

Annual & Sustainability Report

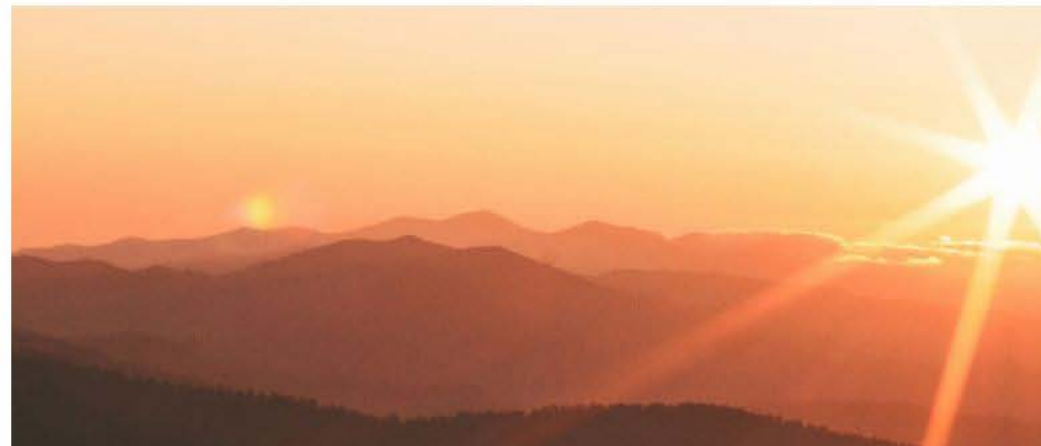
2024





CEO comment

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Strategy

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Vision

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Sustainability

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The audited annual and consolidated accounts can be found on pages 6, 18, 47–54, 59–64, 66–73 and 105. The financial statements with notes and comments can be found on pages 66–104.

• The Directors' Report forms part of the Annual Report and can be found on pages 6, 18, 47–54, 59–64, 66–73 and 105.

The corporate governance report, reviewed by the auditors, can be found on pages 59–62.

Pages 28–46 and 113–126 of the annual report constitute Sdipotech's statutory sustainability report, in accordance with the Swedish Annual Accounts Act. The report refers to the financial year 1 January – 31 December 2024.

Financial calendar

Year-end report 2024	11 February 2025
Interim report Q1 2025:	29 April 2025
Interim report Q2 2025:	18 July 2025
Interim report Q3 2025:	24 October 2025
Year-end Report 2025:	10 February 2026

Annual General Meeting

At 16:00 on 19 May 2025 at IVA (Ingenjörsvetenskapsakademien), Grev Turegatan 16, Stockholm. Registration must take place as specified in the invitation to attend.

This is Sdipotech

BUSINESS UNITS

41

EMPLOYEES

2,169

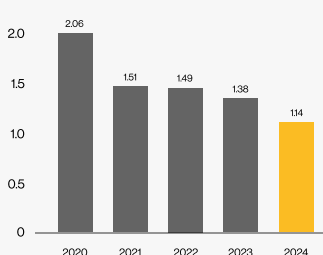
NET SALES, MSEK

5,166

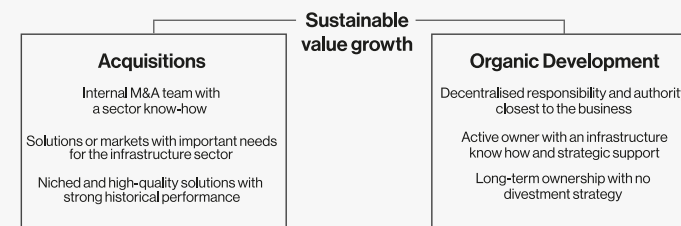
ADJUSTED EBITA, MSEK

1,010

TCO2E/TURNOVER



BUSINESS MODEL

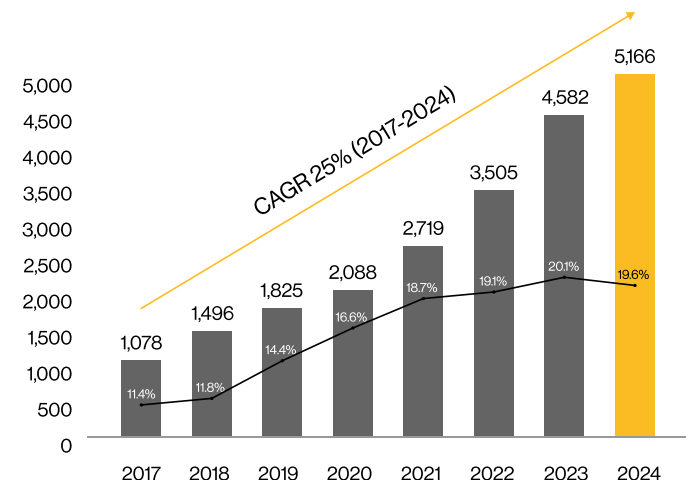


Sdipotech is a technology group that acquires and develops niche infrastructure companies that contributes to more sustainable, efficient, and safe societies.

Europe's infrastructure is largely outdated and neglected. Constantly growing and increasingly complex urban areas are affected by capacity shortages. New environmental and welfare problems place new demands on sustainable solutions, which drives technological development. All this means that the demand for infrastructure solutions for effective and prosperous societies is growing. We are well positioned to handle this development.

Sdipotech's overall goal is to create long-term value growth by constantly evaluating new acquisition opportunities and actively developing our business units in order to drive organic growth. The strength of our business model is that we can offer secure, long-term ownership through a decentralised structure and clear, strategic, value-creating contributions. Sdipotech's head office is in Stockholm, and its main markets are the Nordic region, the UK and Northern Italy. The company also operates in Finland, Norway, Denmark, the Netherlands and Croatia.

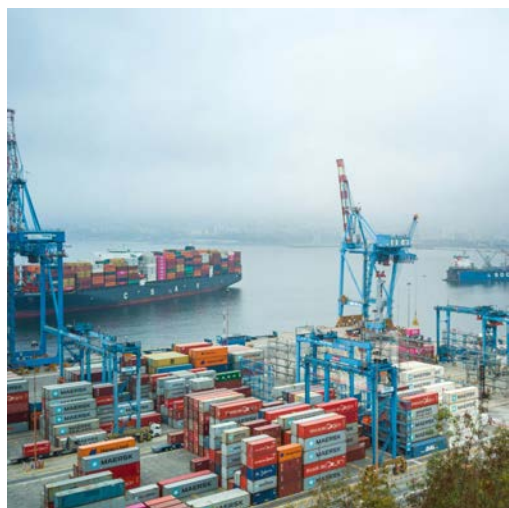
NET SALES SEK MILLION AND ADJUSTED EBITA MARGIN



Four business areas with underlying drivers and trends

The four business areas are applicable from 1 January 2025, prior to which Sdiptech’s business areas were Special Infrastructure Solutions and Resource Efficiency.

Supply Chain & Transportation



Businesses with innovative solutions that are working to modernise and streamline transport and supply chains, driven by a growing demand for more sustainable, efficient and secure logistics solutions. Infrastructure needs to be adapted to current needs in order for global and regional supply chains to function. This creates a favourable underlying driver for growth in the area.

Read more on pages 19–20

[Link to the page containing more info about the business area](#)

Energy & Electrification



Businesses providing niche solutions in areas such as energy efficiency, electrification, power supply and temporary electricity. The growth potential of these units is driven by the transition to the energy systems of the future that enable sustainable production and efficient energy consumption.

Read more on pages 21–22

[Link to the page containing more info about the business area](#)

Water & Bioeconomy

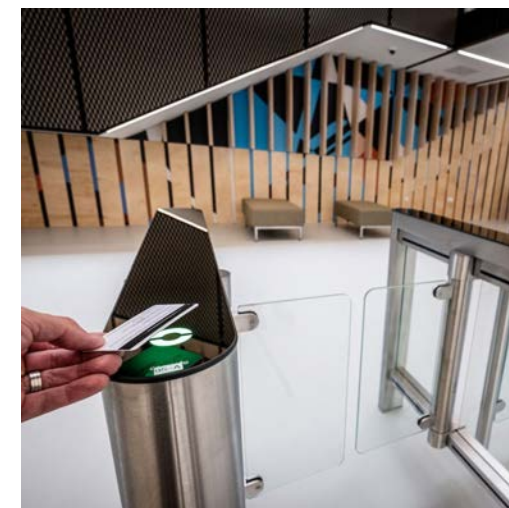


Businesses providing niche solutions relating to water, waste and bioresource utilisation. The growth potential of these units is driven by urbanisation, population growth and increasingly regulatory requirements for modernisation of infrastructure

Read more on pages 23–24

[Link to the page containing more info about the business area](#)

Safety & Security



Businesses that address the growing need to protect people, physical assets and facilities, as well as information. This business area focuses on safety to prevent unintentional harm, and on security against intentional harm caused by external factors.

Read more on pages 25–26

[Link to the page containing more info about the business area](#)

The year in brief



Sdipotech has established four new business areas during the year in order to promote growth, efficient management and increased specialisation. Four clear focus areas will allow us to meet market needs, drive innovation and create sustainable value more effectively. The four business areas will apply from 1 January 2025.

Bengt Lejdström, CEO

SALES GROWTH	ADJUSTED EBITA GROWTH	ADJUSTED EBITA MARGIN	CASH FLOW GENERATION	REDUCED CO2E/TURNOVER
13%	10%	19.6%	83%	24%

Key milestones and events in 2024

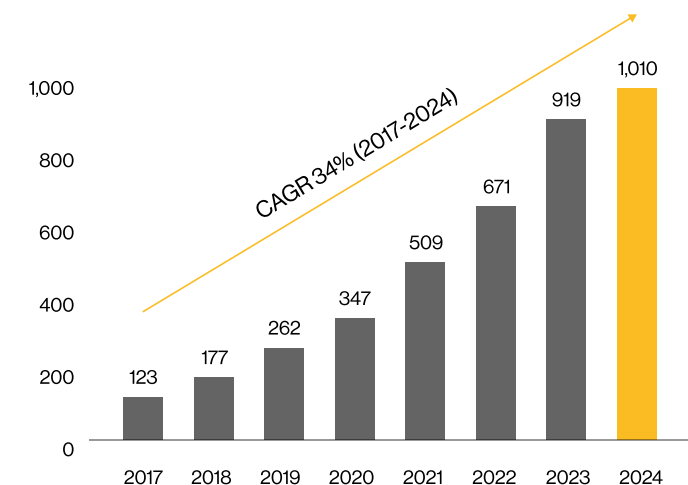
Stable margins, strong cash flow and continued strategic growth sum up 2024 for Sdipotech. Net sales increased by 13 per cent to SEK 5,166 million, with organic sales growth of 3 per cent. Adjusted EBITA increased by 10 per cent to SEK 1,010 million, corresponding to an adjusted EBITA margin of 19.6 per cent. Operating cash flow remained strong at SEK 823 million, corresponding to a cash flow generation of 83 per cent.

