



Interim report

1 July – 30 September 2021

SELECTED FINANCIAL INFORMATION

Period	Net sales	EBITA*	EBIT	Earnings for the period after tax	Earnings ¹⁾ per ordinary share after dilution
July - September 2021	646.2 MSEK (515.9)	119.3 MSEK (92.8)	102.5 MSEK (86.6)	77.0 MSEK (87.1)	2.05 Kr (2.44)
January - September 2021	1,969.8 MSEK (1,483.7)	355.9 MSEK (246.4)	281.7 MSEK (233.4)	199.9 MSEK (177.3)	5.35 Kr (5.16)
LTM September 2021	2,574.1 MSEK (1,966.7)	456.8 MSEK (330.1)	358.8 MSEK (312.9)	242.8 MSEK (232.6)	6.42 Kr (6.81)

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

THIRD QUARTER 2021

- Net sales increased by 25.3% to SEK 646.2 million (515.9). In total for the Group, organic sales growth was 3.6%, excluding currency effects.
- Operating profit EBITA* increased by 28.6% to SEK 119.3 million (92.8), corresponding to an EBITA*margin of 18.5% (18.0). Organic EBITA* growth for the Group was -13.5%, excluding currency effects.
- Operating profit (EBIT) increased by 18.4% and amounted to SEK 102.5 million (86.6).
- Earnings after tax for the Group amounted to SEK 77.0 million (87.1), of which SEK 76.8 million (86.5) was attributable to the Parent Company's shareholders. Last year's results included a capital gain of SEK 27 million from previous divestments.
- Cash flow from current operations amounted to SEK 75.4 million (74.6), corresponding to a cash conversion of 77% (59).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares amounted to SEK 2.07 (2.47). After dilution, earnings per shares amounted to SEK 2.05 Kr (2.44). Last year's earnings included a capital gain of SEK 0.79 per share from previous divestments.
- On September 3, Sdipotech acquired all shares in Wake Power Distribution Ltd (IDE Systems).
- On September 14, Sdipotech communicated annually raised acquisition targets amounting to an annual acquired profit, EBIT, of SEK 120-150 million (90).

EVENTS AFTER REPORTING DATE

- On October 13, Sdipotech acquired 85% of the shares in Certus Technologies Holding B.V. The acquisition is the Group's first business entity in the Netherlands.

FIRST NINE MONTHS 2021

- Net sales increased by 32.8% to SEK 1,969.8 million (1,483.7). In total for the Group, organic sales growth was 8.4%, excluding currency effects.
- Operating profit EBITA* increased by 44.4% to SEK 355.9 million (246.4), corresponding to an EBITA* margin of 18.1% (16.6). Organic EBITA* growth for the Group was -4.5%, excluding currency effects.
- Operating profit (EBIT) increased by 20.7% and amounted to SEK 281.7 million (233.4). Included in the operating profit are high acquisition costs for major acquisitions in the UK and associated stamp duty. In addition, capital loss related to divestments amounted SEK 20 million.
- Earnings after tax for the Group amounted to SEK 199.9 million (177.3), of which SEK 199.2 million (175.4) was attributable to the Parent Company's shareholders.
- Cash flow from current operations amounted to SEK 141.9 million (296.5), corresponding to a cash conversion of 50% (99). Due to high profits and postponements of tax in 2020, more tax was paid than normal during the period. In addition, an increased amount of accounts receivables due to good sales and inventory was built to prevent material shortage.
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares amounted to SEK 5.40 (5.20). After dilution, earnings per shares amounted to SEK 5.35 Kr (5.16). Last year's earnings included a capital gain of SEK 0.84 per share from previous divestments.
- During the period January to September, Sdipotech acquired Rolec Services Ltd, One Stop Europe (Rolec), Ficon Oy and Wake Power Distribution Ltd (IDE Systems).
- During the first nine months, divestments of Tello Service Partner as well as the Swedish and Austrian elevator businesses were completed. All units belonged to the Property Technical Services segment.
- On March 9, Sdipotech carried out a directed share issue that contributed approx. SEK 464 million to equity after issuance costs.

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

(SEK million)	3 months		9 months		12 months	
	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Jan-Dec 2020
EBITA* margin	18.5%	18.0%	18.1%	16.6%	17.7%	16.6%
Financial net debt/EBITDA, multiple	1.05	0.87	1.05	0.87	1.05	0.84
Return on capital employed	10.6%	13.2%	10.6%	13.2%	10.6%	12.1%
Return on equity	11.0%	16.7%	11.0%	16.7%	11.0%	14.3%
Cash flow generation	77%	59%	50%	99%	75%	109%

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



COMMENTS BY THE CEO

INCREASED ACQUISITION GOAL, NEW MARKETS AND SOLID INCREASE OF SALES DESPITE SEVERAL UNCERTAINTIES IN THE WORLD

Sdiptech's overall goal is to increase profits through both organic growth and acquisitions. During the first nine months of the year, we have increased the pace and despite tough comparative figures, EBITA* rose by a total of 44.4 percent. The multi-year trend of increased profitability continues and our EBITA* margin has risen from 16.6 to 18.1 percent.

THE QUARTER – Strong sales increase in a quarter with high comparative figures

We are proud to present another good quarter for Sdiptech. During the third quarter, our business units experienced a continued good demand, corresponding to sales growth of 25.3 percent, of which 3.6 percent was organically excluding currency effects. To some extent, revenues have been affected by delayed deliveries following disruptions in supply chains, and the situation is still somewhat difficult, even though our business units are working fantastically to obtain deliveries to customers. The problem is to some extent broader than just our own supply of goods, as our customers sometimes pause their placed orders because they in turn lack other deliveries.

In terms of profit development, we would like to start by recalling some key effects from the pandemic last year. Sdiptech showed an extraordinarily high profitability during the third quarter of 2020, which led to an organic profit increase of an exceptional 18.6 percent, compared with -13.5 percent this year. The background to the high profitability in 2020 was partly extra revenue volumes when we delivered to catch up with orders that had been paused during the first months of the pandemic, and partly extra low costs that remained from measures from the beginning of the pandemic. This phenomenon is particularly evident with exceptional comparative figures for the companies in the Special Infrastructure Solutions business area.

With large fluctuations from one extreme situation to another, it is justified to see what the development looked like from a time before the pandemic struck, until today. During the period from 1 January 2020 to 30 September 2021, we had an average organic sales growth around 6 percent and an average organic profit growth around 7 percent, which is perfectly in line with our financial targets.

ACQUISITIONS – High quality and group additions

In early September, IDE Systems, which specialises in temporary electricity and electricity usage monitoring systems in the UK, was acquired. IDE has over 20 years of experience in designing and manufacturing electricity distribution solutions and focuses on delivering equipment for temporary electricity, including charging stations with temporary electricity for electric vehicles. IDE also develops an important software for energy monitoring and management tools that enables reduced energy use and thus reduced carbon dioxide emissions. IDE contributes to the Sustainable Development Goals 7.1 and 7.2.

In mid-October, after the end of the third quarter, Certus Automation was acquired, which is our first business unit in the Netherlands. The company is a global supplier of automation solutions for port and terminal logistics. The core of the products is a proprietary software and image recognition system. The products automate the identification, registration and positioning of containers and vehicles for increased efficiency, safety and reduced emissions. Certus contributes to Sustainable Development Goals 8.8 and 9.4.

OUTLOOK – Ready for a higher acquisition target

With new geographic markets, a number of growing segments in infrastructure, and a strong and experienced organisation, we were able to raise our acquisition target from SEK 90 million in acquired profit growth to SEK 120–150 million, in the quarter. The target applies from 2021 we are pleased to declare that we have reached our new target, including the divestments that were conducted this spring.

Over the past year, we have carried out pilot work in new geographies to evaluate how our methodology and working methods can operate effectively in new markets. After analyses of thousands of companies and conversations with hundreds of entrepreneurs and acquisition advisors, we have now established ourselves in Italy, as well as completed our first acquisition in the Netherlands. Our geographical expansion is done in a controlled and thoughtful manner in accordance with how we work with all important issues concerning our development and growth.

We also conclude the divestments within Property Technical Services by moving the two remaining business units to Special Infrastructure Solutions. This means that we now have two business areas instead of the previous three in the Group.

Our acquisition methodology is based on well-developed structural capital and careful analyses, and thanks to this, we have in recent years been able to welcome some of the best companies within their niches. After many years' focus on infrastructure, we are increasingly experiencing that the acquisitions add complementary technology and customer segments to existing business units, and the group is to a larger extent able to operate as a cohesive group. An example of this is that we already, two quarters after the acquisition of Rolec, distribute our own charging stations for electric cars via several other business units and thus reach out to new customer segments.

Finally, the situation in the world remains difficult to assess. However, we see a good and unchanged demand for our products and services, where the need for solutions that contribute to more sustainable, efficient and safe societies is strong. Our margin guidance of 19–20 percent for the full year remains.



Jakob Holm
CEO, Sdiptech AB (publ.)

OVERVIEW OF OPERATIONS

FINANCIAL POSITION FOR THE GROUP

JULY - SEPTEMBER

Net Sales

Net sales for the Group amounted to SEK 646.2 million (515.9) during the quarter. Net Sales in comparable units, i.e. companies that have been part of the Group for more than 12 months and to the extent that they have been in the Group the previous year, amounted to SEK 432.1 million (411.6) which corresponded to an organic change 3.6% for the period excluding currency effects. Non-comparable units contributed SEK 214.1 million (104.3) to Net Sales for the period. Also see Business areas, page 6.

