>35.8</b>	<b>1,258.5</b>
Comprehensive income for the period	-	-	-	175.4	175.4	2.0	177.3
Other comprehensive income for the period	-	-	-	-23.2	-23.2	-0.2	-23.4
<b>Comprehensive income for the period</b>	-	-	-	<b>152.2</b>	<b>152.2</b>	<b>1.8</b>	<b>153.9</b>
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	-	-	-	-	-	-0.1	-0.1
Dividend paid to preference shareholders	-	-	-	-10.5	-10.5	-	-10.5
<b>Closing balance, 30 September 2020</b>	<b>0.9</b>	<b>1,062.1</b>	<b>0.9</b>	<b>647.5</b>	<b>1,711.4</b>	<b>37.4</b>	<b>1,748.7</b>

## CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Jul-Sep 2020	Jul-Sep 2020	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Continued operations</b>					
Earnings after financial items	107.1	56.1	224.7	137.3	209.0
Adjustment for items not included in cash flow	19.7	3.0	74.6	54.3	63.7
Paid taxes	-17.4	-15.7	-52.2	-56.6	-41.0
<b>Cash flow from continuing operations before change in working capital</b>	<b>109.4</b>	<b>43.4</b>	<b>247.1</b>	<b>135.0</b>	<b>231.7</b>
Cash flow from change in working capital					
Increase(-)/decrease(+) in stock	3.1	-7.1	-3.1	-12.4	-13.6
Increase(-)/decrease(+) in operating receivables	-11.3	36.2	-1.8	48.9	73.5
Increase(+)/decrease(-) in operating liabilities	-26.6	15.4	54.3	37.2	21.1
<b>Cash flow from current operations</b>	<b>74.6</b>	<b>87.9</b>	<b>296.5</b>	<b>208.7</b>	<b>312.7</b>
<b>Investing activities</b>					
Acquisitions of subsidiaries	-81.6	-211.6	-230.8	-473.0	-474.4
Acquisitions of subsidiaries, paid contingent considerations	-13.5	-4.4	-66.4	-26.1	-72.7
Disposal of subsidiaries	-	-	-	3.3	3.3
Acquisitions of intangible non-current assets	2.5	-1.1	-2.4	-8.0	-12.0
Acquisitions of tangible non-current assets	-1.8	-5.5	-9.0	-17.8	-45.8
<b>Cash flow from investing activities</b>	<b>-94.4</b>	<b>-222.6</b>	<b>-308.6</b>	<b>-521.6</b>	<b>-601.6</b>
<b>Financing activities</b>					
Option premiums	-0.1	0.3	-0.1	0.3	0.6
New share issue	-	-	347.1	-	-
Loans raised	-	100.0	-	220.3	239.4
Amortisation of loans	-76.9	-0.1	-213.9	-17.8	-65.7
Amortisation of lease liability	-12.9	-12.1	-40.7	-30.6	-42.3
Dividends paid	-3.6	-4.6	-10.6	-11.6	-15.1
<b>Cash flow from financing activities</b>	<b>-93.5</b>	<b>83.5</b>	<b>81.8</b>	<b>160.6</b>	<b>116.9</b>
<b>Cash flow for the period from remaining operations</b>	<b>-113.3</b>	<b>-51.2</b>	<b>69.7</b>	<b>-152.3</b>	<b>-172.0</b>
Cash and cash equivalents at beginning of year	327.9	224.3	156.3	324.8	324.8
Exchange rate difference in cash and cash equivalents	0.8	2.9	-10.5	3.4	3.5
<b>Cash and cash equivalents at end of period from remaining operations</b>	<b>215.4</b>	<b>175.9</b>	<b>215.4</b>	<b>175.9</b>	<b>156.3</b>