Acquisitions continued to be a key part of the growth strategy. Five high-quality acquisitions were completed during the year, which added SEK 109 million to EBITA on a rolling 12-month basis. All acquisitions were made in Sdipotech's focus markets in the Nordic region, the UK and Italy, further strengthening the position in these regions.



- **Net sales** increased by 13 per cent to SEK 5,166 (4,582) million. Organic sales growth totalled 3 per cent, excluding currency effects.
- **EBITA** increased by 8 per cent to SEK 1,041 (961) million, corresponding to an EBITA margin of 20.2 per cent (21.0).
- **Adjusted EBITA** increased by 10 per cent to SEK 1,010 (919) million, corresponding to an adjusted EBITA margin of 19.6 per cent (20.1). In organic terms, adjusted EBITA growth was -2 per cent, excluding currency effects.
- **Profit before tax** amounted to SEK 635 (615) million and profit after tax totalled SEK 436 (450) million. Profit attributable to discontinued operations amounted to SEK -79 (-4) million. Of the Group's total profit, SEK 353 (444) million was attributable to the shareholders of the parent company.
- **Cash flow** from operating activities amounted to SEK 823 (628) million, corresponding to cash flow generation of 83 per cent (68).
- **Earnings per ordinary share** after deductions for minority interests and dividend to preference shares of SEK 11.00 (11.44). Total earnings, including discontinued operations, per ordinary share amounted to SEK 8.93 (11.33).

ADJUSTED EBITA SEK MILLION



“Good demand & profitable growth”

2024 was another important year for Sdiptech, where we successfully navigated through a complex environment and took several important steps forward. A stable business environment and continued good demand from our customers meant that we not only surpassed SEK 5 billion in sales, but also reached over SEK 1 billion in adjusted EBITA. Sdiptech’s scalable business model, based on entrepreneurship, business acumen and decentralisation, places the company in a good position for the future. The drivers for improving underinvested infrastructure in order to create safer, more efficient, more sustainable societies also generate favourable conditions for continued stable growth.

Sdiptech is continuing its growth journey and concludes yet another year of good profitability, strategic acquisitions and stable demand. We were pleased to welcome five new companies to the Group in 2024, further strengthening our position in our focus areas. Net sales increased by 13 per cent to SEK 5,166 million, and adjusted EBITA increased by 10 per cent to SEK 1,010 million, corresponding to a margin of 19.6 per cent. Our cash flow from operating activities reached a record SEK 823 million, with cash flow generation of 83 per cent, thereby strengthening our financial flexibility and enabling further expansion.

Market development and business situation

From a market perspective, the year was stable with generally good demand in most of the Group’s regions and geographical areas. Some units were affected by the economic situation, particularly in the construction sector, which contributed to a lower organic growth rate towards the end of the year. However, we are seeing no signs of a long-term decline. Organic sales growth amounted to 3 per cent excluding currency effects, while adjusted organic EBITA growth fell by 2 per cent. Demand in the field of Special Infrastructure Solutions remained strong, particularly in our larger transport and logistics businesses. It is also worth mentioning that four of the Group’s five largest units in terms of profit were in the business area during the year. These five are listed below.

Auger Site Investigations, which handles claims relating to underground pipelines on behalf of insurance companies, has continued its good growth in 2024. With its well-developed case management and broad geographical presence in the UK, the company is meeting the increasing demand that is being fuelled by both neglected infrastructure and climate change. Insurance companies are constantly looking for reliable, cost-effective solutions, which Auger is able to deliver thanks to high quality, efficient processes and first-class service.

ELM Kragelund, a global stakeholder in forklift accessories, has consolidated its strong position in 2024 and continues to offer high-quality custom solutions that increase both safety and efficiency for its customers. With new forklift sales slowing slightly, the company has focused more on servicing and retrofitting equipment for existing forklifts, further strengthening its long-term position.

GAH Refrigeration, which manufactures refrigeration systems for the transportation of food and pharmaceuticals, enjoyed another strong year in 2024, with very good demand. The need for safe, temperature controlled transport continues to grow, driven by increased food and pharmaceutical safety requirements, a growing e-commerce market and stricter sustainability regulations. Sdiptech has supported the company’s expansion into North America during the year, while GAH has strengthened its position through technological innovation in energy efficient and



Hilltip, which manufactures road maintenance equipment with emphasis on the winter season, has continued its growth journey in 2024. Hilltip’s innovative and user-friendly products help customers to deal with winter road maintenance in a cost effective and sustainable way. Hilltip had a good year, with Sdiptech continuing to support its successful establishment in North America. This further strengthened both the market position and the long-term growth opportunities.

Resource Efficiency continued to perform well, with units in the water and energy sector, temporary electricity and biological sludge management making particularly positive contributions. In this business area, *IDE Systems*, a leading provider of temporary power distribution solutions, had a very strong year and was one of the five biggest units in the Group. Demand has been particularly high for construction sites, infrastructure projects and major events, with the Olympics being a significant contributing factor. The company is benefiting from growing demand for flexible and reliable power supplies and stricter energy efficiency requirements. Besides these units, several of the Group’s other major businesses that were part of Resource Efficiency have also had a good year. Despite a challenging market, *Rolec*, which works with charging equipment for electric vehicles and marinas, has performed well, while *Water Treatment Products* has consolidated its position in water treatment technology.

Long-term resilience and growth

Compared to 2023, which was marked by high organic growth, we were able to meet these high comparison figures in a stable manner in 2024. There has been underinvestment in many infrastructures in Europe, and the need to modernise, expand and improve efficiency remains high: we perceive this as a long-term driver for our business.

CEO'S STATEMENT CONTINUED

“New business area structure clearer focus and greater efficiency”

Strategic acquisitions and expansion

Acquisitions continue to be a key part of our growth strategy. Five high-quality acquisitions were completed during the year, which added SEK 109 million to EBITA on a rolling 12-month basis. These acquisitions strengthen our market position in safety, chemical water treatment, air quality and sustainable agriculture. Phase 3 Connectors in the UK was also acquired in early 2025, providing efficient power distribution solutions for events, data centres and industrial facilities. We have a continued strong pipeline of potential acquisitions and the conditions to keep expanding.

New business area structure from 2025

During the year, we have further developed our organisational structure in order to further strengthen governance and growth opportunities. Our new business area structure came into effect as of 1 January 2025, providing clearer focus and increased efficiency.

Supply Chain & Transportation is currently the Group's largest business area in terms of profit and turnover. This business area includes businesses with innovative solutions that are working to modernise and streamline transport and supply chains, driven by a growing demand for more sustainable, efficient and secure logistics solutions. Infrastructure needs to be adapted to current needs in order for global and regional supply chains to function. This creates a favourable underlying driver for growth in this area.

The Group's second largest business area is *Energy & Electrification*, which includes businesses that provide niche solutions in areas such as energy efficiency, electrification, power supply and temporary electricity.

The growth potential of these units is driven by the transition to future energy systems that enable sustainable production and efficient energy consumption.

The third business area is *Water & Bioeconomy*, with businesses providing niche solutions in water, waste and bioresource utilisation. The growth potential of these units is driven by urbanisation, population growth and increasingly regulatory requirements for modernisation of infrastructure

The fourth and final new business area is *Safety & Security*, which includes activities that address the growing need to protect people, physical assets and information. This business area focuses on safety to prevent unintentional harm, and on security against intentional harm caused by external factors.

Growth with reduced volatility and increased diversification

As Sdiptech continues to grow, we are not only strengthening our presence with key solutions in the infrastructure sector: we are also building an increasingly diversified portfolio of companies, reducing our exposure to individual customers, industries or geographical regions. We are continuing to strengthen our long-term resilience through carefully selected acquisitions of companies with strong market positions in specific niches. Our scalable business models and decentralised structure allow us to adapt quickly to market changes while maintaining simplicity and flexibility for our companies.

Sustainability progress and societal impact

Our biggest impact is through our companies' products, which help to create safer, more efficient,

more sustainable societies. That said, our customers' commitment to and demands for sustainability are constantly increasing. Based on specific value propositions, our companies support customers in their endeavours to achieve their sustainability goals. That is why it is gratifying to note that 76 per cent of our turnover contributed to the UN Sustainable Development Goals in 2024. Not only does this create strong business opportunities, but by forming partnerships along the value chain, we jointly develop technological solutions that promote a transition towards safer, more efficient, more sustainable societies.

While many of our products help customers reduce their emissions, we have a responsibility to reduce our own emissions. In 2024, the Group's total carbon intensity in Scope 1 and 2 decreased by 10 per cent, and by 24 per cent since 2021. Moreover, we can see that we have reduced our absolute emissions for the first time despite our continued growth. In 2024, we have also continued to work on our Corporate Sustainability Reporting Directive (CSRD) reporting, which will provide more in-depth insights into our sustainability risks and opportunities and strengthen our long-term strategy. This work is continuing and is planned to be presented in the 2025 Annual Report. However, the dual materiality analysis is presented in this year's report.

Strong culture and knowledge sharing

Sdiptech is a group with many successful companies and strong brands, where our unique model is based on entrepreneurial leadership, strategic diversification and scalable growth. In 2024, we have brought together and witnessed collaborations between the companies, not only through pure cross-selling but also through knowledge sharing. By leveraging our

internal network of specialised companies, we can share knowledge and experience in key future areas creating added value and strengthening the entire Group. Some examples of the themes we discussed during the year to benefit from internal knowledge sharing include digitalisation and AI, innovation, expansion into new markets, and sustainability, diversity and leadership as a competitive advantage. In these cases, several specific initiatives have been implemented in order to inspire, streamline and optimise our operations. Working smarter, instead of each company developing solutions from scratch, allows us to more quickly identify value-creating business opportunities and optimise resources.

Focus on diversity and leadership

We enter 2025 with strong strategic positions, a diversified portfolio and long-term drivers linked to infrastructure's transformation towards sustainability, efficiency and safety. Despite an uncertain world, we are continuing to see strong demand for our solutions and good opportunities to expand both organically and through acquisitions. I would like to extend my sincere thanks to our customers, whose close cooperation enables innovative solutions with a positive impact on society. Equally heartfelt thanks go to our dedicated staff, whose daily efforts create long-term and sustainable value. And finally, I would also like to thank our shareholders for your continued confidence. I look forward to a new year of continued development and success.

Bengt Lejdström
President and CEO

Strategy

Sdiptech's success is built on niche market positions, a scalable business model and long-term sustainability. We create both profitable growth and societal benefits by investing in niche infrastructure solutions with stable demand. We combine specialist expertise with the Group's collective knowledge and resources, while broadening our offering, strengthening our market presence and improving the profitability of our businesses through strategic acquisitions and operational support.