Earnings

Operating profit, (EBIT), amounted to SEK 102.5 million (86.6).

Operating profit EBITA* amounted to SEK 119.3 million (92.8) in total for the Group, corresponding to an EBITA* margin of 18.5 (18.0).

EBITA* in comparable units, amounted to SEK 81.8 million (93.0) which corresponded to an organic decrease of -13.5%, excluding currency effects. The period is affected by tough comparative figures, combined with an increased costs in several units driven by both higher component prices, as well as increased staffing. Non-comparable units contributed SEK 48.9 million (7.6) to the profit of the period.

Acquisition and disposal costs amounted to SEK 5.5 million (2.2) in connection with acquisition activities during the period.

Depreciation of tangible and intangible fixed asset amounted to SEK -34.0 million (-19.2), of which depreciations of intangible assets that are not acquisition-related amounted SEK -10.6 million (-4.0).

Net financial items consist of exchange rate differences of SEK 5.5 million (-1.2) for the quarter, as well as SEK -12.1 million (-5.2) in interest cost of which discount rates regarding contingent purchase considerations of SEK -6.0 million (-2.8). Other financial expenses amount to SEK -0.6 million (-0.2). For more detailed information see Note 3.

Profit after tax decreased by 11.6% and amounted to SEK 77.0 million (87.1) Last year, additional considerations from the Sdiptech's shareholding in the divested Support business, entailed a positive earnings effect of SEK 27 million. Earnings per ordinary share (average number) after deduction of minority and dividend to preference shares SEK 2.07 (2.47). After dilution, profit amounted to SEK 2.05 (2.47) per ordinary share. Last year's earnings included a capital gain of SEK 0.79 per share from previous divestments.

Acquisitions during the quarter

On September 3, 2021, Sdiptech acquired all the shares in Wake Power Distribution Ltd. Wake Power Distribution Ltd is the sole owner of IDE Systems and IDE Rental (together IDE) which is specialised in temporary power distribution and systems for monitoring power usage in the UK. The company has an annual sale of approximately GBP 8.0 million, with an EBIT profitability of approximately GBP 1.9 million. The company is included in the Water & Energy business area as of September 2021.



JANUARY - SEPTEMBER

Net Sales

Net sales for the Group amounted to SEK 1,969.8 million (1,483.7) during the first nine months. Net Sales in comparable units, i.e. companies that have been part of the Group for more than 12 months and to the extent that they have been in the Group the previous year, amounted to SEK 1,218.0 million (1,135.1) which corresponded to an organic change 8.4% for the period excluding currency effects. Non-comparable units contributed SEK 751.9 million (348.7) to Net Sales for the period.

Earnings

Operating profit, (EBIT), amounted to SEK 281.7 million (233.4). The profit was impacted, among other things, by a reported loss of SEK -20 million net from divestments for the period.

Operating profit EBITA* amounted to SEK 355.9 million (246.4) in total for the Group, corresponding to an EBITA* margin of 18.1 (18.0).

EBITA* in comparable units amounted to SEK 239.2 million (251.6) which corresponded to an organic decrease of -4.5%, excluding currency effects. Non-comparable units contributed SEK 155.6 million (21.5) to the profit of the period.

Acquisition and divestment costs amounted to SEK 22.8 million (4.4) in connection with an acquisition activities and strategic divestments during the first nine months.

Depreciation of tangible and intangible fixed asset amounted to SEK -99.4 million (-61.7), of which depreciations of intangible assets that are not acquisition-related amounted SEK -28.0 million (-8.5). Amortization attributable to intangible assets increases as increased intangible assets are identified in connection with acquisitions.

Net financial items consist of exchange rate differences of SEK 16.6 million (-10.7) for the period, as well as SEK -35.0 million (-24.6) in interest cost of which discount rates regarding contingent purchase considerations of SEK -14.0 million (-8.5). Other financial expenses amount to SEK -3.3 million (-0.2). For more detailed information see Note 3.

Profit after tax increased by 12.7% and amounted to SEK 199.9 million (175.4) corresponding to earnings per ordinary share (average number) after deduction of minority and dividend to preference shares SEK 5.40 (5.20). After dilution, profit amounted to SEK 5.35 (5.16) per ordinary share for the first nine months. Last year's earnings included a capital gain of SEK 0.84 per share from previous divestments.

A directed share issue totalling approximately SEK 464 million, before issue costs, was carried out during the period. The purpose of the issue was to strengthen the Group's financial flexibility for further acquisitions and to expand the shareholder circle.

Acquisitions during the first nine months

Except from the acquisition of Wake Power Distribution Ltd in September, Sdiptech on February 19 acquired all shares in Rolec Services Ltd and One Stop Europe Ltd (Rolec). Rolec specialises in the design and manufacture of an extensive range of charging equipment and systems for electric vehicles (EV). Rolec has a turnover of approximately GBP 23 million and a profit before tax of approximately GBP 7 million. Rolec is part of the Water & Energy business area as of February 2021.

On June 4 Sdiptech acquired all the shares Ficon Oy. Ficon specializes in hydraulic products for snow and ice clearing of

roads and land in Finland. Ficon is an additional acquisition to Hilltip Oy. Ficon have annual sales of approximately EUR 1.8 million with good profitability. The company is included in the Special Infrastructure Solutions business area as of June 2021.

Divestments during the first nine months

During the year, Sdiptech divested the Swedish and Austrian elevator operations, as well as the company's roof renovation operations. Read more about this on page 24. All these units were part of the company's business area Property Technical Services. As a result, a re-organization has been made, which

has resulted in the remaining operations in the former Property Technical Services segment being reported under Special Infrastructure Solutions as of from the third quarter of 2021.

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

Pro forma figures for the last six reported quarters, from the first quarter of 2020 up to the second quarter of 2021, according to the new segment structure is separately presented, see page 31-32.

Group EBITA* (SEK m)	Jul-Sep 2021	Jul-Sep 2020 ¹	Jan-Sep 2021	Jan-Sep 2020 ¹	LTM Sep 2021 ¹	Jan - Dec 2020 ¹
Water & Energy	64.7	32.3	174.8	93.0	209.6	127.8
Special Infrastructure Solutions	66.2	68.3	220.3	178.4	299.3	257.4
Business areas	130.9	100.6	395.1	271.3	508.9	385.2
Central units	-11.6	-7.8	-39.1	-24.9	-52.1	-37.9
Total	119.3	92.8	355.9	246.4	456.8	347.3

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

BUSINESS AREAS AND CENTRAL UNITS

Infrastructure is in focus around the world for many reasons. Examples of areas we have identified as particularly important for the development of society, and that therefore are showing good demand, are water, energy, climate control, communication, transport and security. We have therefore for a long time directed our acquisition work towards precisely these areas. Until the third quarter of 2021, the business was divided into three business areas: Water & Energy, Special Infrastructure Solutions and Property Technical Services.

During the first six months of the financial year, seven out of a total of nine units in the Property Technical Services business area were divested, resulting in the remaining operations in the former Property Technical segment being reported under Special Infrastructure Solutions as of the third quarter of 2021. Comparative figures for previous periods are presented as if the two segments were a unit. Pro forma figures for the last six reported quarters, from the first quarter of 2020 up until the second quarter of 2021, are presented separately according to the new segment structure, see page 31-32.

For a description of the business areas' operations and which companies are included in each business area, see Description Business areas, page 25-25.

WATER & ENERGY

Comments to the financial development:

The business area's sales increased by 76.2% for the quarter to SEK 258.5 million (146.7) compared with the previous year. The increased sales are mainly due to good sales within the recently acquired Rolec and IDE units, but also to good growth in virtually the entire business area.

EBITA* for the quarter increased by 100.3% to SEK 64.7 million (32.3) attributable mainly to strong profit contributions from the

acquired units but also to positive contributions from the entire business area.

The EBITA* margin during the quarter increased to 25.0% (22.0) after margin strengthening addition from newly acquired units. Comparable units have generally shown lower margins compared with the third quarter last year when the business units operated with strict cost control during the uncertainty imposed by the pandemic.

Water & Energy (SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Jan - Dec 2020
Net sales	258.5	146.7	726.9	450.7	891.7	615.5
EBITA*	64.7	32.3	174.8	93.0	209.6	127.8
EBITA* margin %	25.0%	22.0%	24.0%	20.6%	23.5	20.8%

SPECIAL INFRASTRUCTURE SOLUTIONS

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

Comments to the financial development:

The business area's sales in the period increased by 5.0% to SEK 387.7 million (369.2). The net change from acquisitions and divestments is small and the largest share of the increase is thus organic. Most business units saw continued good sales growth in the quarter, while some units experienced lower sales than

expected due to deferred orders from the customer as a result of delayed supply of goods from third parties.

EBITA* for the quarter decreased by -3.0% to SEK 66.2 million (68.3) attributable to a lower EBITA* margin in the quarter.

The EBITA* margin decreased during the quarter to 17.1% (18.5), mainly due to a return to more normal cost levels and staffing after last year's reductions and precautions. Increased material prices also affected profitability in the quarter, as there has been a large price increase in a short time, which partly been carried by Sdipotech. The relatively large acquisition of GAH, which has an expected profitability of approximately 17%, has also contributed to a lower margin for the business area compared with the previous year.