## PARENT COMPANY INCOME STATEMENT

(SEK m)	Jul-Sep 2020	Jul-Sep 2020	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Net sales	2.7	2.0	8.1	6.1	8.2
Other operating income	1.2	0.8	1.6	1.7	2.0
<b>Total income</b>	<b>3.9</b>	<b>2.8</b>	<b>9.7</b>	<b>7.8</b>	<b>10.2</b>
<b>Operating expenses</b>					
Other external expenses	-3.4	-3.3	-10.4	-9.3	-14.9
Employee expenses	-6.4	-4.5	-22.0	-15.6	-21.7
Depreciation of tangible and intangible non-current assets	-1.4	-	-1.5	-0.1	-0.2
<b>Operating profit</b>	<b>-7.3</b>	<b>-4.9</b>	<b>-24.2</b>	<b>-17.3</b>	<b>-26.5</b>
<b>Profit/loss from financial items</b>					
Result from participation in Group companies	-	5.0	-	5.0	5.0
Result from participation in associated companies	26.9	-	26.9	-	25.8
Financial income	3.1	3.2	6.8	15.8	13.6
Financial expenses	0.8	-	-4.1	-2.7	-2.8
<b>Profit/loss after financial items</b>	<b>23.5</b>	<b>3.2</b>	<b>5.4</b>	<b>0.8</b>	<b>15.1</b>
Group contributions received	-	-	-	-	28.1
Group contributions provided	-	-	-	-3.1	-3.1
Tax on profit for the period	-	-	-	-	-0.3
<b>Profit/loss for the period</b>	<b>23.5</b>	<b>3.2</b>	<b>5.4</b>	<b>-2.3</b>	<b>39.8</b>

## PARENT COMPANY BALANCE SHEET

(SEK m)	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Non-current assets</b>			
<i>Intangible non-current assets</i>			
Other intangible non-current assets	0.3	0.2	0.4
<i>Tangible non-current assets</i>			
Tangible non-current assets	0.8	-	0.2
<i>Financial non-current assets</i>			
Financial non-current assets	82.8	83.5	83.8
Receivables, Group companies	960.8	1,153.0	960.7
<b>Total non-current assets</b>	<b>1,044.7</b>	<b>1,236.6</b>	<b>1,045.0</b>
<b>Current assets</b>			
Receivables, Group companies	85.8	77.2	61.5
Trade receivables	0.3	0.8	0.3
Other receivables	41.4	15.6	16.8
Prepaid expenses and accrued income	9.2	8.7	8.4
Cash and cash equivalents	481.5	-	223.0
<b>Total current assets</b>	<b>618.2</b>	<b>102.3</b>	<b>310.0</b>
<b>Total assets</b>	<b>1,662.9</b>	<b>1,339.0</b>	<b>1,355.0</b>
<b>Shareholders' equity</b>			
Share capital	0.9	0.8	0.8
Share premium reserve	1,062.1	714.9	715.2
Retained earnings including profit/loss for the period	212.6	179.1	217.7
<b>Total shareholder's equity</b>	<b>1,275.6</b>	<b>894.8</b>	<b>933.8</b>
<b>Liabilities</b>			
Long-term liabilities to Group companies	106.2	106.2	106.2
Short-term liabilities to Group companies	273.5	317.9	308.3
Short-term liabilities	7.6	20.1	6.8
<b>Total liabilities</b>	<b>387.3</b>	<b>444.2</b>	<b>421.3</b>
<b>Total equity and liabilities</b>	<b>1,662.9</b>	<b>1,339.0</b>	<b>1,355.0</b>



## NOTES

### ACCOUNTING PRINCIPLES IN ACCORDANCE WITH IFRS

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

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

The same accounting principles and calculation bases have been applied for the Group and the Parent Company as in the preparation of the most recent annual report for the 2019 financial year.

### New and amended standards for the financial year 2020/2021

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

### Governmental grants

The governmental grants received or to be received as a result of the covid-19 pandemic is reported as against the result when it is deemed reasonably certain that the conditions for receiving the aid have been met or will be met. The grants are reported as other income, see below specification per segment.

### 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.

### Calculation of fair value

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. Financial assets and liabilities in the balance sheet are reported at acquisition value, unless otherwise stated, which is judged to be a good approximation to the fair value of the items.

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 will be affected both positively and negatively because of assessments of each company's financial results for the remaining period.

### NOTE 2 SEGMENT REPORTING

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

### 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 northern Europe and the UK.

### 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 UK.

### PROPERTY TECHNICAL SERVICES

The companies within Property Technical Services offer specialised technical services for landlords. Assignments are performed throughout the lifecycle of a property, including service, renovation, modernisation, and new construction. The principal geographic markets today are Stockholm and major cities in Europe.

### Central units – Group-wide functions and eliminations

Group-wide functions and eliminations consist of the Group's Parent Company, Sdiptech AB, the Group's holding company, as well as Group eliminations, which include remeasurements of liabilities relating to earnouts.