PROFITABILITY

Niche market positions

Our value creation is based on profitable market positions in areas with stable long-term growth. We believe that sustainable profitability comes from providing high value to our customers through specialisation and competitive market positions.

Scalability and value creation

Scalable business models and capitalising on the expertise we have within the Group allow us to create collaborations and knowledge synergies, streamline our processes and go on increasing our margins.

Supplementary and profitable acquisitions

Profitable acquisitions are continuing to contribute positively to Sdiptech's margin growth. At the same time, they broaden our expertise and our offering, further strengthening our opportunities for both growth and margin expansion through economies of scale and cross-selling.

GROWTH

Long-term demand

There is a constant need to update and improve the infrastructure in our societies. At the same time, our growing population and increasing consumption place additional pressure on these systems, further driving the need for upgrades. We are well positioned to meet the increasing demand.

Growth through acquisition

We are actively looking for more niche solutions to critical needs in the infrastructure sector. We acquire companies that help to create safer, more efficient, more sustainable societies, and are constantly expanding our presence and offering in our focus areas.

Developing business units

With business acumen and sector-specific expertise, our business area managers can provide strategic support and drive the development of our operations. At the same time, we can tailor operational support to the specific needs and phases of each of our business units.

SUSTAINABILITY

Sustainable investment

Our investment philosophy is that companies with a sustainable business model and few sustainability risks have better potential for long-term profitability and growth. We include sustainability criteria in the selection process for acquisitions so as to ensure that our investments remain responsible.

Supporting our business units in their sustainability journey

We can use knowledge, advice, policies, processes, training and systems to support our business units, helping them develop even more sustainably and thereby enhancing quality and becoming more attractive to our customers.

Long-term strategic efforts towards our goals

We work daily with long-term sustainability goals, which are integrated into both the acquisition process of new companies and the development of existing ones. Both the parent company and our business units have incentives linked to the sustainability goals, which tallies well with our decentralised model.

Drivers and trends

A number of strong societal drivers are creating long-term opportunities for Sdiptech. Three crucial factors in our favour are the quest for more sustainable, efficient and safe societies, a growing population with increased consumption, and the need to modernise and invest in outdated infrastructure. Moreover, our growth is driven by a number of important trends. These include automation, electrification and digitalisation, which are reshaping the infrastructure and boosting demand for our solutions.

Long-term drivers

Safe, efficient, sustainable societies

In a rapidly changing world, societies are increasingly endeavouring to achieve greater safety, sustainability and efficiency so that they can remain resilient in the face of new challenges. There is now greater emphasis on sustainable development as awareness of climate change has increased, with societies and organisations actively working to reduce their negative impact on the environment. At the same time, there is a growing demand for solutions that can increase efficiency, convenience and, not least, safety in society. Regulatory requirements and legislative changes are driving these changes still further.

Obsolete infrastructure suffering from underinvestment

A significant percentage of the infrastructure in the Western world took shape during the decades of growth following the Second World War. The average infrastructure investment as a percentage of GDP for EU countries peaked at 4.1 per cent in 1975. Investment then declined steadily to 2.1 per cent in 1995 and has since stabilised at that level. A lack of maintenance over the years has resulted in large parts of the infrastructure becoming obsolete. At the same time, the technological development of safe, sustainable and efficient infrastructure solutions is driving the need for further replacement and renewal.

Population growth and increased consumption

The world's population has more than tripled since 1950 and now numbers 8 billion people. Projections show that population growth will continue until 2100, when we are expected to reach 11 billion. A growing population and middle class is leading to increased demand for resources, placing further stresses on existing infrastructures, which in many instances have already reached maximum capacity. It is necessary to invest in modernising, streamlining and developing infrastructural systems so as to ensure that societies can manage and meet today's needs and the increasing demand for resources.

Long-term trends

Automated systems are a global trend in response to the need for greater efficiency, reduced costs and enhanced quality and safety. Technological developments are enabling greater efficiency in automating processes and improving decision-making, and are capable of handling large data volumes and complex tasks. Sdiptech has many businesses that benefit from the automation trend. One example is *Certus Automation*, a leading stakeholder in optical character recognition (OCR), image processing and software development. Certus solutions automate and optimise logistics processes in port and terminal environments, thereby increasing safety and streamlining processes. The volume of containers in ports all over the world has increased by more than 40 per cent in the last decade, resulting in an increased need for automated logistics solutions.

Electrification of societies refers to the transition from systems and technologies powered by fossil fuels to those powered by electricity instead. This trend is particularly evident in sectors such as transport, energy production, industry and households, where a number of Sdiptech units are benefiting from the trend. The infrastructure for charging electric cars in Europe has expanded significantly in recent years. Around 530,000 public charging points were recorded at the end of 2022, up 50 per cent compared to the previous year. The number of charging stations in Europe is expected to increase to 2.9 million by 2030, and by 2035, electric cars are predicted to account for half of all vehicles on the roads in major European countries. This emphasises the need for a robust charging network. Sdiptech's IDE System and Rolec Service units offer charging infrastructure of various types to meet different needs. Rolec has an extensive portfolio of EV charging equipment and has installed more than 330,000 charging points across the UK.

Digitalisation has transformed the way in which businesses and societies operate by integrating advanced technology into daily processes, thereby leading to more efficient workflows, better information management and increased data availability. A number of Sdiptech's business units, such as Unipower, IDE System, Resource Data Management, GAH Refrigeration and TEL UK, are benefiting from the digitalisation trend by offering their customers digital control and monitoring systems for data analysis that generate important insights, often linked to more efficient use of energy and other resources.

Goals and outcomes

Financial targets

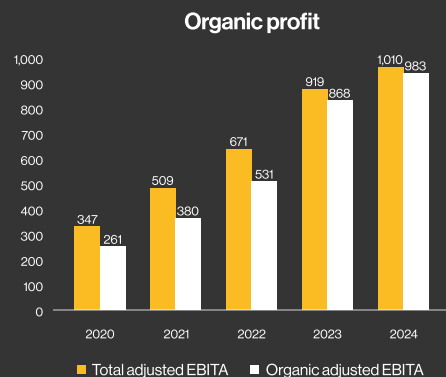
Organic profit growth

TARGET

To achieve average annual organic adjusted EBITA growth of 5–10 per cent

OUTCOME 2024

Adjusted EBITA has decreased organically by -2 per cent, compared to +13 per cent in 2023



COMMENTS

From a market perspective, the year was stable. The lower organic growth rate was essentially due to tough comparables, combined with weak performance in our units with exposure to the construction sector, which was largely non-recurring.

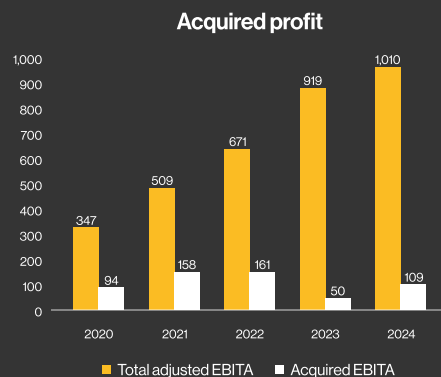
Acquired profit growth

TARGET

To acquire companies with a total EBITA of SEK 120–150 million on an annual basis, the ambition for 2024 was to be in the range of SEK 100–120 million in order to continue to work down the debt/equity ratio

OUTCOME 2024

SEK 109 (50) million in acquired EBITA on an annual basis



COMMENTS

We have been able to welcome five new high-quality companies with a profit of SEK 109 million in EBITA on a rolling 12-month basis, which was in line with the 2024 plan to acquire SEK 100–120 million.

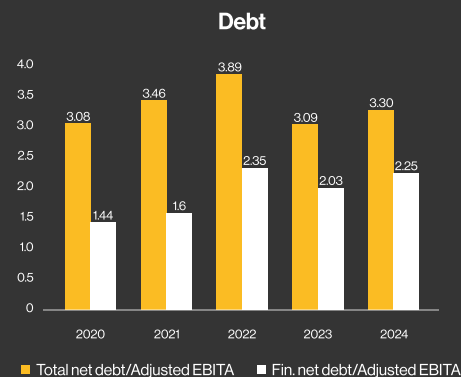
Capital structure

TARGET

Net financial liabilities as of the balance sheet date/adjusted EBITDA must not exceed 2.5 times

OUTCOME 2024

Net financial liabilities as of the balance sheet date/adjusted EBITDA was 2.25 times (2.03)



COMMENTS

Debt ratios increased in the short term due to several acquisitions being carried out within a short period, where the associated earnings have not yet been fully realised.

Dividend policy

TARGET

In addition to an annual preference share dividend of SEK 8.00 per share, the remaining free cash flow must be reinvested back into the business and used for acquisitions

OUTCOME 2024

Sdiptech's cash generation from operating activities in relation to profit before tax amounted to 83 per cent (68) in 2024. With the exception of the annual dividend to preference shareholders, the cash flow generated has been reinvested in the business

COMMENTS

Cash conversion of 83 per cent is in line with Sdiptech's ambition to be in the range of 70–90 per cent. This is a result of our long-term work on working capital efficiency, which has led, for example, to reduced inventory levels towards the end of the year.

Goals and outcomes

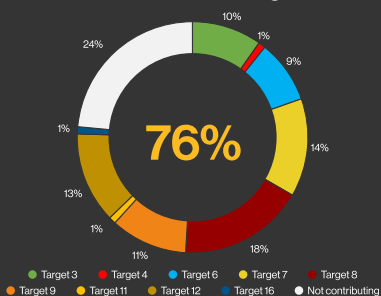
Sustainability goals

Economic sustainability

TARGET
All companies acquired by Sdiptech must contribute to at least one of the UN Sustainable Development Goals

OUTCOME 2024
The five companies acquired in 2024 are contributing to one or more of the UN Sustainable Development Goals (SDGs)

Share of turnover contributing to UN SDGs



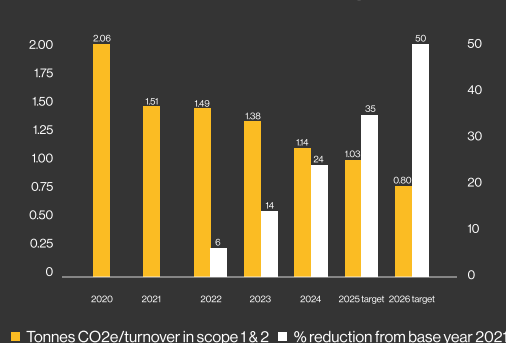
COMMENTS
Five companies were acquired in 2024: *JR Industries: SDG 8.2 achieve higher levels of productivity of economies through diversification, technological upgrading and innovation. Water Tech of Sweden: SDG 7.3 double the global rate of improvement in energy efficiency. Eagle Automation Systems: SDG 16.A prevent violence and combat terrorism and crime. Dado Labs: SDG 3.9 reduce the number of deaths and illnesses from hazardous chemicals and air. Wintex Agro: SDG 12.4: Sustainable consumption and production patterns*

Environmental sustainability

TARGET
Sdiptech must reduce its carbon intensity (CO₂e/turnover) in scope 1 and 2 by 50 per cent within five years, between 2021 and 2026

OUTCOME 2024
Sdiptech has reduced carbon intensity in scope 1 and 2 by 24 per cent compared to the base year 2021

Tonnes CO₂e/turnover in scope 1 and 2



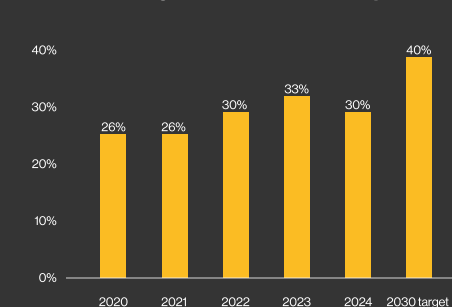
COMMENTS
Sdiptech has reduced emissions in relation to turnover in Scopes 1 and 2 by streamlining energy use, increasing the share of renewable energy, improving route planning and switching to a more electrified vehicle fleet. Absolute emissions within the Group also decreased in 2024. The pace of reduction is in line with Sdiptech's long-term plan, as the measures implemented have a certain time lag before their full impact becomes apparent.