Special Infrastructure Solutions (SEK m)	Jul-Sep 2021	Jul-Sep 2020 ¹	Jan-Sep 2021	Jan-Sep 2020 ¹	LTM Sep 2021 ¹	Jan - Dec 2020 ¹
Net sales	387.8	369.3	1,243.1	1,033.0	1,682.7	1,472.6
EBITA*	66.2	68.3	220.3	178.4	299.3	257.4
EBITA* margin %	17.1%	18.5%	17.7%	17.3%	17.8%	17.5%

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

CENTRAL UNITS – GROUP-WIDE FUNCTIONS

Central units consist of the Group's parent company, 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.

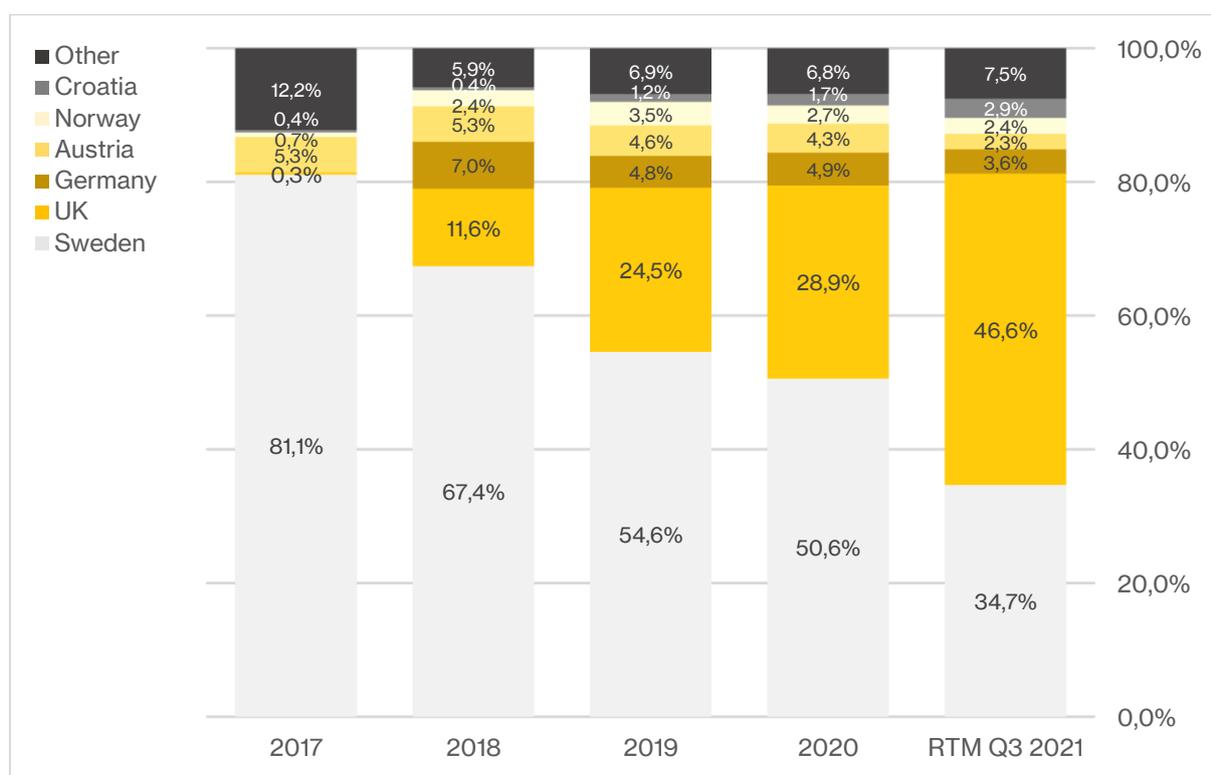
Comment:

EBITA* amounted to SEK -11.6 million (-7.8) for the period. The increased cost mainly consists of increased cost relating to additional staffing within business unit management and the acquisition team as well as counselling within financing and acquisition.

Group-wide functions and eliminations (SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Jan-Dec 2020
EBITA*	-11.6	-7.8	-39.1	-24.9	-52.1	-37.9

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 recently also in the Netherlands. The Group's business units have customers primarily locally and regionally in their respective geographies, but some exports also occur. Below are the Group's sales, broken down by the geographies where the customers have their main operations.



EBITA*

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

Costs related to acquisitions, which mainly pertain to external consultants, are expensed during the periods in which they arise, and the services are performed. During the period January to September 2021, stamp duty, which is a one-time cost, for the acquisitions of Rolec Services Ltd, One Stop Europe Ltd and Wake Power Distribution Ltd has also been charged to the period totalling SEK 6.8 million (0).

Adjustment items for EBITA*

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

Acquisition cost (SEK m)	Q1	Q2	Q3	Q4	Total
2021	-15.3	-1.9	-5.5		-22.8
2020	-	-2.2	-2.2	-5.2	-9.6
2019	-18.8	-2.0	-10.8	-0.3	-31.9

Adjustment of liability for earnouts (SEK m)	Q1	Q2	Q3	Q4	Total
2021	-2.5	-	-0.7		-3.2
2020	-	-	-	-13.5	-13.5
2019	-	51.0	-	9.3	60.3

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

The fact that these items vary over time is due to the development of the participating companies and future forecasts. An evaluation of this development compared with book values takes place every quarter and can result in various revaluations that affect earnings. These adjustments are made so that the book values are as close to the actual values as possible, see also Note 1.

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

EBITA* to EBIT bridge (SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Jan - Dec 2020
EBITA*	119.3	92.8	355.9	246.4	456.8	347.3
	-0.7	-	-3.2	-	-16.8	-13.5
Adjustment of liability for earnouts	-5.5	-2.2	-22.8	-4.4	-28.0	-9.6
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	2.1	1.7	6.5	4.0	8.5	6.0
Result of divestments	-	-	-20.3	-	-20.3	-
EBITA	115.2	92.3	316.2	245.9	400.5	330.2
Non-acquisition-related amortization and write-downs of intangible fixed assets	-2.1	-1.7	-6.5	-4.0	-8.5	-6.0
Acquisition-related amortization and write-downs of intangible fixed assets	-10.6	-4.0	-28.0	-8.5	-33.2	-13.8
EBIT	102.5	86.6	281.7	233.4	358.8	310.5

COMMENTS ON THE FINANCIAL DEVELOPMENT

FINANCIAL POSITION JANUARY - SEPTEMBER

Cash Flow

Cash flow from operating activities after changes in working capital for the period amounted to SEK 141.9 million (296.5). Cash flow generation, expressed in percentage of profit before tax adjusted for non-cash items, decreased during the period to 50% (99). Cash flow includes larger tax payments for the period partly due to lower paid taxes in the previous year compared to the actual profit tax, as well as by inventory build-up to ensure capacity given uncertainties linked to the pandemic, component shortages and Brexit.

Cash flow from investing activities was SEK -709.5 million (-308.6). The cash flow effect of completed acquisitions (see also Note 6) amounted to SEK -820.5 million (-230.8). Cash flow related to payment of acquisitions from previous years, including both instalments as well as final regulations, during the period amounts to SEK -106.3 million (-66.4). Investments in tangible non-current assets amounted to SEK -17.3 million (-9.0). Investments in immaterial assets amounted to -2.2 (-2.4).

Cash flow from financing activities amounted to SEK 553.5 million (81.8). Through a directed new share issue on March 9 and subscriptions of warrants, the Group has received SEK 463.6 million in equity after issue costs. In addition, the redemption of series 2018/2021 warrants contributed with SEK 13.3 million in equity and the share-based incentive program adopted at the Annual General Meeting 2021/2024 contributed SEK 16.1 million. Borrowing amounted to net SEK 657.1 million (0) while amortization has been made with -542.8 (-213.9). Dividend on the preference share amounted to SEK -10.5 million (-10.5).

Liabilities

Interest-bearing liabilities including earnouts and finance leases amounted to SEK 1,907.5 million (1,224.9). The two largest items within interest-bearing liabilities amounted to SEK 785.8 million (470.5) in liabilities to credit institutions, and SEK 937.2 million (567.6) 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 -14.0 million (-8.5) for the period.

Revaluation of liabilities regarding contingent consideration has resulted in a cost of SEK -3.2 million (0). The revaluation is related to the final settlement of an agreed contingent purchase price. The contingent consideration is reported in accordance with IFRS at the present value of the assessed fair value based on the remaining term and expected outcome. The revaluation is reported under other external costs.

During the period, the result was charged with SEK -2.7 million (-1.7) regarding discount rates in accordance with IFRS 16 regarding leasing liabilities.

Net debt, consisting of interest-bearing liabilities less cash and cash equivalents in remaining operations, amounted to SEK 1,626.2 million (1,009.5).

The financial net debt, according to the calculation method above but only for liabilities to credit institutions, amounted to SEK 504.5 million (255.1).

The key ratio Financial net debt in relation to EBITDA, which is calculated on a rolling twelve-month basis, amounted to 1.05 (0.87) as of September 30.

Parent Company

The Parent Company Sdipotech AB's internal net sales, containing mainly, management fee amounted to SEK 11.5 million (8.1) for the period and profit after financial items amounted to SEK -45.0 million (5.4).

OTHER INFORMATION

Employees

The number of employees at the end of September was 1,629 (1,358). Acquisitions completed during the last twelve months increased the number of employees by 348. At the same time, completed divestments have resulted in 183 employees leaving the Group.