### Segment information, Group

The Group	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Net sales (SEK m)</b>					
Water & Energy	146.7	152.5	450.7	470.7	641.4
Special Infrastructure Solutions	180.8	124.1	487.4	327.0	479.4
Property Technical Services	188.4	165.0	545.6	514.9	704.8
<b>Segments total</b>	<b>515.9</b>	<b>441.6</b>	<b>1,483.7</b>	<b>1,312.6</b>	<b>1,825.6</b>
Central units	-	-	-	-	-0.2
<b>Total</b>	<b>515.9</b>	<b>441.6</b>	<b>1,483.7</b>	<b>1,312.6</b>	<b>1,825.4</b>
<b>Group</b>					
<b>Operating profit (SEK m)</b>					
Water & Energy	32.1	24.8	92.3	82.0	120.6
Special Infrastructure Solutions	50.1	25.8	131.1	66.5	104.4
Property Technical Services	14.3	18.0	39.3	43.9	59.7
<b>Segments total</b>	<b>96.5</b>	<b>68.6</b>	<b>262.7</b>	<b>192.3</b>	<b>284.7</b>
Central units	-9.8	-17.5	-29.3	-50.0	-62.8
<b>Total</b>	<b>86.6</b>	<b>51.1</b>	<b>233.4</b>	<b>142.3</b>	<b>221.9</b>

Group	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Other income (SEK m)</b>					
Water & Energy	1.6	0.2	7.2	2.0	2.6
<i>Where of government grants</i>	1.1	-	5.7	-	-
Special Infrastructure Solutions	1.3	0.8	5.0	2.4	2.8
<i>Where of government grants</i>	0.2	-	0.6	-	-
Property Technical Services	1.6	1.3	4.0	8.1	12.8
<i>Where of government grants</i>	0.8	-	1.5	-	-
<b>Segments total</b>	<b>4.5</b>	<b>2.3</b>	<b>16.2</b>	<b>12.5</b>	<b>18.2</b>
Central units	1.2	0.7	1.6	55.1	64.7
<i>Where of government grants</i>	-	-	-	-	-
<b>Total</b>	<b>5.7</b>	<b>3.1</b>	<b>17.7</b>	<b>67.5</b>	<b>82.9</b>
<i>Where of government grants</i>	2.0	-	7.7	-	-

**NOTE 3 GOODWILL**

	(SEK m)
<b>Carrying amount 31 December 2019</b>	<b>1,870.1</b>
Acquisitions January -September 2020	178.5
Correction of previous years acquisitions	15.9
Currency translation effects	-37.1
<b>Carrying amount 30 September 2020</b>	<b>2,028.5</b>

Compared to 31 December 2019, goodwill increased by a total of SEK 158.4 million and amounted to SEK 2,028.5 million as per 30 September 2020. During January to September 2020 three acquisitions were made which has led to an increase in goodwill of SEK 178.5 million. During the period, corrections have been made for deferred tax liabilities related to previous year's acquisitions. The remaining change is attributable to currency translation differences.

**NOTE 4 INTEREST-BEARING LIABILITIES**

(SEK m)	30 Sep 2020	30 Sep 2019	31 Dec 2019
Liabilities to credit institutions	459.9	680.8	646.8
Accrued borrowing costs	-3.6	-3.6	-3.6
Leases	120.1	70.4	69.6
Contingent consideration	567.6	603.0	550.7
Other non-current liabilities	1.0	2.8	2.8
<b>Total non-current interest-bearing liabilities</b>	<b>1,145.1</b>	<b>1,353.4</b>	<b>1,266.3</b>
Liabilities to credit institutions	14.2	13.2	12.1
Leases	64.1	51.4	52.1
Other current liabilities	1.6	3.9	2.0
<b>Total current interest-bearing liabilities</b>	<b>79.9</b>	<b>68.4</b>	<b>66.2</b>

Contingent consideration payments relate to different types of covenants to the seller that are linked to terms based on the acquired company's profit for a specified period after the acquisition. Liabilities are reported at fair value based on future expected outflows.