Social sustainability

TARGET
By 2030, Sdiptech must achieve an equal gender distribution (men and women represented within the 40–60 per cent range) in senior positions.

OUTCOME 2024
30 per cent of employees in senior positions are women

Percentage of women in senior positions



COMMENTS
Sdiptech's the Group executive consisted of 33 per cent women during the year. In addition, Sdiptech's Board of Directors comprises 40 per cent women, and 35 per cent of Sdiptech's business units have an equal gender distribution in senior positions

Corporate governance

TARGET
All companies within the Sdiptech Group must have incentives that are linked to sustainability-related goals.

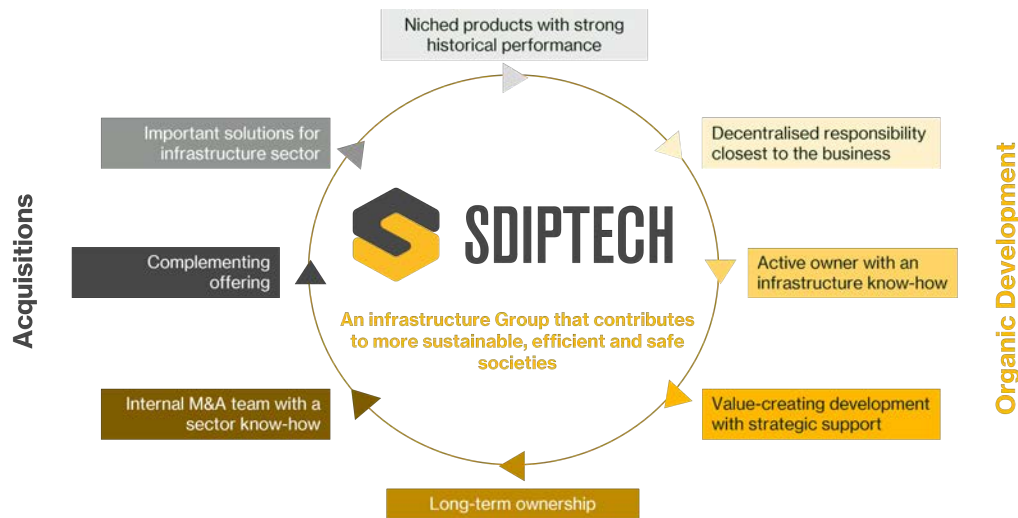
OUTCOME 2024
Sdiptech's executive team and a majority of all CEOs within the Group have incentives linked to sustainability-related goals:

- 1) through an additional bonus,
- 2) through salary development, or
- 3) as part of the targets for the earn-out

COMMENTS
Sdiptech is working with and applies individual goals and plans for each business unit in order to tailor the objectives and incentives to the specific needs, challenges and opportunities of each unit

Our mission and business model

“ One strength of our business model is that we are able to offer secure, long-term ownership through a clear, decentralised structure. At the same time, we are also working on strategic development and value creation in each business unit.



Our vision

We believe in a future based on safer, more sustainable, more efficient societies. To achieve this, it is crucial to expand and improve the infrastructure around us. We intend to play an active part in this development by acquiring and developing leading niche companies offering important solutions for societies that work well.

Our mission

Our overall goal is to create sustainable, long-term value growth and to become a leading European provider of niche offerings to the infrastructure sector.

Our business model

SdipTech's business concept is to acquire and develop market-leading niche businesses with products and services in the growing infrastructure sector. Our overall goal is to create long-term value growth by constantly evaluating new acquisition opportunities and actively developing our business units in order to drive organic growth. One strength of our business model is that we are able to offer secure, long-term ownership through a clear, decentralised structure. At the same time, we are also working on strategic development and value creation in each business unit.

SdipTech's business model is divided into two parts, **Acquisitions** and **Development**: see the following pages for more information.

Acquisitions

Acquisitions are an important part of Sdiptech’s business model. We are constantly on the lookout for niche, well-managed and high-performing companies that can strengthen existing operations or contribute new product or market segments where there is potential to achieve leading positions.

Our acquisitions

In 2024, we welcomed five new companies to the Group in our focus markets of the Nordics, the UK and Italy, representing an annual gain of SEK 109 million.

We remain positive about acquisition opportunities in our main markets, and our pipeline remains positive. At the same time, we are continuing to explore new markets for possible expansion.

Since its inception, Sdiptech has acquired a large number of entrepreneur-led technology companies, where in-depth relationship building with strategic and cultural alignment for both parties is a key part of our analysis process. Besides being a market leader in a technical niche, with structural growth, good profitability and strong demand, the company therefore has to fit into our business culture.

Our strong entrepreneurial spirit, decentralised governance model and long-term perspective are often precisely the aspects that make Sdiptech attractive to privately owned companies. As a committed and long-term owner, we work with driven entrepreneurs to develop the companies, while creating opportunities for business development and knowledge exchange within the Group’s broad network.

For us, new companies strengthen and complement our strategically selected niches with growth and development potential: but perhaps most importantly, they add competent employees with a strong entrepreneurial spirit. We have an eternal horizon and never acquire a company to refine in the short term and then divest.

Why sell to us?

We offer a long-term home with stability and continuity. Realising the growth potential of each business allows us to contribute to development and expansion according to potential and opportunity. We are a natural partner in generational transitions, ensuring that the company’s legacy and values live on while strengthening its future competitiveness. We use our broad network of expertise and strategic support to help our companies develop, streamline and create business opportunities.

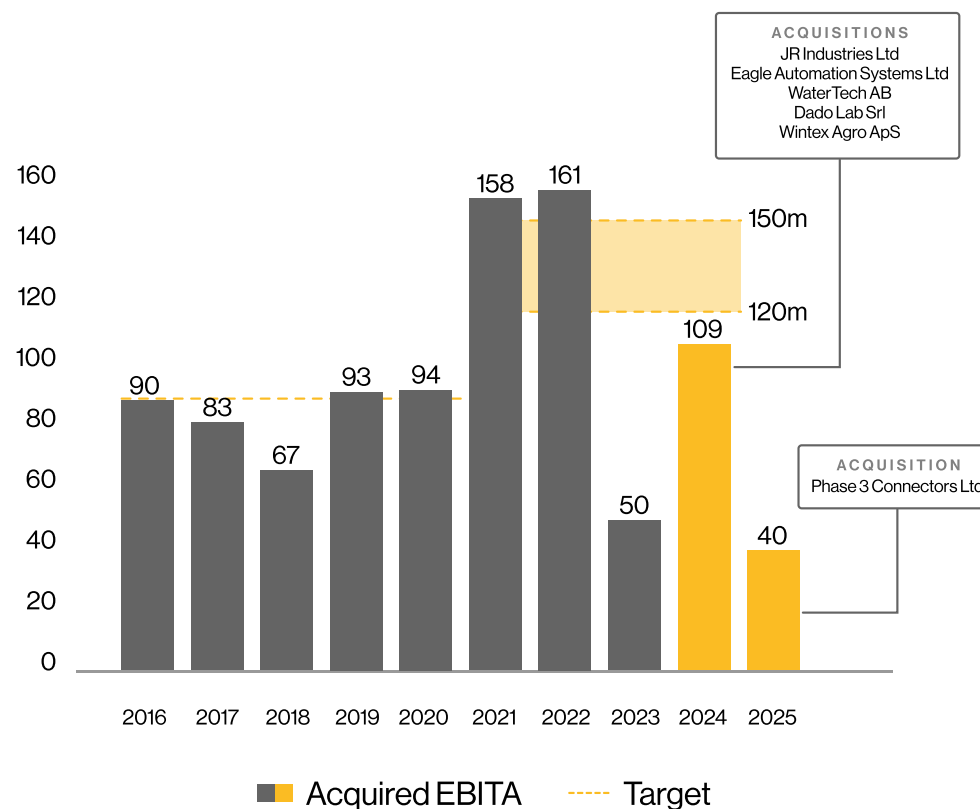
Which companies are we looking for?

We are looking for well-managed companies with solutions that improve communities in niche markets with persistent trends and low economic cyclicality. A typical Sdiptech company has a differentiated market position with limited competition and stable financial performance over several years. We are mainly looking for companies with an annual EBIT of approx. SEK 20–50 million and an EBIT margin above 15 per cent. The business model is scalable and the cash flow robust, without being dependent on a small number of customers and suppliers. The offering typically consists of hardware combined with software, along with related services and installation.