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. Series 2018/2021 in March 2021 and newly issued shares were subscribed for, with the Group injecting SEK 13.3 million in equity.

At the 2021 Annual General Meeting, a new incentive program against managers and senior executives was resolved on warrants of series B. Program comprises 350,000 options. The warrants redistribute a price of SEK 48.50 per option, corresponding to the market value of the options during a valuation of Nordea Bank Plc. Exercise can be made on three occasions from June 2024 until November 30, 2024. The program was subscribed for in June, whereby the Group received SEK 16.1 million in equity.

As of September 30, 216,100 warrants of series 2018/2022, 192,000 warrants of series 2018/2023 and 330,981 warrants of series 2021/2024 are outstanding, after repurchases. The subscription price for new Class B shares subscribed for under these warrants amounts to SEK 67.10, SEK 75.20 and 463.00 SEK per share, respectively.

Risks and uncertainty factors

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

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

During the comparison period 2020, the virus outbreak of Covid-19 had a major negative impact on the entire society. Sdipotech was primarily affected by employees falling ill, having difficulty coming to their workplace and doing their job or by delayed deliveries of inputs to the Group's companies due to various forms of restrictions in society. During the first nine months of 2021, there have been continued restrictions in several geographies, but at the end of the third quarter we have seen great relief. Going forward, we are instead looking at other risks, such as supply chain delays, increased raw material and energy prices, component shortages and accessibility problems. Sdipotech monitors developments closely and takes proactive measures to ensure that the business can

During the second quarter, Sdiptech entered into agreements on currency futures in GBP to reduce currency exposure to a value of SEK 450 million. Derivatives are recognized at fair value above income statement under the item financial income and cost respectively.

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

Related-party transactions

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

Events after the end of the reporting period

On October 13, Sdiptech acquired 85 percent of the shares in Certus Technologies Holding B.V. Certus is a global provider of automation solutions in ports, terminals and logistics distribution centers. The company has annual sales of EUR 19 million with earnings before tax of EUR 5 million. Certus, being Sdiptech's first acquisition in the Netherlands, adds important and complementary technology as well as new customer segments to Sdiptech's transport business.

Nomination Committee for the 2022 Annual Meeting

The Annual General Meeting, held on 18 May 2021, resolved to give the Chairman of the Board of Directors the assignment of contacting the largest shareholders by voting power as of 31 August 2021 and request them to appoint members, who would constitute the Nomination Committee.

In accordance therewith, a Nomination Committee for the 2022 annual meeting has now been appointed, consisting of:

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

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

valberedningen@sdiptech.com.

CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Jan-Dec 2020
Net sales	2	646.2	515.9	1,969.8	1,483.7	2,574.1	2,088.0
Other operating income	2	3.6	5.7	16.4	17.7	23.8	25.1
Total income		649.8	521.6	1,986.2	1,501.4	2,597.9	2,113.1
Operating expenses							
Materials, contracting and subcontracting		-285.5	-205.8	-832.2	-578.4	-1,079.7	-825.9
Other external expenses		-53.0	-49.7	-205.8	-145.1	-275.0	-214.3
Employee expenses		-174.8	-160.3	-567.1	-482.8	-754.4	-670.1
Depreciation and amortisation of tangible non-current assets		-21.3	-13.5	-64.9	-49.2	-88.4	-72.7
Depreciation and amortisation of intangible non-current assets		-12.7	-5.7	-34.5	-12.5	-41.7	-19.8
Operating profit		102.5	86.6	281.7	233.4	358.8	310.5
Profit/loss from financial items	3						
Financial income		5.6	27.0	17.5	27.1	17.4	27.0
Financial expenses		-12.7	-6.5	-38.2	-35.9	-55.6	-53.3
Profit after financial items		95.4	107.1	261.0	224.7	320.6	284.2
Tax on profit for the period		-18.4	-20.0	-61.1	-47.3	-77.8	-64.0
Profit for the period		77.0	87.1	199.9	177.3	242.8	220.2
Profit attributable to:							
Parent Company's shareholders		76.8	86.5	199.2	175.4	238.4	214.6
Non-controlling interests		0.2	0.6	0.7	2.0	4.3	5.6
Earnings per share (average number), attributable to the Parent Company's shareholders during the period, less dividends to preference shareholders (in SEK per share)							
Earnings per share (before dilution)		2.07	2.47	5.40	5.20	6.48	6.24
Earnings per share (after dilution)		2.05	2.44	5.35	5.16	6.42	6.18
EBITA*		119.3	92.8	355.9	246.4	456.8	347.3
Average number of common shares		35,363,927	33,641,827	34,945,355	31,677,341	34,616,794	32,171,146
Average number of common shares after dilution		35,704,145	34,016,041	35,275,074	31,939,451	34,935,495	32,457,112
Number of ordinary shares at the end of the period		35,363,927	33,641,827	35,363,927	33,641,827	35,363,927	33,641,827

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Jan-Dec 2020
Profit for the period	77.0	87.1	199.9	177.3	242.8	220.2
Other comprehensive income for the period						
Components that will be reclassified to profit/loss in the period						
Changes in accumulated translation differences	3.6	3.5	34.8	-23.4	3.2	-55.0
Comprehensive income for the period	80.6	90.6	234.7	153.9	246.0	165.2
Attributable to:						
Parent Company's shareholders	80.4	90.0	234.0	152.0	241.6	159.8
Non-controlling interest	0.2	0.6	0.7	1.9	4.4	5.4

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current assets				
<i>Intangible non-current assets</i>				
Goodwill	4	2,771.7	2,028.5	2,268.4
Other intangible assets		528.7	174.3	270.5
<i>Tangible non-current assets</i>				
Tangible non-current assets		214.2	136.2	134.0
Right-of-use assets		180.7	184.4	185.4
<i>Financial non-current assets</i>				
Other financial non-current assets		11.0	10.1	10.4
Total non-current assets		3,706.3	2,533.6	2,868.6
Current assets				
Completed products and goods for resale		313.5	181.3	215.3
Accounts receivable		472.3	360.4	374.5
Other receivables		47.1	71.0	29.8
Current tax assets		24.0	33.5	12.3
Prepaid expenses and accrued income		83.3	67.6	72.8
Cash and cash equivalents		281.3	215.4	279.4
Total current assets		1,221.5	929.1	984.1
Total assets		4,927.8	3,462.6	3,852.7
Shareholders' equity				
Shareholders' equity attributable to Parent Company's shareholders				
Share capital		0.9	0.9	0.9
Other contributed capital		1,555.0	1,062.1	1,062.1
Reserves		0.9	0.9	0.9
Profit/loss brought forward including earnings for the period		910.5	647.5	651.6
Total equity attributable to Parent Company's shareholders		2,467.3	1,711.4	1,715.5
Non-controlling interests		4.4	37.4	40.2
Total shareholders' equity		2,471.8	1,748.7	1,755.7
Long term liabilities				
Interest-bearing long-term liabilities	5	1,579.5	1,145.1	1,518.9
Non-interest-bearing long-term liabilities		125.0	45.5	68.6
Total long term liabilities		1,704.5	1,190.6	1,587.5
Short term liabilities				
Interest-bearing short-term liabilities	5	328.0	79.9	71.9
Non-interest-bearing short-term liabilities		423.4	443.5	437.5
Sum short term liabilities		751.4	523.4	509.4
Total liabilities		2,445.9	1,713.9	2,096.9
Total shareholders' equity and liabilities		4,927.8	3,462.6	3,852.7

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(SEK m)	Shareholders' equity attributable to Parent Company shareholders					Total	Non-controlling interests	Shareholders' equity
	Note	Share capital	Other contr. capital	Reserves	Retained earnings			
Opening balance, January 1 2020		0.8	715.2	0.9	505.8	1,222.7	35.7	1,258.4
Income for the period		-	-	-	175.4	175.4	2.0	177.3
Other comprehensive income for the period		-	-	-	-23.2	-23.2	-0.2	-23.4
Total income for the period		-	-	-	152.2	152.2	1.8	153.9
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-10.5	-10.5	-	-10.5
Share issue of ordinary shares series B		0.1	353.2	-	-	353.3	-	353.3
Share issue expenses		-	-6.2	-	-	-6.2	-	-6.2
Option premiums		-	-0.1	-	-	-0.1	-	-0.1
Dividend paid to non-controlling interests		-	-	-	-	-	-0.1	-1.0
Total shareholder transactions		0.1	346.9	-	-10.5	365.5	-0.1	336.4
Closing balance, September 30 2020		0.9	1,062.1	0.9	647.5	1,711.4	37.4	1,748.7
Opening balance, October 1 2020		0.9	1,062.1	0.9	647.5	1,711.4	37.4	1,748.7
Income for the period		-	-	-	39.2	39.2	3.6	42.8
Other comprehensive income for the period		-	-	-	-31.6	-31.6	-	-31.6
Total income for the period		-	-	-	7.6	7.6	3.6	11.2
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-3.5	-3.5	-	-3.5
Dividend paid to non-controlling interests		-	-	-	-	-	-0.9	-0.9
Total shareholder transactions		-	-	-	-3.5	-3.5	-0.9	-4.4
Closing balance, December 31 2020		0.9	1,062.1	0.9	651.6	1,715.5	40.1	1,755.6
Opening balance, January 1 2021		0.9	1,062.1	0.9	651.6	1,715.5	40.1	1,755.6
Income for the period		-	-	-	199.2	199.2	0.7	199.9
Other comprehensive income for the period		-	-	-	34.6	34.6	0.2	34.8
Total income for the period		-	-	-	233.8	233.8	0.9	234.7
Shareholder transactions								
Change in non-controlling interests		-	-	-	35.6	35.6	-35.6	-
Share issue of ordinary shares series B		-	485.8	-	-	485.8	-	485.8
Share issue expenses		-	-8.9	-	-	-8.5	-	-8.5
Share premiums		-	16.1	-	-	16.1	-	16.1
Dividend paid to preference shareholders	7	-	-	-	-10.5	-10.5	-	-10.5
Dividend paid to non-controlling interests		-	-	-	-	-	-1.0	-1.0
Total shareholder transactions		-	492.9	-	25.1	518.0	-36.6	481.4
Closing balance, September 30 2021		0.9	1,555.0	0.9	910.5	2,467.3	4.4	2,471.8