Contingent consideration	(SEK m)
<b>Carrying amount 31 December 2019</b>	<b>550.7</b>
Acquisitions January - September 2020	88.7
Paid purchase considerations relating previous acquisitions	-66.4
Interest expenses (discount effect due to present value calculation)	8.5
Exchange differences	-13.9
<b>Carrying amount 30 September 2020</b>	<b>567.6</b>

<b>BUSINESS ACQUISITIONS, preliminary</b>	
<b>January to September 2020 (SEK m)</b>	<b>Sum</b>
Intangible non-current assets	90.2
Tangible non-current assets	5.9
Inventories and work in progress	61.4
Cash and cash equivalents	0.2
Other current assets	51.4
Deferred tax liability	-12.8
Other long-term liabilities	-12.6
Other current liabilities	-43.6
<b>Net identifiable assets and liabilities</b>	<b>140.1</b>
Consolidated goodwill	179.6
<b>Total calculated purchase price</b>	<b>319.7</b>
<b>Transferred consideration</b>	
Cash and cash equivalents	231.0
Contingent consideration	88.7
<b>Total transferred consideration</b>	<b>319.7</b>
<b>Liquidity impact on the Group</b>	
Acquired cash and cash equivalents	0.2
Transferred consideration	-231.0
<b>Total liquidity impact</b>	<b>-230.8</b>

**NOTE 5 BUSINESS ACQUISITIONS**

**Accounting of acquisitions**

When a subsidiary is acquired, and the former owners remain as minority owners, the agreement contains, in some cases, an option that allows the minority owner to sell the remaining holdings, and Sdiptech's ability to purchase, at a later date. In these cases, no non-controlling interest is reported, but instead a financial liability is reported. The debt is reported at the present value of the estimated redemption amount of the shares.

**Description of the acquisitions during the period January - June 2020**

On June 5, all shares in Oy Hilltip Ab were acquired. Hilltip is one of Europe's leading manufacturers of road maintenance equipment. Hilltip has sales of approximately EUR 10.5 million with an operating profit before tax of approximately EUR 2.5 million. Hilltip has 42 employees at the time of the acquisition.

On June 30, all shares in Stockholmradi AB were acquired. Stockholmradi AB is an additional acquisition to Storadio Aero AB. The company handles Sweden's coastal radio and other radio-based services for shipping for the Swedish coasts and the larger inland lakes. Stockholmradi has sales of approximately SEK 1.7 million with good profitability. Stockholmradi had no employees at the time of the acquisition when it bought services from previous sister companies. In the future, these services will to some extent be performed by existing staff at Storadio Aero AB.

On July 24, all shares in Alerter Group Ltd were acquired. Alerter is a British technology company providing emergency communications systems for disabled people in the UK and Ireland. Alerter has a turnover of approximately GBP 3 million with good profitability. Alerter has 38 employees at the time of the acquisition.

## 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.

### Sub-segments:

- Water & Sanitation
- Power & Energy

### 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

### 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                               |
| • Topas Vatten AB                          | Installation and service of smaller water and wastewater treatment plants                   |
| • Unipower AB                              | Measuring systems for monitoring of power quality   |
| • Vera Klippan AB                          | Producer of large-dimension cisterns for larger water and sewerage systems                  |
| • Water Treatment Products Ltd             | Preparation and manufacture of water treatment products                                     |

### SPECIAL INFRASTRUCTURE SOLUTIONS

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

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

- Air & Climate control
- Safety & Security
- Transportation

### 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

### Sub-segments:

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

- |   |   |
|---|---|
| • Alerter Group Ltd (fr.o.m. Jul -20)     | Emergency communications systems for disabled people                                |
| • Auger Site Investigations Ltd           | Specialised in claims management of underground infrastructure                      |
| • Cliff Models AB                         | Prototypes for industrial product development                                       |
| • Cryptify AB (from May 2019)             | Software solution for secure communication  |
| • Frigotech AB                            | Installation and service of refrigeration units                                     |
| • Oy Hilltip Ab (fr.o.m. jun -20)         | Manufacturer of road maintenance equipment  |
| • KSS Klimat & Styrssystem AB             | Indoor climate control, ventilation and energy efficiency                           |
| • Medicvent AB                            | System for evacuation of noxious gases  |
| • Optyma Security Systems Ltd             | Integrated security systems for public and private environments                     |
| • RedSpeed International Ltd              | Digital cameras for speed monitoring and traffic enforcement                        |
| • Storadio Aero AB (formerly Aviolinx AB) | Infrastructure and operational liaison centre for backup air traffic Communications |
| • Stockholmradio AB (fr.o.m. jun -20)     | 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

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

The long-term underlying demand for our services within PTS is considered favourable. In the metropolitan areas in which populations and economies are being concentrated, there is a long-term need for renovation, modernisation, and

new construction. Although variations in demand in individual markets can affect demand in specific sub segments, these fluctuations are simultaneously stabilised by the fact that customers are spread among several customer segments and geographies and because the offering includes all stages in the lifecycle of a property.