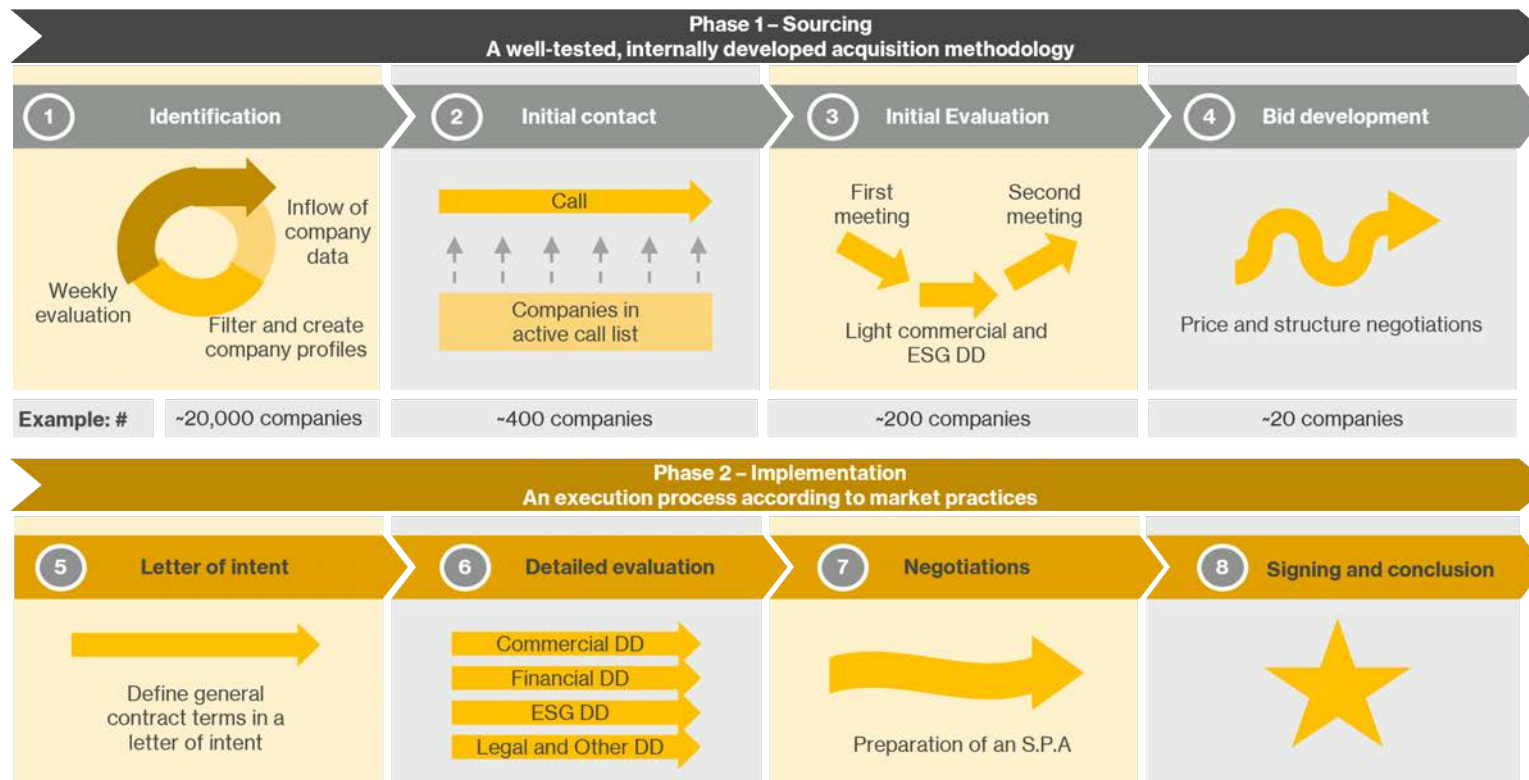
What do we contribute?

We support the development of our companies through excellence, business acumen and skills development. We also offer Group-wide functions and events for knowledge exchange, as well as effective tools to facilitate the long-term development of each individual company. This allows us to operate small-scale businesses on a large scale.

Acquisitions per year



Acquisition process



Acquisition process

Sdipotech defines clear requirements when evaluating acquisition opportunities. They must be profitable, ideally market-leading, entrepreneur-led niche infrastructure companies in prioritised geographical areas.

Sdipotech works with a process developed in-house several years ago that is led by the internal acquisition team, whose job is to continuously identify, get to know and evaluate companies against our acquisition criteria. In fact, in many instances we are in contact with companies for a number of years before an opportunity to acquire them arises. This work is divided into two phases: **sourcing** and **implementation**.

Phase 1 Sourcing

Sourcing is a proprietary process that sets Sdipotech apart and gives us important competitive advantages. Companies that meet our basic requirements are identified for further analysis by means of quantitative process steps. Around 20 companies are presented in a normal working week, of which 10 or so are contacted for further dialogue. A qualitative analysis is then carried out to identify the companies that meet our stringent criteria. Our focus on sustainable solutions for the infrastructure sector plays an important role in this analysis as we benefit from the collective expertise of the Group's acquisition team, business area managers and business units. A thorough evaluation of the commercial, financial, legal

and sustainability aspects of the company is performed prior to each acquisition. Our approach gives us time to get to know the owners of the companies that we have selected. Our in-house acquisition organisation means we have control of the inflow of acquisition candidates, which is then supplemented with suggestions from external stakeholders and our business units. Sdipotech's acquisition model creates independence from external parties and also leads to exclusive dialogues with owners.

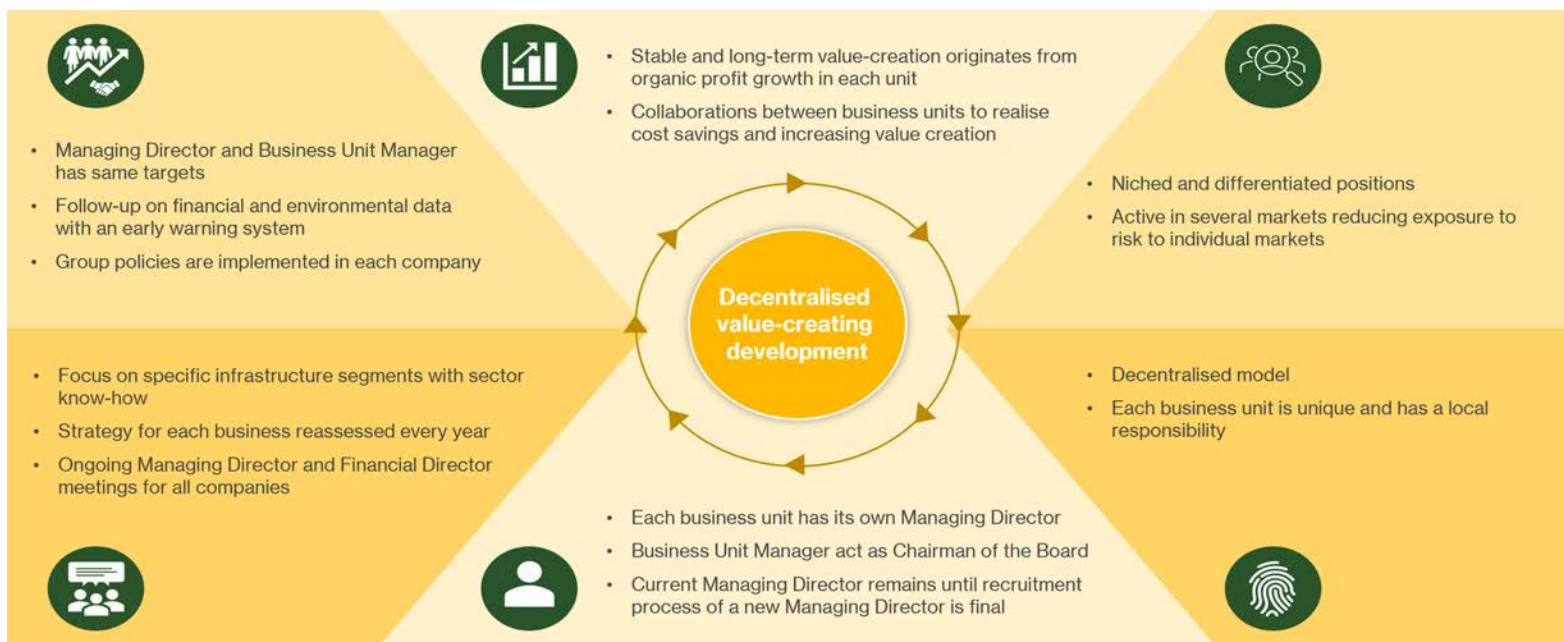
Phase 2 Implementation

Implementation follows accepted industry practice with a view to analysing risks and opportunities in detail.

Sdipotech looks for companies that fulfil the following criteria

- Delivering key solutions in our business areas that contribute to safer, more efficient, more sustainable societies
- Operating in a market or niche with persistent trends, with low economic cyclicality
- Having strong historical profit performance and stable cash flows
- Having a differentiated market position with limited competition and low risk of disruption
- Having unique value offerings and a robust business model
- Offering a combined solution of hardware and software with associated servicing and installation
- Not being critically dependent on a small number of customers or suppliers
- Have an EBIT margin above 15 per cent and an annual EBIT of around SEK 20–50 million
- Having a scalable business model
- Operating in Sdipotech's prioritised geographical areas

Development



Developed at Sdipotech

Sdipotech Group companies retain their original identity while also gaining access to the collective experience and expertise of their Group colleagues through strategic support. All Sdipotech business units have clearly decentralised responsibilities and authority.

Stable and long-term value creation in the Group stems from the organic profit growth created in each individual company. Our business units are profitable thanks to the strength of their individual niches. That is why we have a decentralised structure – so that development takes place and key decisions are made closest to our customers. Our business development principles are focused on developing and strengthening the individual market positions of our businesses, with continuity and conscious risk analysis.

Differentiation

A differentiated competitive position is a key component of sustainable and profitable growth. We prioritise strengthening the market positions of our business units without taking unnecessary risks that could jeopardise a successful niche and its profitability.

Local responsibility

Every business unit is unique. Every unit bears clear responsibility for results so as to ensure strong ownership to drive and develop our offerings.

Leadership

When a company is acquired, it is usually continued by the previous owner to ensure continuity after the acquisition is completed. A handover to a successor usually takes place within a couple of years according to an agreed schedule. Helping to find a new CEO and conducting a successful succession is an important element in the value we offer.

Focus areas

We have deep market insight and technical expertise in our focus areas. This is true of both our business unit managers in their specific areas and our acquisition organisation, which surveys markets and value chains in depth in our selected areas.

Within the framework of our decentralised model, we work actively to take advantage of cooperation opportunities between our business units when it comes to sales, product development, knowledge sharing and deliveries, for example. This allows us to implement cost savings through collaboration between our various business units, thereby increasing our value creation as a Group.

Strategic support and development

- There is close cooperation between the business unit manager and the business unit's CEO. The business unit manager is also the Chairman of the subsidiary's board and is thus an important strategic sounding board for the CEO.
- The strategy is reviewed with the business unit's CEO and executive every year. The strategy is translated into an activity plan that is then followed up regularly during the year.
- Groupwide meetings between the business units are also arranged in order to develop leadership, such as theme meetings for CEOs and CFOs.

Common incentives

In our model, the CEO should have the same goals as the business unit manager. That is why the CEO's remuneration is linked to the achievement of targets in their own company. Organic profit growth and profit margin are always an important goal, but there are always complementary goals such as goals for gender equality, reduced carbon intensity and cash flow. Moreover, the entire parent company has similar goals and incentives so as to ensure that everyone works with the same focus and ambition.