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Continued operations					
Earnings after financial items	95.4	107.1	261.0	224.7	284.2
Adjustment for items not included in cash flow ¹⁾	2.7	19.7	23.0	74.6	128.0
Paid taxes	-9.6	-17.4	-88.3	-52.2	-53.1
Cash flow from continuing operations before change in working capital	88.5	109.4	195.7	247.1	359.1
Cash flow from change in working capital					
Increase(-)/decrease(+) in stock	-10.2	3.1	-40.0	-3.1	0.4
Increase(-)/decrease(+) in operating receivables	15.2	-11.3	-31.5	-1.8	88.2
Increase(+)/decrease(-) in operating liabilities	-18.1	-26.6	17.7	54.3	3.1
Cash flow from current operations	75.4	74.6	141.9	296.5	450.8
Investing activities					
Acquisitions of subsidiaries	-123.2	-81.6	-820.5	-230.8	-519.7
Acquisitions of subsidiaries, paid contingent considerations	-0.7	-13.5	-106.3	-66.4	-79.3
Divestment of subsidiaries	-	-	-71.2	-	-
Consideration paid for divestment of subsidiaries	-	-	381.7	-	-
Acquisition of non-controlling interest	-	-	-73.7	-	-
Acquisitions of intangible non-current assets	-	2.5	-2.2	-2.4	-7.1
Acquisitions of tangible non-current assets	-8.9	-1.8	-17.3	-9.0	-30.9
Cash flow from investing activities	-132.8	-94.4	-709.5	-308.6	-637.0
Financing activities					
Option program	-0.4	-0.1	29.4	-0.1	-0.1
New share issue	-	-	463.6	347.1	347.1
Loans raised	-	-	657.1	-	53.0
Amortisation of loans	-11.9	-76.9	-542.8	-213.9	-
Amortisation of lease liability	-13.7	-12.9	-43.3	-40.7	-50.0
Dividends paid	-3.5	-3.6	-10.5	-10.6	-15.0
Cash flow from financing activities	-29.5	-93.5	553.5	81.8	335.0
Cash flow for the period	-86.9	-113.3	-14.1	69.7	148.8
Cash and cash equivalents at beginning of year	369.5	327.9	279.4	156.3	156.3
Exchange rate difference in cash and cash equivalents	-1.3	0.8	15.9	-10.5	-25.7
Cash and cash equivalents at end of period	281.3	215.4	281.3	215.4	279.4

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

PARENT COMPANY INCOME STATEMENT

(SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Jan-Dec 2020
Net sales	3.8	2.7	11.5	8.1	14.2	10.8
Other operating income	-	1.2	-	1.6	0.5	2.1
Total income	3.8	3.9	11.5	9.7	14.7	12.9
Operating expenses						
Other external expenses	-5.4	-3.4	-20.6	-10.4	-28.6	-18.4
Employee expenses	-8.8	-6.4	-30.3	-22.0	-40.1	-31.8
Depreciation of tangible and intangible non-current assets	-0.1	-1.4	-0.4	-1.5	0.8	-0.3
Operating profit	-10.5	-7.3	-39.8	-24.2	-53.3	-37.7
Profit/loss from financial items						
Result from participation in Group companies	-	-	-19.0	-	-19.0	-
Result from participation in associated companies	-	26.9	3.6	26.9	3.6	26.9
Financial income	2.1	3.1	10.5	6.8	13.1	9.3
Financial expenses	-0.1	0.8	-0.3	-4.1	-8.0	-11.8
Profit/loss after financial items	-8.6	23.5	-45.0	5.4	-63.6	-13.2
Group contributions received	-	-	-	-	65.5	65.5
Group contributions provided	-	-	-	-	-20.0	-20.0
Profit/loss for the period	-8.6	23.5	-45.0	5.4	-18.1	32.3

PARENT COMPANY BALANCE SHEET

(SEK m)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current assets			
<i>Intangible non-current assets</i>			
Other intangible non-current assets	0.2	0.3	0.3
<i>Tangible non-current assets</i>			
Tangible non-current assets	1.6	0.8	1.1
<i>Financial non-current assets</i>			
Financial non-current assets	25.3	82.8	82.8
Receivables, Group companies	1,765.8	960.8	1,352.7
Total non-current assets	1,793.2	1,044.7	1,436.9
Current assets			
Receivables, Group companies	790.5	85.8	239.4
Trade receivables	0.3	0.3	0.3
Other receivables	1.7	41.4	1.7
Prepaid expenses and accrued income	3.1	9.2	8.7
Cash and cash equivalents	17.0	481.5	25.5
Total current assets	812.7	618.2	275.5
Total assets	2,605.9	1,662.9	1,712.4
Shareholders' equity			
Share capital	0.9	0.9	0.9
Share premium reserve	1,555.0	1,062.1	1,062.1
Retained earnings including profit/loss for the period	180.5	212.6	236.0
Total shareholder's equity	1,736.4	1,275.6	1,299.0
Liabilities			
Long-term liabilities to Group companies	-	106.2	-
Short-term liabilities to Group companies	721.2	-	364.9
Short-term liabilities	43.5	273.5	35.2
Total liabilities	104.8	7.6	13.3
Total equity and liabilities	869.5	387.3	413.4
Shareholders' equity	2,605.9	1,662.9	1,712.4

NOTES

ACCOUNTING PRINCIPLES IN ACCORDANCE WITH IFRS

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

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

The same accounting principles and calculation bases have been applied for the Group and the Parent Company as in the preparation of the most recent annual report for the 2020 financial year.

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

New and amended standards for the financial year 2021

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

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

Estimates and assumptions are continuously assessed based on historical experience and other factors, including expectations of future events considered reasonable under prevailing conditions. For more detailed information, please refer to Note 1 of the Annual Report 2020.

Valuation of financial assets and liabilities

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

In the case of acquisitions, components of the purchase consideration are usually linked to the acquired company's financial results for a period after the acquisition. The book value of liabilities to sellers in the form of contingent consideration can be affected both positively and negatively

because of assessments of each company's financial results for the remaining period. Liabilities for contingent additional purchase prices that arise in business acquisitions are measured at fair value through profit or loss.

NOTE 2 SEGMENT REPORTING

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

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

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

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

WATER & ENERGY

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

SPECIAL INFRASTRUCTURE SOLUTIONS

The companies within Special Infrastructure Solutions provide niche products and services for specialised needs in air and climate control, safety and surveillance and transport systems. As of the third quarter of 2021, specialised technical services to property owners are also included in the segment. The main geographic markets are northern Europe, the UK and central Europe.

Central units – Group-wide functions

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

Segment information, Group

	Jul-Sep 2021	Jul-Sep 2020 ²	Jan-Sep 2021	Jan-Sep 2020 ²	LTM Sep 2021 ²	Jan-Dec 2020 ²
Net Sales (SEK m)						
Water & Energy	258.5	146.7	726.8	450.7	891.6	615.5
Special Infrastructure Solutions	387.8	369.2	1,243.0	1,033.0	1,682.6	1,472.6
Total Net Sales	646.2	515.9	1,969.8	1,483.7	2,574.1	2,088.0
Group Operating profit (SEK m)						
Water & Energy	60.4	32.1	165.3	92.3	199.7	126.7
Special Infrastructure Solutions	59.6	64.4	201.1	170.4	271.3	240.6
Segment total	120.0	96.5	366.4	262.7	471.0	367.3
Central units	-17.5	-9.8	-84.7	-29.3	-112.2	-56.8
Total	102.5	86.6	281.7	233.4	358.8	310.5
Net financials	-7.1	20.5	-20.7	-8.7	-38.1	-26.3
Profit before tax	95.4	107.1	261.0	224.7	320.6	284.2