### Sub-segments:

- Elevators
- Other Property Technical Services

### Example areas of application:

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

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

- |                                  |   |
|----------------------------------|---|
| • Aufzüge Friedl GmbH            | Renovation, modernisation and service of elevators in Vienna (Austria)  |
| • Castella Entreprenad AB        | Contracts for shell completion and internal plaster walls   |
| • HissPartner i Stockholm AB     | Renovation, modernisation and service of elevators in Stockholm   |
| • ManKan Hiss AB                 | Renovation, modernisation and service of elevators in Stockholm   |
| • Metus d.o.o.                   | Production of special elevators for customer-specific needs<br>Supply of resources to global elevator manufacturers |
| • St. Eriks Hiss AB              | Renovation, modernisation and service of elevators in Stockholm   |
| • ST Lift GmbH                   | Production of compact elevators   |
| • Stockholms Hiss- & Elteknik AB | Renovation, modernisation and service of elevators in Stockholm   |
| • Tello Service Partner AB       | Roof renovations and installation of roof safety equipment  |

## DEFINITIONS KEY FIGURES

<b>EBITDA</b>	Operating profit before depreciation and impairment losses.
<b>EBITA*</b>	Operating profit before amortisation and impairment of intangible non-current assets that arose in connection with acquisitions. The purpose of EBITA * is to clarify the Group's operational earnings development. Due to irregularities in when acquisition costs arise and are booked, EBITA * more clearly shows the underlying operational development in the business. Revaluation of liabilities regarding contingent consideration is also excluded to clarify the operating profit development. See tables to the right for historical results. EBITA * is indicated by an asterisk.
<b>EBITA* margin</b>	EBITA* in relation to net sales.
<b>Net debt/EBITDA</b>	Calculated as average net debt for the past four quarters, in relation to EBITDA for the last four quarters. Net debt includes short-term and long-term interest-bearing liabilities less cash and cash equivalents. Parts of the interest-bearing liabilities are debt related to the contingent consideration payments for acquisitions, which are regulated at the end of the earnout periods depending on the earnings trend during those periods. A payment of the debt at the current booked value requires higher earnings levels than the current level.
<b>Financial net debt/EBITDA</b>	Calculated as average financial net debt to credit institutions and other financial debt for the past four quarters, in relation to EBITDA for the past four quarters. Financial net debt to includes short-term and long-term interest-bearing liabilities less cash and cash equivalents, but excluding debt related to the contingent consideration payments for acquisitions.
<b>Capital employed</b>	Calculated as average shareholders' equity and interest-bearing net debt for the past four quarters less cash and cash equivalents and short-term investments.
<b>Return on capital employed</b>	Calculated as EBITA for the four most recent quarters on closing day, in relation to average capital employed for the four most recent quarters on closing day.
<b>Return on equity</b>	Calculated as average profit after tax, 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.
<b>Cash flow generation</b>	Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.
<b>Earnings per ordinary share (number per end of period)</b>	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the number of ordinary shares per the end of the period.
<b>Earnings per ordinary share (average number)</b>	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the average number of ordinary shares outstanding at the end of the period.
<b>Earnings per ordinary share after dilution (average number)</b>	Calculated as profit after tax attributable to the Parent Company's shareholders, less dividends for preference shareholders divided by the average number of outstanding ordinary shares after dilution during 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.

	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	LTM 30 Sep 2020	Full year 2019
<b>EBITDA (SEK m)</b>						
Operating profit	86.6	51.1	233.4	142.3	313.0	221.9
Depreciation and amortisation of tangible non-current assets	13.5	16.4	49.2	45.7	70.7	67.1
Depreciation and amortisation of intangible non-current assets	5.7	2.1	12.5	55.6	25.7	68.8
<b>EBITDA</b>	<b>105.8</b>	<b>69.6</b>	<b>295.1</b>	<b>243.7</b>	<b>409.3</b>	<b>357.8</b>