Follow-up and compliance

- Financial outcomes in relation to set targets are followed up on a monthly basis. An "early warning" system is used to detect anomalies.
- The company's carbon emissions divided into scope 1, 2 and 3 are followed up on a quarterly basis. Additionally, other ESG data is reported annually.
- Group policies are implemented in each business unit. For a small company, this often involves adapting to the compliance requirements involved in being part of a listed company. However, this alignment will improve control and increase quality in the long run, which is positive.

Becoming part of Sdipotech

Sdipotech is a home for entrepreneurs and can help companies continue to develop safely. We offer an attractive option for many company founders who want to sell their companies, because our decentralised business model means that companies can go on operating independently and retain their unique characteristics.



**Jess Brewster,
Managing Director at Auger**

“Sdipotech has been a valuable partner in ensuring a smooth succession and leadership transition at Auger. They not only identified and developed an internal candidate for the MD role but also brought in experienced support to help the new management team establish effective ways of working. Their hands-on approach, combined with a well-structured long-term incentive program, has ensured continuity and alignment for the next generation of leaders. This level of strategic involvement has been helpful in securing Auger’s ongoing success.”



**Chris Haseldine,
CEO Alerter Group**

“Being part of Sdipotech means gaining a strategic partner that actively supports our business growth while maintaining our entrepreneurial independence. Our ownership model allows us to leverage the strength of a larger group while staying agile in our niche market. Through our CEO network and regular gatherings, leaders across the Group share expertise, best practices, and collaborate on market-wide challenges. The Group’s ESG positive mindset has supported us to work more efficiently and sustainably to the benefit of all.”



**Kim Mose,
Managing Director, Kemi-tech**

“Sdipotech has been a valuable partner in advancing our sustainability work at Kemi-tech. Their expertise has helped us adopt a more structured approach to calculating the carbon footprint of our products, ensuring greater accuracy and transparency as requested by our customers. While sustainability is already deeply embedded in our operations, Sdipotech has provided crucial support in handling the administrative aspects, including marketing materials, policies, and processes. Their involvement has allowed us to focus on what we do best while strengthening our sustainability efforts.”



INDUSTRIAL FOCUS

All companies that join Sdipotech become part of a group of industry colleagues and specialists in a number of selected areas. Clear knowledge synergies, expertise and experience are all available to share.

DECENTRALISED STRUCTURE

We work within a decentralised structure in order to reinforce each business unit’s individual niche and unique characteristics. This allows each business unit to develop its business and make decisions as close as possible to customers.

STRATEGIC SUPPORT

With their industry-specific knowledge and experience, our business unit managers can provide strategic support and help our companies with further development of their operations. At the same time, we can adapt operational support according to the needs and phases of the company’s development.

Business areas

In 2024, Sdipotech was organised into two business areas: Resource Efficiency and Special Infrastructure Solutions. These areas cover activities that are important for the development of society and are driven by strong underlying trends and needs. As of 1 January 2025, Sdipotech is divided into four business areas, which are presented in more detail on the following pages. The new organisation more clearly reflects the strong trends and drivers underpinning the growth of our companies, while also enabling us to better attract entrepreneurs who want to become part of Sdipotech.

Resource Efficiency



Companies in the business area focus on niche products and services that help to bring about efficient and sustainable use of resources, such as water, sanitation, power, energy, minerals, forests, crops and waste.

Higher living standards and increasing needs for resources create a long-term demand for new solutions and innovations.

The Nordic countries, the UK and Italy are the most important geographical markets for the business area.

Number of business units: 19

Special Infrastructure Solutions



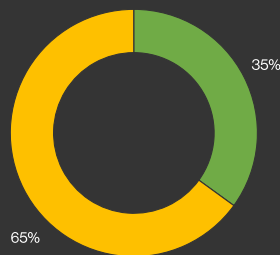
Companies in this business area provide niche products and services for specialised needs in air and climate control, security and surveillance, and transport systems and automation.

The niches in these areas all have good underlying growth, low cyclical dependence and progressively stricter ESG rules.

The Nordic countries, the UK and Italy are the most important geographical markets for the business area.

Number of business units: 22

Turnover by business area

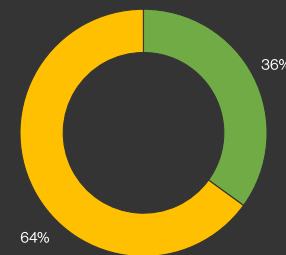


● Resource Efficiency ● Special Infrastructure Solutions

Demand in the Special Infrastructure Solutions business area remained strong, increasing from SEK 2,931 million in 2023 to SEK 3,366 million in 2024. Particularly strong development was seen in some of the larger operations within transport and logistics, as well as in several of the smaller ones within security.

In the Resource Efficiency business area, the smaller Swedish companies in both the water and energy sectors continued to enjoy good demand. The performance of the temporary electricity and biological sludge management units was also very good. In total, turnover increased from SEK 1,650 million in 2023 to SEK 1,800 million in 2024.

Adjusted EBITA by business area



● Resource Efficiency ● Special Infrastructure Solutions

Adjusted EBITA in Special Infrastructure Solutions increased from SEK 621 million to SEK 692 million, mainly due to continued good performance in several of the Group's existing units. Acquired units also made a positive contribution.

Adjusted EBITA in Resource Efficiency increased from SEK 366 million to SEK 394 million in 2024. Acquisitions contributed positively to profit development, while comparable units performed according to plan, facing tough comparables due to last year's strong results.

Supply Chain & Transportation

Sdiptech’s Supply Chain & Transportation businesses develop innovative solutions to modernise transport and supply chains. Growing demand for smarter logistics means that optimising infrastructure and transport flows is becoming increasingly important. Global and regional supply chains require customised systems and technologies to meet the demands of precision, capacity and reduced environmental impact. We are looking for companies that work with:

Supply Chain – Streamlining and Automation

Supply Chain focuses on creating automated, optimised and more sustainable value chains through integrated systems and smart technology.

Automation and digitalisation

- Integration of technology and software to improve efficiency, traceability and analytical capabilities in the supply chain.
- Automated solutions such as robotics and AI-driven systems enable faster, safer and more precise flows.

Optimisation of material handling

- Innovative solutions that improve processes for handling, storing and transportation of goods.
- Systems to reduce waste, improve resource utilisation and create more sustainable flows.

Logistics optimisation and last-mile deliveries

- Solutions to maximise transport efficiency, including temperature-controlled deliveries for food and pharmaceuticals.
- Automated planning tools and IoT-based monitoring in order to optimise routes and minimise delays.

Transportation – Infrastructure and Safety

In the field of Transportation, the emphasis is on ensuring that transport infrastructure is reliable, sustainable and adapted to future needs.

Maintenance of transport infrastructure

- Preventive and routine maintenance of roads, railways and rails to ensure reliability and longevity.
- Winter road maintenance, including snow clearance, salting and anti-skid measures to ensure traffic safety all year round.

Security systems and monitoring

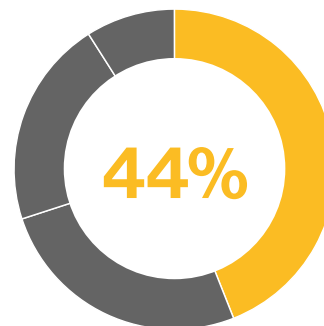
- Traffic management, monitoring and critical communication systems, such as traffic lights and surveillance cameras.
- Technologies to prevent accidents and ensure rapid response to incidents in the transport network.

Facts in brief

- Number of business units: 9
- Turnover (2024): SEK 2,271 million
- Adjusted EBITA (2024): SEK 425 million
- Adjusted EBITA margin (2024): 18.7%

	2023	2024
Net sales	1 831	2 271
Adjusted EBITA	339	425
Adjusted EBITA margin, %	18,5%	18,7%

Percentage of total turnover



“Supply Chain & Transportation is a rapidly growing area, driven by the increasing need for efficient, automated and sustainable supply chains. By combining innovative technology, smart logistics and advanced security solutions, we and our companies are helping to future-proof transport infrastructure adapted to the demands of tomorrow. Our companies in this business area complement one another by operating in different parts of the value chain, often with common customer groups. Not only does this create a broad spread of risk, it also brings about valuable collaborations and knowledge exchanges that strengthen the competitiveness of the business area.”

Anders Mattson, EVP – Head of Supply Chain & Transportation

GAH refrigeration is one of Sdiptech's successful companies in the Supply Chain & Transportation business area

GAH Refrigeration is a leading UK manufacturer of temperature-controlled refrigeration systems for transport vehicles. Its solutions are used to ensure that food, pharmaceuticals and other temperature-sensitive products are transported under optimal conditions. The company offers innovative and energy-efficient refrigeration systems for both electric and traditional vehicles, thereby helping to make the transport sector more sustainable.

GAH Refrigeration in brief

- Acquired by Sdiptech in December 2020
- Leader in the field of temperature-controlled transport solutions
- Specialising in refrigeration systems for commercial vehicles
- Advanced technical expertise and strong market position in the UK
- Strong growth and development since being acquired by Sdiptech
- Adjusted EBITA has had a compound annual growth rate (CAGR) of 19% from the year prior to the acquisition up to 2024
- The company had a return on capital employed (ROCE) of 154% during the year

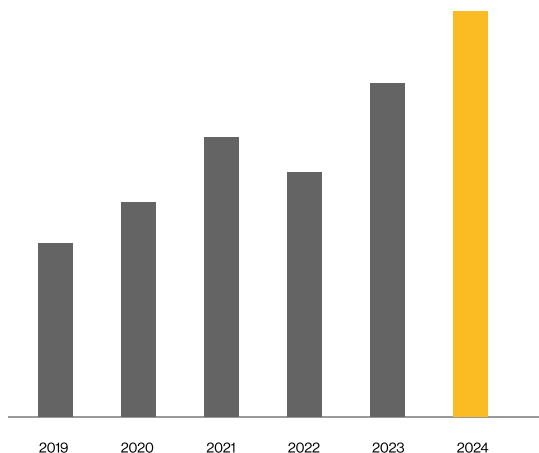
GAH had a strong year in 2024, with continued high demand, partly as a result of:

- Increased demands on the food and pharmaceutical cold chain, which drives demand for reliable refrigeration systems.
- GAH has strengthened its market position through technological innovation and customer focus, which has helped to bring about stable sales growth and profitability during the year.
- Expansion into new markets, including North America, where Sdiptech has supported GAH in establishing itself.
- Electrification of the transport sector, where GAH has developed solutions adapted to electric vehicles.