Revenue from agreements with customers (SEK m)	Jul-Sep 2021	Jul-Sep 2020 ²	Jan-Sep 2021	Jan-Sep 2020 ²	LTM Sep 2021 ²	Jan-Dec 2020 ²
<i>Water & Energy</i>						
Products	202.6	83.6	548.9	265.6	668.8	385.5
Installation, direct	32.5	29.2	90.3	84.1	159.1	153.0
Installation, over time	11.9	14.8	49.7	35.2	40.5	26.0
Service, direct	3.2	12.4	12.9	43.6	-7.5	23.2
Service, over time	4.0	4.1	14.4	13.8	18.1	17.5
Distribution	4.3	2.6	10.5	8.2	12.5	10.2
Sum Sales Water & Energy	258.5	146.7	726.9	450.7	891.7	615.5
<i>Special Infrastructure Solutions</i>						
Products	159.1	64.2	456.0	167.9	562.7	274.6
Installation, direct	76.2	127.6	244.3	358.1	396.7	510.5
Installation, over time	25.7	44.1	141.5	142.5	193.5	194.4
Service, direct	116.7	91.3	346.9	275.0	451.2	379.3
Service, over time	7.8	32.9	44.6	79.3	67.9	102.6
Distribution	2.3	9.2	9.7	10.3	10.6	11.2
Sum Sales Special Infrastructure Solutions	387.8	369.2	1,243.0	1,033.0	1,682.6	1,472.6
<i>Sum Products</i>	<i>361.7</i>	<i>147.8</i>	<i>1,004.8</i>	<i>433.5</i>	<i>1,231.4</i>	<i>660.1</i>
<i>Sum Installation, direct</i>	<i>108.7</i>	<i>156.8</i>	<i>334.6</i>	<i>442.3</i>	<i>555.8</i>	<i>663.5</i>
<i>Sum Installation, over time</i>	<i>37.6</i>	<i>58.9</i>	<i>191.3</i>	<i>177.7</i>	<i>233.9</i>	<i>220.4</i>
<i>Sum Service, direct</i>	<i>119.8</i>	<i>103.7</i>	<i>358.8</i>	<i>318.7</i>	<i>443.7</i>	<i>402.5</i>
<i>Sum Service, over time</i>	<i>11.9</i>	<i>37.0</i>	<i>59.0</i>	<i>93.1</i>	<i>86.0</i>	<i>120.1</i>
<i>Sum Distribution</i>	<i>6.6</i>	<i>11.7</i>	<i>20.1</i>	<i>18.4</i>	<i>23.1</i>	<i>21.4</i>
Total sales	646.2	515.9	1,969.8	1,483.7	2,574.1	2,088.0

Other income (SEK m)	Jul-Sep 2021	Jul-Sep 2020 ²	Jan-Sep 2021	Jan-Sep 2020 ²	LTM Sep 2021 ²	Jan-Dec 2020 ²
Water & Energy	0.9	1.6	3.6	7.2	5.3	8.9
Special Infrastructure Solutions	2.7	2.9	9.3	9.0	15.0	14.7
Business areas	3.6	4.5	12.8	16.2	20.2	23.6
Central units	-	1.2	3.6	1.6	3.5	1.5
Total	3.6	5.7	16.4	17.7	23.7	25.1
<i>Of which received state aid attributable to Covid-19¹</i>						
Of which received state aid attributable to Covid-19¹ (SEK m)						
Water & Energy	-0.2	1.1	0.6	5.7	0.9	6.0
Special Infrastructure Solutions	0.3	1.0	1.8	2.1	1.3	1.6
Sum	0.1	2.1	2.4	7.7	2.2	7.6

¹ Refers to government support for short-term work and the corresponding type of remuneration in foreign units where the company receives resource support linked to Covid-19 in exchange for the company fulfilling or will fulfil certain conditions regarding its operations.

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

NOTE 3 FINANCIAL INCOME AND COST

(SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Jan-Dec 2020
Financial income						
Results from previously sold units	-	26.9	-	26.9	-	26.9
Interest income	0.1	0.1	0.8	0.2	0.8	0.1
Net exchange gain	5.5	-	16.6	-	16.6	-
Total financial income	5.6	27.0	17.5	27.1	17.4	27.0
Financial cost						
Interest expense on financial liabilities to credit institutions	-5.3	-2.2	-18.3	-14.7	-21.0	-17.4
Discount rate for lease liabilities	-0.9	-0.4	-2.7	-1.7	-3.7	-2.7
Discount rate on contingent considerations	-6.0	-2.8	-14.0	-8.5	-15.6	-10.1
Net exchange loss	-	-1.2	-	-10.7	-6.6	-17.3
Other financial cost	-0.6	-	-3.3	-0.2	-8.7	-5.7
Total financial cost	-12.7	-6.5	-38.2	-35.9	-55.6	-53.3
Net financial cost	-7.1	20.5	-20.7	-8.7	-38.1	-26.3

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

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

NOTE 4 GOODWILL

(SEK m)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Ingående balans vid årets början	2,268.4	1,870.1	1,870.1
Acquisitions for the period	686.2	178.5	441.6
Adjustment of preliminary acquisition analysis	-9.4	1.1	1.1
Correction regarding previous years' acquisitions	-	15.9	28.8
Divested units	-244.9	-	-
Currency translation effects	71.4	-37.1	-73.2
Carrying amount at end of period	2,771.7	2,028.5	2,268.4

Compared to 31 December 2020 goodwill increased by SEK 503.3 million and amount to SEK 2,771.7 million as per September 30, 2021. During January to September 2021 acquisitions were made which has led to an increase in goodwill of SEK 686.2 million. Divested units and operations held for sale reduced the goodwill of the Group by SEK 244.9 million. During the period, a correction of preliminary acquisition analyses of the previous year's acquisitions has also been carried out. The remaining change during the financial year is attributable to currency translation differences.

NOTE 5 INTEREST-BEARING LIABILITIES

(SEK m)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current interest-bearing liabilities			
Liabilities to credit institutions	773.9	456.3	698.3
Leases	128.7	120.1	123.1
Contingent consideration	675.1	567.6	694.8
Other non-current liabilities	1.8	1.0	2.6
Total non-current interest-bearing liabilities	1 579.5	1 145.1	1 518.8
Current interest-bearing liabilities			
Liabilities to credit institutions	11.9	14.2	8.1
Leases	53.5	64.1	62.1
Contingent consideration	262.1	-	-
Other current liabilities	0.5	1.6	1.8
Total current interest-bearing liabilities	328.0	79.9	71.9

Contingent consideration payments refer to various types of obligations to the selling party that are linked to conditions based on the acquired company's results for a specific period after the acquisition. The contingent purchase prices are classified as Level 3 in the fair value hierarchy. The liabilities are reported at the present value of the expected outcome based on the assessed fair value at the balance sheet date based on outcomes and future forecasts.

Contingent consideration (SEK m)	30 Sep 2021	30 Sep 2020	31 Dec 2020
Opening balance	694.8	550.7	550.7
Acquisitions	305.2	88.7	225.3
Paid purchase considerations relating previous acquisitions	-106.3	-66.4	-79.3
Interest expenses (discount effect due to present value calculation)	14.0	8.5	10.1
Revaluation via operating profit	3.2	-	13.5
Exchange differences	26.3	-13.9	-25.5
Carrying amount at period end	937.2	567.6	694.8

The revaluation of liabilities relating to contingent consideration has during the period resulted in a cost of SEK -3.2 million (-). The revaluation during the period is related to the final settlement of an agreed contingent purchase price where the outcome on which the calculation was based deviated from that assessment at the last revaluation of the contingent purchase price. The revaluation is recognized under other external costs.

NOTE 6 BUSINESS ACQUISITIONS**PRELIMINARY ACQUISITION ANALYSIS. regarding acquisitions during January to September 2021**

(SEK m)	Rolec*	IDE**	Other	Adj.	Sum
Intangible non-current assets	1.2	24.7	-	-24.7	1.2
Tangible non-current assets	32.2	41.1	0.3	-	73.6
Inventories and work in progress	86.2	9.4	3.5	-	99.1
Cash and cash equivalents	101.7	1.8	1.0	-	104.5
Trade receivables ¹⁾	31.9	33.3	2.8	-	68.0
Other current assets	25.9	2.3	0.5	-	28.7
Other long term liabilities	-	-1.4	-	-	-1.4
Deferred tax	-1.4	-6.1	-	-	-7.5
Current tax liability	-7.0	-4.2	-	-	-11.2
Other current liabilities	-22.9	-25.5	-1.6	-	-50.0
Net identifiable assets and liabilities					
	247.8	75.4	6.5	-24.7	305.0
Consolidated goodwill	526.6	127.1	7.7	24.7	686.2
Brand	62.6	18.9	2.6	-	84.1
Customer relations	82.4	33.5	3.1	-	119.0
IPR Rights	63.3	7.1	1.3	-	71.7
Deferred tax liability	-39.6	-11.3	-1.3	-	-52.3
Total calculated purchase price	943.1	250.7	19.9	24.7	1,213.6
Cash and cash equivalents	784.1	124.2	16.7	-	925.0
Contingent consideration	175.6	126.5	3.2	-	305.2
Adjusted acquisition analysis	-16.6	-	-	-	-16.6
Total consideration	943.1	250.7	19.9	-	1 213.6

*) Rolec Services Ltd and One Stop Europe Ltd

**) Wake Power Distribution Ltd

Liquidity impact on the Group

Acquired cash and cash equivalents	101.7	1.8	1.0		104.5
Transferred consideration	-784.1	-124.2	-16.7		-925.0
Total liquidity impact	-682.4	-122.4	-15.7		-820.5

Other information

Runrate Net sales ²⁾	266.8	92.6	18.2		
Run rate profit before tax ²⁾	81.2	22.5	4.1		

The acquired units' contribution to the Group's sales and earnings

	Rolec*	IDE**	Other	Sum
Acquired units' contribution to the Group's sales	246.0	9.9	4.6	260.9
Acquired units' contribution to the Group's profit before tax	71.2	2.0	0.2	73.3
Transaction costs, including stamp fee	-11.2	-3.7	-0.7	-15.6
Depreciation and write-downs of intangible assets	-8.3	-0.4	-0.3	-9.0

²⁾ Runrate is based on sales and operating profit before tax, on a 12-month basis, at the time of acquisition. For foreign acquisitions, the result has been 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 September 2021 amounted to SEK 22.8 million (0.0) of which acquisition-related costs amounted to 17.4 (2.2), see also page 8.