### EBITA\*

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

	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	LTM 30 Sep 2020	Full year 2019
<b>EBITA* (SEK m)</b>						
Operating profit	86.6	51.1	233.4	142.3	313.0	221.9
Depreciation and amortisation of intangible non-current assets	5.7	2.1	12.5	55.6	25.7	68.8
<b>EBITA</b>	<b>92.3</b>	<b>53.2</b>	<b>245.9</b>	<b>198.0</b>	<b>338.7</b>	<b>290.7</b>
Acquisition costs	2.2	10.8	4.4	31.5	4.7	31.9
Add back depreciation and amortisation of intangible non-current assets non acquisition related	-1.7	-	-4.0	-	-4.0	-
Adjustment of liability for earnouts	-	-	-	-51.0	-9.3	-60.3
<b>EBITA*</b>	<b>92.8</b>	<b>63.9</b>	<b>246.4</b>	<b>178.5</b>	<b>330.1</b>	<b>262.2</b>

### EBITA\* margin

	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	LTM 30 Sep 2020	Full year 2019
<b>EBITA* in relation to net sales. EBITA* in relation to net sales (SEK million)</b>						
EBITA*	92.8	63.9	246.4	178.5	330.1	262.2
Net sales	515.9	441.6	1,483.7	1,312.4	1,996.7	1,825.4
<b>EBITA* margin %</b>	<b>18.0</b>	<b>14.5</b>	<b>16.6</b>	<b>13.6</b>	<b>16.5</b>	<b>14.4</b>

### Net debt/EBITDA

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

	Average	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Average interest-bearing net debt (SEK m)</b>					
Interest-bearing liabilities	1,311.5	1,225.1	1,282.8	1,405.7	1,332.5
Cash and cash equivalents	-239.5	-215.4	-327.9	-258.5	-156.3
<b>Interest-bearing net debt</b>	<b>1,072.0</b>	<b>1,009.6</b>	<b>954.9</b>	<b>1,147.2</b>	<b>1,176.2</b>

	LTM 30 Sep 2020	LTM 30 Sep 2020	Full year 2019
<b>Average net debt in relation to EBITDA (SEK m)</b>			
Interest-bearing net debt	1,072.0	993.0	1,113.6
EBITDA	409.2	321.9	357.8
<b>Net debt/EBITDA</b>	<b>2.62</b>	<b>3.08</b>	<b>3.11</b>

### Financial net debt/EBITDA

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

	Average	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Average interest-bearing financial net debt (SEK m)</b>					
Interest-bearing financial debt	595.0	470.5	525.3	728.8	655.4
Cash and cash equivalents	-239.5	-215.4	-327.9	-258.5	-156.3
<b>Interest-bearing financial net debt</b>	<b>355.5</b>	<b>255.1</b>	<b>197.4</b>	<b>470.3</b>	<b>499.1</b>

	LTM 30 Sep 2020	LTM 30 Sep 2019	Full year 2019
<b>Average Financial net debt in relation to EBITDA (SEK m)</b>			
Interest-bearing financial net debt	355.5	348.5	433.4
EBITDA	409.2	321.9	357.8
<b>Financial net debt/EBITDA</b>	<b>0.87</b>	<b>1.08</b>	<b>1.21</b>

### Capital employed

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

Average capital employed (SEK m)	Average	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Interest-bearing net debt	1,072.0	1,009.6	954.9	1,147.2	1,176.2
Shareholders' equity	1,495.5	1,748.8	1,662.1	1,312.7	1,258.5
<b>Capital employed</b>	<b>2,567.5</b>	<b>2,758.4</b>	<b>2,617.0</b>	<b>2,459.9</b>	<b>2,434.7</b>

### Return on capital employed

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

	LTM 30 Sep 2020	LTM 30 Sep 2019	Full year 2019
<b>Average EBITA in relation to average capital employed (SEK m)</b>			
EBITA	338.7	270.8	290.7
Capital employed	2,567.5	2,146.8	2,301.8
<b>Return on capital employed %</b>	<b>13.2</b>	<b>12.6</b>	<b>12.6</b>

### 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.

	LTM 30 Sep 2020	LTM 30 Sep 2019	Full year 2019
<b>Average adjusted net profit in relation to average equity (SEK m)</b>			
Profit after tax, adjusted	214.8	117.2	147.4
Equity	1,284.1	945.0	978.6
<b>Return on capital employed %</b>	<b>16.7</b>	<b>12.4</b>	<b>15.1</b>