GAH is a perfect match for Sdiptech for a number of reasons, including:

- Niche market position – GAH is a leading stakeholder in its sector, offering high-quality products with a differentiated technological solution.
- Scalable business model – The company has plenty of potential to grow both geographically and through product development, where Sdiptech can provide support and expertise.
- Structural growth drivers – Increasing demands for food safety, sustainability and electrification are creating long-term demand for GAH's solutions.
- Strong revenue mix – The offering consists of proprietary products combined with well-developed software, creating a comprehensive solution with high customer value. GAH also offers both installation and servicing, which strengthens customer relationships and creates recurring revenue with good margins.
- Focus on sustainability – GAH's work on energy-efficient refrigeration systems for electric vehicles is fully in line with Sdiptech's strategy to invest in sustainable and resource-efficient infrastructure solutions.

Justerad EBITA-utveckling



Energy & Electrification

Sdiptech’s Energy & Electrification operations offer niche and innovative solutions in the fields of energy efficiency, electrification, power supply and temporary electricity. The transition to the energy system of the future, characterised by increasing demands for energy efficiency and electrification, is driving the potential for growth in the business area. To meet the growing demand for stable, clean and efficient energy supply, we offer technologies and systems that ensure a more resilient and future-proof energy infrastructure. We are looking for companies that work with:

Energy efficiency – Optimising energy use

Rising energy prices and stricter climate targets require innovative solutions to reduce energy consumption and resource losses in various industries.

- Integration of energy-saving systems, such as smart HVAC optimisation and automated control systems.
- Monitoring and analysis that allow continuous improvements to be made in energy performance and more efficient operations.

Electrification – The driving force behind the fossil-free energy transition

Electrification is a key component in the global energy transition, enabling the shift away from fossil fuels.

- Develop electrified solutions for industry, transport, etc., thereby accelerating the transition to electric power.
- Promote energy storage and grid balancing, thereby enabling better management of fluctuating energy production from solar and wind power.

Power supply and grid integration – Secure and stable power distribution

A reliable and resilient power grid is essential to support the energy systems of the future.

- Improve the stability and reliability of power grids through innovative grid solutions that ensure reliable electricity supply even under high load.
- Advanced technology to balance power flows and minimise disruptions, which is particularly important as the share of renewables in the energy mix increases.
- Implement smart power grid solutions, thereby providing real-time optimisation of energy use and efficient control of power distribution.

	2023	2024
Net sales	1 351	1 361
Adjusted EBITA	300	287
Adjusted EBITA margin, %	22,2%	21,1%

Temporary power supply – Flexibility and reliability when needed

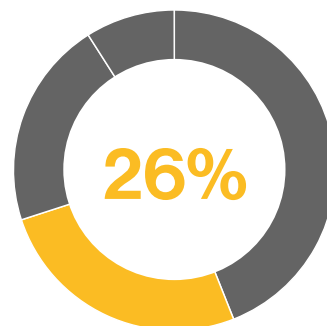
Temporary power supply is crucial in situations where stable electricity cannot be guaranteed through the regular grid.

- Scalable and flexible power supply solutions for construction sites, events and other temporary needs.
- Efficient and reliable energy storage systems that ensure operation during power outages or periods of high demand.
- Advanced hybrid heat generator solutions that reduce fuel consumption and carbon emissions, helping to bring about more sustainable energy use.

Facts in brief

- Number of business units: 11
- Turnover (2024): SEK 1,361 million
- Adjusted EBITA (2024): SEK 287 million
- Adjusted EBITA margin (2024): 21.1%

Percentage of total turnover



“Sdiptech’s Energy & Electrification operations are driving the transition to more efficient and sustainable energy use through niche and highly specialised solutions in electrification, energy efficiency and power supply. Our companies offer technically complex products and systems that support optimised energy consumption, minimise energy waste and enhance cost-efficient operations for our customers. Demand for our solutions is driven by rising energy costs, stricter climate targets and the accelerating electrification of industry and transport, where our companies play an important role in making this transition possible.”

Amanda Berninger, Head of Energy & Electrification

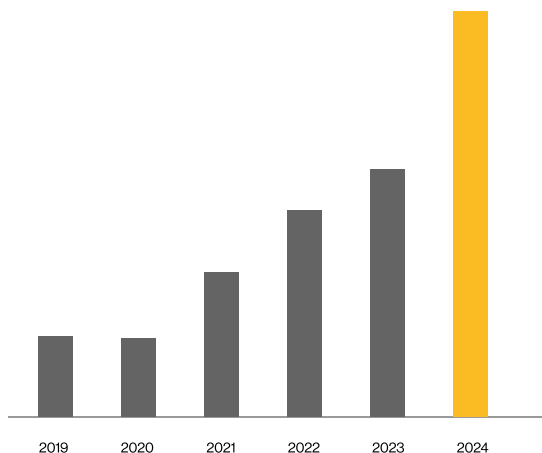
IDE Systems is one of Sdiptech's successful companies in the Energy & Electrification business area

IDE Systems is a leader in temporary power distribution, specialising in the design, manufacture, sale and rental of innovative energy solutions. The company supplies these solutions to a range of industries, including events, construction sites and industrial facilities where stable and flexible power supplies are essential. With its broad product portfolio and custom solutions, IDE Systems helps its customers in ensuring safe and efficient power distribution in temporary environments.

IDE Systems in brief

- Acquired by Sdiptech in September 2021
- Leading stakeholder in temporary power distribution
- Specialising in the design, manufacture, sale and rental of innovative energy solutions
- Strong growth and development since being acquired by Sdiptech
- Adjusted EBITA has had a compound annual growth rate (CAGR) of 39% from the year prior to the acquisition up to 2024
- The company had a return on capital employed (ROCE) of 55% during the year

Justerad EBITA-utveckling



IDE Systems has performed strongly in 2024, with demand for temporary power solutions continuing to grow. Some of the main drivers behind the company's success include:

- Major events – IDE Systems has played a key role in providing stable power supplies to a number of high-profile events such as the Paris Olympics.
- Increased electrification and energy efficiency – The shift to electrically powered systems has created a growing demand for flexible and energy-efficient power solutions.
- Sustainable and smart energy solutions – By integrating smart monitoring systems and energy-efficient products, IDE Systems has helped its customers optimise energy use and reduce their climate impact.
- International expansion – The company has strengthened its presence in key markets and continued to grow through strategic partnerships and new customer segments.



IDE is a perfect match for Sdiptech for a number of reasons, including:

- A strong position in a growing niche market – IDE Systems operates in a segment with long-term potential for growth, driven by electrification, energy efficiency and increased demand for flexible power solutions.
- Differentiated market position – IDE Systems has set itself apart thanks to high product quality, innovative monitoring systems and strong customer service, which reduces competition from generic suppliers.
- Advanced technical expertise and scalable business model – The company's modular and customised products enable business expansion both geographically and into new applications.
- Synergies with other Sdiptech companies – IDE Systems is able to leverage Sdiptech's network and expertise in energy solutions, creating opportunities for new collaborations and joint product development.
- Long-term profitability and stable cash flows – The company has a strong business model with recurring revenues, driven in part by its rental operations and service agreements.
- No critical dependencies on a small number of customers or suppliers – IDE Systems has a broad product range and a diversified customer base across multiple sectors, including construction, industry, events and the public sector, thereby reducing the risk of economic fluctuations in individual segments.



Water & Bioeconomy

Sdiptech's Water & Bioeconomy operations provide niche technologies and systems for water treatment, waste management and circular resource management, with emphasis on creating more sustainable, efficient and resilient communities. The need for these solutions is driven by increased urbanisation, population growth and stricter regulatory requirements for infrastructure modernisation and sustainability. By optimising water use, waste management and the recycling of biological resources, these activities can help to reduce environmental impact and bring about a more circular economy. We are looking for companies that work with:

Water and sanitation solutions

- Water and wastewater purification and treatment, such as specialised products and services for industrial, municipal and domestic water treatment, as well as advanced filtration and chemical treatment methods for water treatment and safe water quality.
- Sustainable water supply and sanitation systems, such as solutions for efficient water consumption and reduced water loss in infrastructure and industry.

Circular resource management

- Efficient use of biological resources, such as solutions that optimise the use of bioresources for production of energy, materials and food, as well as technologies to maximise the recovery of organic matter and by-products from industrial processes.
- Waste-to-energy solutions, such as systems to convert waste into biogas, biochar and other sustainable energy sources, as well as solutions to reduce dependency on fossil fuels through renewable energy sources from biowaste.
- Circular solutions for waste management and water recycling, such as innovative systems for recycling and reusing water in industrial processes and society, as well as technologies to reduce waste generation and promote closed-loop resource utilisation.

Infrastructure and environmental solutions

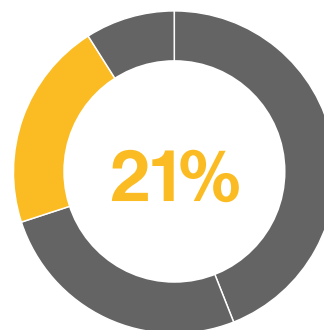
- Modernisation and maintenance of critical water and waste infrastructure, such as technologies for upgrading old water mains and sewerage systems, as well as automated monitoring systems for leak detection and resource management.
- Reduced environmental impact thanks to innovative treatment methods, such as advanced methods for breaking down pollutants and treating wastewater more efficiently, as well as technologies to reduce chemical use and energy consumption in water treatment processes.
- Strengthening resilience to climate change, such as systems for dealing with floods, droughts and other climate-related challenges, as well as innovative for water storage and regulation solutions to ensure long-term sustainability.

Facts in brief

- Number of business units: 11
- Turnover (2024): SEK 1,067 million
- Adjusted EBITA (2024): SEK 254 million
- Adjusted EBITA margin (2024): 23.9%

	2023	2024
Net sales	950	1 067
Adjusted EBITA	228	254
Adjusted EBITA margin, %	24,0%	23,8%

Percentage of total turnover



"The Water & Bioeconomy business area addresses societal challenges through solutions for water treatment, circular resource management, and modernisation of water networks. Growing demand for sustainable systems presents strong growth opportunities. In chemical water treatment, we've formed a cluster of three companies that leverage Sdiptech's structure to share knowledge, develop products jointly, and use resources efficiently. They collaborate to optimise processes, meet regulations, and create eco-friendly solutions like rainwater harvesting. This is one example of how our companies boost competitiveness through collaboration while staying independent. We welcome more partnerships to build strong networks and drive sustainable innovation."