Description of acquisitions during the period January – September 2021

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

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

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

The contingent consideration for Rolec is estimated at SEK 175.6 million at the time of acquisition. The assessment is made based on assessment of outcome of profits based on forecasts for the company until the end of the period of the earn out. The reference point for growth is calculated on normalized annual profit at the time of acquisition. Rolec is part of the Water & Energy business area as of February 2021.

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

The purchase price for the company includes a conditional purchase price of SEK 3.1 million, which is linked to the sales development on the Finnish market for 2 years from the acquisition. The final purchase price, which is settled after the earn-out period that runs until May 31, 2023, will amount to between SEK 15.1 and 18.2 million. The company is included in the business area Special Infrastructure Solutions from June 2021.

If the acquired units for the year were consolidated as of 1 January 2020, the year's net sales would have amounted to approximately SEK 1,360 million and EBITA* would have amounted to approximately SEK 175 million.

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

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

At the date of the transaction, the company is valued at GBP 18.0 million on a cash and debt-free basis, of which GBP 5.6 million is paid on the date of closing together with redemption of external credits of GBP 4.9 million. Financed was made from own resources and bank credits. The final purchase price, which will be settled at the end of the earn-out period ending August 31, 2026, will be between GBP 10.5 and GBP 25.5 million, depending on the company's performance during the earn-out period. A final total purchase price higher than the current value of GBP 18.0 million also assumes a higher level of profit than the current one. At the time of the acquisition, IDE has 51 employees.

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

If the acquired units for the year had been consolidated as of January 1, 2021, net sales for the period January to September would have amounted to approximately SEK 2,080 million and EBITA* would have amounted to approximately SEK 383 million

NOTE 7 DIVIDENDS

In March 2015, 1,750,000 preference shares were issued with an issue price of SEK 100 per share. Dividend amounts to SEK 8 per year, divided into quarterly payments. Redemption price is SEK 120 during 0–24 months after the exhibition, SEK 110 during month

25–48, and SEK 105 thereafter. Dividends on preference shares require a general meeting resolution. The holders of the preference shares have no right to demand redemption or demand a dividend.

The dividend on preference shares is regulated in the Articles of Association. The dividend amounts to SEK 14.0 million annually, divided into SEK 3.5 million per quarter, with payment in March, June, September and December.

COMPANIES PER BUSINESS AREA

WATER & ENERGY

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

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

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

Example areas of application:

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

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

- | | |
|---|---|
| • CentralByggarna i Åkersberga AB | Producer of customised switching stations and electrical automation |
| • Centralmontage i Nyköping AB | Producer of customised switching stations and electrical automation |
| • EuroTech Sire System AB | Installation and service of uninterruptible power supply |
| • Hansa Vibrations & 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) (as of Feb -21) | Development and manufacture of charging equipment and systems for electric vehicles |
| • Topas Vatten AB | Installation and service of smaller water and wastewater treatment plants |
| • Unipower AB | Measuring systems for monitoring of power quality |
| • Vera Klippan AB | Producer of large-dimension cisterns for larger water and sewerage systems |
| • Wake Power Distribution Ltd (IDE Systems) (as of Sep -21) | Temporary power distribution and monitoring systems |
| • Water Treatment Products Ltd | Preparation and manufacture of water treatment products |

SPECIAL INFRASTRUCTURE SOLUTIONS

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

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

Example areas of application

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

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

- | | |
|--|--|
| • Alerter Group Ltd | Emergency communications systems for disabled people |
| • Auger Site Investigations Ltd | Specialised in claims management of underground infrastructure |
| • Castella Entreprenad AB | Contracts for shell completion and internal plaster walls |
| • Certus Technologies Holding B.V. (fr.o.m. okt -21) | Systems for automation in ports, terminals and logistics distribution center |
| • Cliff Models AB | Prototypes for industrial product development |
| • Cryptify AB | Software solution for secure communication |
| • Frigotech AB | Installation and service of refrigeration units |
| • Ficon Oy (as of Jun -21) | Specializes in hydraulic products for snow and ice clearing |
| • GAH (Refrigeration) Ltd | Manufacture and service of transportation refrigeration solutions |
| • Oy Hilltip AB | Manufacturer of road maintenance equipment, special winter |
| • KSS Klimat & Styrssystem AB | Indoor climate control, ventilation and energy efficiency |
| • Medicvent AB | System for evacuation of noxious gases |
| • Metus d.o.o. | Production of special elevators for customer-specific needs and resource supply to global elevator manufacturers |



- | | |
|---|---|
| <ul style="list-style-type: none"> • Optyma Security Systems Ltd • RedSpeed International Ltd • Storadio Aero AB | <p>Integrated security systems for public and private environments</p> <p>Digital cameras for speed monitoring and traffic enforcement</p> <p>Infrastructure and operational liaison centre for backup air traffic communications</p> |
| <ul style="list-style-type: none"> • Stockholmradio AB • Thors Trading AB | <p>Radio-based services for shipping. now a part of Storadio Areo AB</p> <p>Durable products in carbon steel material for racing and harness racing</p> |

PROPERTY TECHNICAL SERVICES

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

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

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

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

Pro forma figures for the six latest reported quarters, from the first quarter of 2020 to the second quarter of 2021,

according to the new segment structure are presented separately, see page 31-32.

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

DEFINITIONS ALTERNATIVE PERFORMANCE MEASURES

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

EBITDA	Operating profit before depreciation and impairment losses.
EBITA	Operating profit after depreciation of property, plant and equipment before impairment losses. The key figure enables comparisons of profitability over time regardless of depreciation and amortization of acquisition-related intangible assets and regardless of the corporate tax rate and the company's financing structure. However, depreciation on tangible assets is included, which is a measure of a resource consumption that is necessary to generate the result.
EBITA*	EBITA* is the Group's operating performance measure and is calculated as EBITA before acquisition costs and disposal costs and before profit from revaluation of contingent consideration and sale results from divestments, less depreciation and amortization that are not acquisition-related but originate from the intangible assets of the operating units. EBITA* is indicated by an asterisk. The key figure increases the comparability of EBITA over time as it is adjusted for the impact of items affecting comparability. The key figure is also used in the internal follow-up and constitutes a central financial objective for the business.
EBITA* margin	EBITA* in relation to net sales.
Net debt/EBITDA	Calculated as average net debt for the past four quarters, in relation to EBITDA for the last four quarters. Net debt includes short-term and long-term interest-bearing liabilities less cash and cash equivalents. Parts of the interest-bearing liabilities are debt related to the contingent consideration payments for acquisitions, which are regulated at the end of the earnout periods depending on the earnings trend during those periods. A payment of the debt at the current booked value requires higher earnings levels than the current level.
Financial net debt/EBITDA	Calculated as average financial net debt to credit institutions and other financial debt for the past four quarters, in relation to EBITDA for the past four quarters. Financial net debt to includes short-term and long-term interest-bearing liabilities less cash and cash equivalents, but excluding debt related to the contingent consideration payments for acquisitions
Capital employed	Calculated as average shareholders' equity and interest-bearing net debt for the past four quarters less cash and cash equivalents and short-term investments.
Return on capital employed	Calculated as EBITA for the four most recent quarters on closing day, in relation to average capital employed for the four most recent quarters on closing day.
Return on equity	Calculated as average profit after tax, adjusted for dividend to preference shares, for the four most recent quarters in relation to average equity, adjusted for preference capital, for the four most recent quarters on closing day.
Cash flow generation	Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.
Earnings per ordinary share (number per end of period)	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the number of ordinary shares per the end of the period.

ALTERNATIVE PERFORMANCE MEASURES

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

EBITDA

Operating profit before depreciation and impairment losses.

EBITDA (SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Full year 2020
Operating profit	102.5	86.6	281.7	233.4	358.8	310.5
Depreciation and amortisation of tangible non-current assets	21.3	13.5	64.9	49.2	88.4	72.7
Depreciation and amortisation of intangible non-current assets	12.7	5.7	34.5	12.5	41.7	19.8
EBITDA	136.5	105.8	381.1	295.1	488.9	402.9

EBITA*

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

EBITA* (SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Full year 2020
Operating profit	102.5	86.6	281.7	233.4	358.8	310.5
Depreciation and amortisation of intangible non-current assets	12.7	5.7	34.5	12.5	41.8	19.8
EBITA	115.2	92.3	316.2	245.9	400.5	330.2
Acquisition costs	5.5	2.2	22.8	4.4	28.0	9.6
Divestment	-	-	20.3	-	20.3	-
Add back depreciation and amortisation of intangible non-current assets non acquisition related	-2.1	-1.7	-6.5	-4.0	-8.5	-6.0
Adjustment of liability for earnouts	0.7	-	3.2	-	16.8	13.5
EBITA*	119.3	92.8	355.9	246.4	456.8	347.3

EBITA* margin

EBITA* i relation till nettoomsättningen.