### Cash flow generation

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

	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	LTM 30 Sep 2020	Full year 2019
<b>Cash flow generation %</b>						
EBT	107.1	56.1	224.7	137.3	296.4	209.0
Adjustment for items not included in cash flow	19.7	3.0	74.6	54.3	84.0	63.7
<b>Adjusted EBT</b>	<b>126.8</b>	<b>59.1</b>	<b>299.3</b>	<b>191.6</b>	<b>380.4</b>	<b>272.7</b>
Cash flow from continuing operations	74.6	87.9	296.5	208.7	400.5	312.7
<b>Cash flow generation %</b>	<b>58.8</b>	<b>148.7</b>	<b>99.1</b>	<b>108.9</b>	<b>105.3</b>	<b>114.7</b>

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

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

Earnings per ordinary share (SEK m)	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	LTM 30 Sep 2020	Full year 2019
Profit/loss attributable to Parent Company's shareholders	86.5	41.7	175.4	107.9	228.8	161.4
Dividend paid to preference shareholders	-3.5	-3.5	-10.5	-10.5	-14.0	-14.0
<b>Profit/loss attributable to Parent Company's shareholders</b>	<b>83.0</b>	<b>38.2</b>	<b>164.9</b>	<b>97.4</b>	<b>214.8</b>	<b>147.7</b>
Number of ordinary shares outstanding (thousand)	33,642	30,277	33,642	30,277	33,642	30,277
<b>Earnings per ordinary share</b>	<b>2.47</b>	<b>1.26</b>	<b>4.90</b>	<b>3.22</b>	<b>6.39</b>	<b>4.87</b>

### Earnings per ordinary share (average number of shares)

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

Earnings per ordinary share (SEK m)	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	LTM 30 Sep 2020	Full year 2019
Profit/loss attributable to Parent Company's shareholders	86.5	41.7	175.4	107.9	228.8	161.4
Dividend paid to preference shareholders	-3.5	-3.5	-10.5	-10.5	-14.0	-14.0
<b>Profit/loss attributable to Parent Company's shareholders</b>	<b>83.0</b>	<b>38.2</b>	<b>164.9</b>	<b>97.4</b>	<b>214.8</b>	<b>147.7</b>
Average number of ordinary shares outstanding (thousand)	33,642	30,277	31,677	30,277	31,326	30,277
<b>Earnings per ordinary share</b>	<b>2.47</b>	<b>1.26</b>	<b>5.20</b>	<b>3.22</b>	<b>6.86</b>	<b>4.87</b>



**Earnings per ordinary share after dilution (average number of shares)**

Calculated as profit after tax attributable to the Parent Company's shareholders, less dividends for preference shareholders divided by the average number of outstanding ordinary shares after dilution during the period.

	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	LTM 30 Sep 2020	Full year 2019
<b>Earnings per ordinary share after dilution (SEK m)</b>						
Profit after tax attributable to the Parent Company's shareholders	86.5	41.7	175.4	107.9	228.8	161.4
Dividend to preference shareholders	-3.5	-3.5	-10.5	-10.5	-14.0	-14.0
<b>Profit attributable to the Parent Company's shareholders</b>	<b>83.0</b>	<b>38.2</b>	<b>164.9</b>	<b>97.4</b>	<b>214.8</b>	<b>147.7</b>
Average number of outstanding ordinary shares after dilution (thousands)	34,016	30,277	31,939	30,277	31,541	30,278
<b>Earnings per ordinary share after dilution</b>	<b>2.44</b>	<b>1.26</b>	<b>5.16</b>	<b>3.22</b>	<b>6.81</b>	<b>4.87</b>

STOCKHOLM, 22 OCTOBER 2020

Jakob Holm  
President and CEO

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

#### AUDITOR'S REPORT

Sdiptech AB (publ) reg. no. 556672-4893

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##### Introduction

We have reviewed the condensed interim financial information (interim report) of Sdiptech AB (publ) as of 30 September 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

##### Scope of Review

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

##### Conclusion

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

Stockholm, 22 October 2020

Öhrlings PricewaterhouseCoopers AB

Anna Rosendal  
Authorized Public Accountant



For additional information, please contact:

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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 22 October 2020 at 08.00 CEST.

#### UPCOMING REPORTS

Year-end Report for 2020      11 February 2021

#### 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 December 2020
- 15 March 2021