EBITA* i relation to Net Sales (SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Full year 2020
EBITA*	119.3	92.8	355.9	246.4	456.8	347.3
Net Sales	646.2	515.9	1,969.8	1,483.7	2,574.1	2,088.0
EBITA* margin %	18.5	18.0	18.1	16.6	17.7	16.6

Net debt/EBITDA

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

Average interest-bearing net debt (SEK m)	Average	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Interest-bearing liabilities	1,857.7	2,053.9	1,783.9	2,002.2	1,590.8
Cash and cash equivalents	-313.9	-281.3	-369.5	-325.3	-279.4
Interest-bearing net debt	1,543.8	1,772.7	1,414.4	1,676.9	1,311.4
Assets held for sale	-1.3	-	-	-5.1	-
Total interest-bearing net debt	1,542.6	1,772.7	1,414.4	1,671.8	1,311.4

Average net debt in relation to EBITDA (SEK m)	LTM Sep 2021	LTM Sep 2020	Full year 2020
Interest-bearing net debt	1,542.6	1,072.0	1,105.8
EBITDA	488.9	409.2	402.9
Net debt/EBITDA	3.16	2.62	2.74

Financial net debt/EBITDA

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

Average interest-bearing financial net debt (SEK m)	Average	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Interest-bearing financial debt	823.0	785.8	801.8	998.0	706.4
Cash and cash equivalents	-313.9	-281.3	-369.5	-325.3	-279.4
Interest-bearing financial net debt	509.1	504.5	432.3	672.7	426.9
Assets held for sale	5.4	-	-	21.8	-
Total interest-bearing financial net debt	514.6	504.5	432.3	694.5	426.9

Average Financial net debt in relation to EBITDA (SEK m)	LTM Sep 2021	LTM Sep 2020	Full year 2020
Interest-bearing financial net debt	514.6	355.5	337.4
EBITDA	488.9	409.2	402.9
Financial net debt/EBITDA	1.05	0.87	0.84

Capital employed

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

Average capital employed (SEK m)	Average	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Interest-bearing net debt	1,542.6	1,772.7	1,414.4	1,671.8	1,311.4
Shareholders' equity	2,240.9	2,471.8	2,396.2	2,340.0	1,755.8
Capital employed	3,783.5	4,244.4	3,948.6	4,011.8	3,067.1

Return on capital employed

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

Average EBITA in relation to average capital employed (SEK m)	LTM Sep 2021	LTM Sep 2020	Full year 2020
EBITA	400.5	338.7	330.2
Capital employed	3,783.5	2,567.5	2,725.6
Return on capital employed %	10.6	13.2	12.1

Return on equity

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

Average adjusted net profit in relation to average equity (SEK m)	LTM Sep 2021	LTM Sep 2020	Full year 2020
Profit after tax, adjusted	224.5	214.8	200.6
Equity	2,043.0	1,284.1	1,407.3
Return on capital employed %	11.0	16.7	14.3

Cash flow generation

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

Cash flow generation %	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Full year 2020
EBT	95.4	107.1	261.0	224.7	320.6	284.2
Adjustment for items not included in cash flow	2.7	19.7	23.0	74.6	76.4	128.0
Adjusted EBT	98.1	126.8	284.0	299.3	396.9	412.2
Cash flow from continuing operations	75.4	74.6	141.9	296.5	296.2	450.8
Cash flow generation %	76.9	58.8	50.0	99.1	74.6	109.4

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

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

Earnings per ordinary share (SEK m)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	LTM Sep 2021	Full year 2020
Profit/loss attributable to Parent Company's shareholders	76.8	86.5	199.2	175.4	238.4	214.6
Dividend paid to preference shareholders	-3.5	-3.5	-10.5	-10.5	-14.0	-14.0
Profit/loss attributable to Parent Company's shareholders	73.3	83.0	188.7	164.9	224.4	200.6
Number of ordinary shares outstanding (thousand)	35,364	33,642	35,364	33,642	35,364	33,642
Earnings per ordinary share	2.07	2.47	5.34	4.90	6.35	5.96

STOCKHOLM 26 OCTOBER 2021

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) org nr 556672-4893

Introduction

We have reviewed the condensed interim financial information (interim report) of Sdiptech AB (publ) as of 30 September 2021 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 26 October 2021

Öhrlings PricewaterhouseCoopers AB

Anna Rosendal
Authorized Public Accountant
Auditor in charge

Andreas Skogh
Authorized Public Accountant



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Sdiptech AB (publ) is required to disclose this information pursuant to EU Market Use Regulation 596/2014. The information was provided by the above contact persons for publication on 26 October 2021 at 08.00 CEST.

UPCOMING REPORTS

Year-end report for 2021
Annual general meeting

10 February 2022
18 May 2022

Payment of dividends to preference shareholders

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

- 15 December 2021
- 15 March 2022

Segment reporting, pro forma Q1 2020 - Q2 2021

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

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

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

Net Sales (SEK m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	156.6	147.4	146.7	164.8	615.5	211.0	257.4
Special Infrastructure Solutions	327.8	336.0	369.3	439.5	1,472.6	447.2	408.0
Total Net Sales	484.4	483.4	515.9	604.3	2,088.0	658.3	665.3
Operating profit, EBIT (SEK m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	29.4	30.9	32.1	34.4	126.7	47.0	57.9
Special Infrastructure Solutions	47.3	58.5	64.4	70.1	240.6	74.0	67.6
Segment total	76.7	89.4	96.5	104.5	367.3	121.0	125.4
Centrala units	-7.9	-11.4	-9.8	-27.5	-56.8	-30.2	-36.9
Total EBIT	68.8	78.0	86.6	77.1	310.5	90.7	88.5
EBITA* (Mkr)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	29.6	31.1	32.3	34.7	127.8	48.5	61.6
Special Infrastructure Solutions	49.1	60.8	68.3	79.0	257.4	79.9	74.2
Segment total	78.6	91.9	100.6	113.8	385.2	128.4	135.8
Centrala units	-7.8	-9.3	-7.8	-13.0	-37.9	-12.2	-15.1
Total EBITA*	70.8	82.6	92.8	100.8	347.3	116.1	120.7
EBITA* %	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	18.9%	21.1%	22.0%	21.1%	20.8%	23.0%	23.9%
Special Infrastructure Solutions	15.0%	18.1%	18.5%	18.0%	17.5%	17.9%	18.2%
Revenue from agreements with customers (SEK m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
<i>Water & Energy</i>							
Products	89.2	92.8	83.6	119.9	385.5	138.7	207.6
Installation, direct	33.2	21.8	29.2	68.8	153.0	46.1	41.9
Installation, over time	9.5	11.0	14.8	-9.3	26.0	13.6	-6.0
Service, direct	18.3	13.0	12.4	-20.5	23.2	4.3	5.5
Service, over time	3.3	6.4	4.1	3.7	17.5	5.3	5.1
Distribution	3.0	2.6	2.6	2	10.2	2.9	3.3
Sum Water & Energy	156.6	147.6	146.8	164.8	615.3	211.0	257.4
<i>Special Infrastructure Solutions</i>							
Products	56.4	47.3	64.2	106.7	274.6	140.4	156.4
Installation, direct	94.3	136.2	127.6	152.4	510.5	121.6	115.3
Installation, over time	46.1	52.3	44.1	51.9	194.4	36.8	10.3
Service, direct	97.2	86.5	91.3	104.3	379.3	122.7	107.5
Service, over time	30.6	15.9	32.9	23.2	102.6	25.3	15.5
Distribution	3.1	-2.0	9.2	0.9	11.2	4.4	3.0
Sum Special Infrastructure Solutions	327.8	336.1	369.3	439.4	1,472.6	447.2	408.0
<i>Sum Products</i>	<i>145.6</i>	<i>140.1</i>	<i>147.8</i>	<i>226.6</i>	<i>660.1</i>	<i>279.1</i>	<i>364.0</i>
<i>Sum Installation, direct</i>	<i>127.5</i>	<i>157.9</i>	<i>156.8</i>	<i>221.3</i>	<i>663.5</i>	<i>167.7</i>	<i>157.1</i>
<i>Sum Installation, over time</i>	<i>55.6</i>	<i>63.2</i>	<i>58.9</i>	<i>42.7</i>	<i>220.4</i>	<i>50.4</i>	<i>4.4</i>
<i>Sum Service, direct</i>	<i>115.5</i>	<i>99.4</i>	<i>103.7</i>	<i>83.9</i>	<i>402.5</i>	<i>127.0</i>	<i>113.0</i>
<i>Sum Service, over time</i>	<i>33.9</i>	<i>22.3</i>	<i>37.0</i>	<i>26.9</i>	<i>120.1</i>	<i>30.6</i>	<i>20.6</i>
<i>Sum Distribution</i>	<i>6.1</i>	<i>0.6</i>	<i>11.7</i>	<i>3</i>	<i>21.4</i>	<i>7.3</i>	<i>6.3</i>
Total Sales	484.4	483.4	515.9	604.4	2,088.0	658.3	665.3

Other income (SEK m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	0.6	4.9	1.6	1.8	8.9	1.4	1.3
Special Infrastructure Solutions	2.6	3.5	2.9	5.7	14.7	3.8	2.8
Segment total	2.8	8.4	4.5	7.5	23.6	4.9	4.1
Centrala units	0.4	-	1.2	-0.1	1.5	-1.7	5.2
Total Other Income	3.6	8.4	5.7	7.5	25.1	3.5	9.3

Of which received state aid attributable to Covid-19* (SEK m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	-	4.6	1.1	0.3	6.0	0.5	0.4
Special Infrastructure Solutions	-	1.1	1.0	-0.5	1.6	0.7	0.8
Total	-	5.7	2.1	-0.2	7.6	1.2	1.1

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