Sarah Ström, Head of Water & Bioeconomy

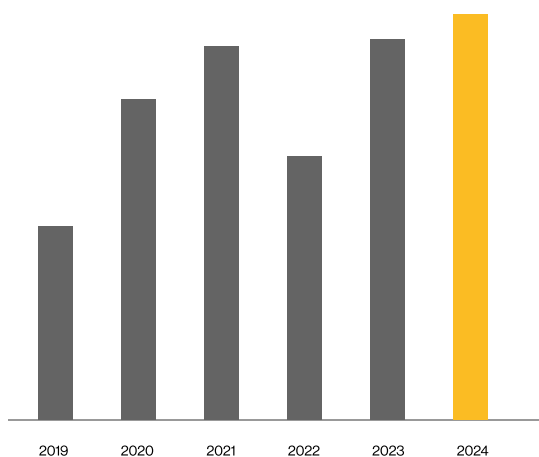
Auger is one of Sdiptech's successful companies in the Water & Bioeconomy business area

With over 30 years of experience, Auger supplies comprehensive damage repair solutions, from initial investigation and validation to repair of underground infrastructure. The company is renowned for its first-class customer service and innovative approach, using proprietary technology to streamline the damage repair process and ensure high quality and precision for every assignment. Working closely with insurance companies allows Auger to maintain a stable and recurring revenue stream, thereby creating long-term security and predictability for the business.

Auger in brief

- Acquired by Sdiptech in August 2019
- A leading provider of drainage and water management services for insurance companies in the UK
- Unique and niche customer offering
- Strong and steady growth since being acquired by Sdiptech
- Adjusted EBITA has had a compound annual growth rate (CAGR) of 16% from the year prior to the acquisition up to 2024
- The company had a return on capital employed (ROCE) of 103% during the year

Justerad EBITA-utveckling



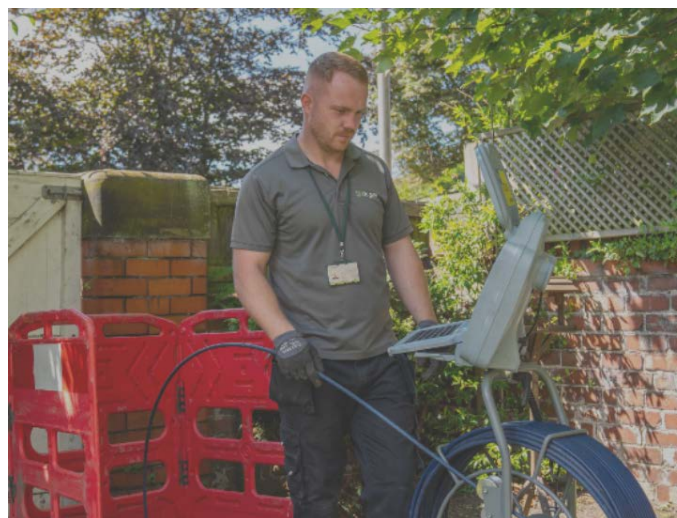
2024 – A year of continued growth and innovation

In 2024, Auger has continued to strengthen its position as a trusted partner for insurance companies through a number of key initiatives:

- **Technological innovation:** Implementation of advanced tools and systems has improved the accuracy and efficiency of damage investigations and repairs.
- **Expanded customer base:** By offering customised solutions, operational efficiency and high customer satisfaction, Auger has attracted new customers in the insurance sector, which has helped to increase market share.
- **Focus on sustainability:** Initiatives to reduce environmental impact, such as the use of eco-friendly materials and practices, have strengthened the company's commitment to sustainability.

Why Auger is a perfect match for Sdiptech:

- Enduring trends with low economic cyclicality drive the market – Demand for Auger's services is driven by long-term factors such as ageing infrastructure and climate change. As Auger works primarily with insurance companies, demand is not sensitive to economic fluctuations – damage to pipework systems and ground conditions have to be addressed regardless of the economic climate.
- Strong historical earnings performance and stable cash flows – Auger has a stable revenue model with long-term contracts and recurring assignments from insurance companies, thereby creating predictable and stable cash flows. Their scalable business model enables profitable growth going forward.
- Differentiated market position with limited competition and low risk of disruption – Auger has built a unique position in its market segment. The combination of technical expertise, proprietary systems and an efficient damage repair process provides the company with a strong competitive advantage and high barriers to entry for new stakeholders.
- Unique value proposition and robust business model – The company sets itself apart by combining technological innovation with an in-depth understanding of what the insurance industry needs. The business model, where digitalisation and data use play a key role in improving decision-making and damage repair, makes the business both efficient and scalable.



Safety & Security



The Safety & Security business area meets the growing need to protect people, physical assets and information from both accidental and intentional harm. These organisations help to create safer environments in public and private operations thanks to advanced solutions in respect of fire protection, security systems and cybersecurity. The need for security solutions is driven by factors such as regulation, digitalisation and a more complex threat landscape where natural disasters and accidents, as well as cyberattacks and physical intrusions, can have a serious impact. The business area’s units specialise in both preventive and reactive security solutions that help customers to minimise risk, meet regulatory requirements and protect their businesses. We are looking for companies that work with:

People – Fire protection and health safety

- Fire alarms and detection systems, such as specialised systems tailored for people in both particularly vulnerable situations and challenging environments such as industrial facilities, hospitals and laboratories, as well as advanced technologies for early detection of smoke, gases and temperature changes aimed at minimising harm to people and assets.
- Air monitoring and evacuation systems, such as sensor technology and automation solutions, to monitor air quality and detect hazardous gases in work environments.

Physical assets – Protection of critical infrastructure

- Surveillance systems and access control, such as CCTV and AI-based analytics to identify threats in real time and improve security responses, as well as access control systems and authentication to prevent unauthorised access to sensitive areas.
- Perimeter security and physical barrier protection, such as fences, gates, security doors and reinforced buildings in order to protect facilities from burglary and vandalism, as well as advanced sensors and alarm systems for preventive protection against intrusion and sabotage.

Information – Cybersecurity and data protection

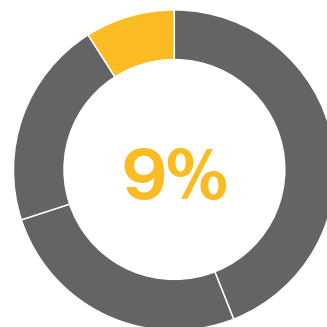
- Protection of digital information and networks, such as encryption and authentication technologies to ensure integrity and confidentiality in digital communications, as well as intrusion detection and firewall solutions to protect businesses and public organisations from cyberattacks.

Facts in brief

- Number of business units: 10
- Turnover (2024): SEK 465 million
- Adjusted EBITA (2024): SEK 120 million
- Adjusted EBITA margin (2024): 25.8%

	2023	2024
Net sales	448	465
Adjusted EBITA	121	120
Adjusted EBITA margin, %	26,9%	25,8%

Percentage of total turnover



“Operations within the Safety & Security business area play a vital role in creating safer communities and secure work environments, as well as protecting critical systems. Through advanced solutions in respect of fire protection, surveillance, access control and cybersecurity, our activities help customers to minimise risks, strengthen their resilience against threats and ensure compliance with strict security standards. The growing demand for security solutions, together with stricter regulatory requirements, is driving stable and long-term growth in this business area.”

Johan Lahiri, Head of Safety & Security

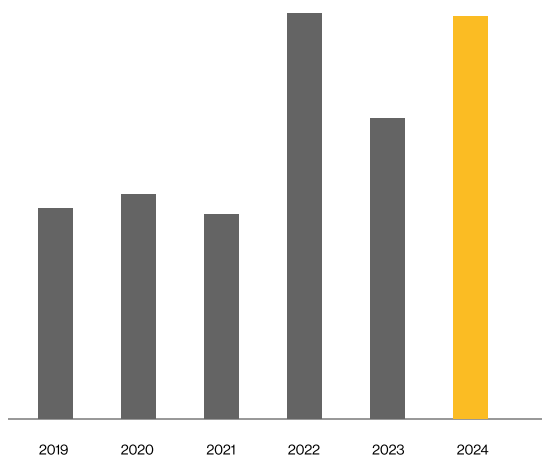
TEL UK is one of Sdiptech's successful companies in the Safety & Security business area

TEL has over 50 years of experience, specialising in the design and manufacture of electronic airflow controls and monitors. TEL airflow monitors and controls operate in thousands of laboratories worldwide, ensuring a safe working environment for laboratory staff. The fume hood's airflow and room controllers also help customers reduce energy use by up to 85 per cent, as well as other operating costs. With a growing need for eco-friendly solutions, TEL's product range and services are evolving to meet this demand, introducing energy-saving products for new and existing laboratories and other industrial work environments.

TEL UK in brief

- Acquired by Sdiptech in March 2022
- Designs and manufactures electronic airflow control and monitors
- Unique and niche customer offering
- Strong growth since being acquired by Sdiptech
- Adjusted EBITA has had a compound annual growth rate (CAGR) of 15% from the year prior to the acquisition up to 2024
- The company had a return on capital employed (ROCE) of 21% during the year

Justerad EBITA-utveckling



2024 – Technological innovation and market expansion

In 2024, TEL has continued to strengthen its position as a trusted partner for laboratories and industries through a number of key initiatives:

- **Product development:** Introduction of advanced airflow control systems such as AFA4000 and AFA5000 to improve safety and energy efficiency in laboratory environments
- **Expansion of the customer base:** Offering customised solutions has allowed TEL to attract new customers in various sectors, including education, healthcare and industry, which has helped to increase market share.

Why TEL UK is a perfect match for Sdiptech:

- A European and entrepreneur-driven company – TEL UK has been built on a strong entrepreneurial spirit and a technology-oriented business model. The company has a long history of innovation in airflow control and has established itself as a leader in its segment in the European market.
- Enduring trends with low economic cyclicality drive the market – Demand for TEL UK's products is driven by long-term factors such as increased regulation around energy efficiency, requirements for safe work environments and growth in research and development. These factors create stability and resilience against economic fluctuations.
- Strong historical earnings performance and stable cash flows – TEL UK has a solid financial track record, with stable revenues and profitability. The company benefits from repeat customers and long-term business relationships, which generate predictable and robust cash flows.
- Differentiated market position with limited competition and low risk of disruption – TEL UK has a strong market position thanks to a combination of technical expertise and high-quality products. The market for laboratory and cleanroom solutions has high barriers to entry, which limits competition. TEL UK's unique airflow control expertise gives the company a clear competitive advantage.
- No critical dependencies on a small number of customers or suppliers – TEL UK has a broad customer base in research, healthcare, industry and education, thereby reducing the risk of dependence on individual customers. The company also has an effective supplier structure that enables flexibility and resilience against supplier disruptions.



Sustainability report

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Year in review

Comment from Head of Sustainability

Strengthened sustainability in a time of change

The sustainability work at SdipTech has taken important steps forward in 2024. We have continued to integrate sustainability as a strategic part of our business model, which not only strengthens our value creation but also makes us more resilient in a changing world.

CSRD and increased transparency

A key focus area in 2024 has involved the implementation of the Corporate Sustainability Reporting Directive (CSRD), which tightens up sustainability reporting requirements. We have worked to adapt our processes to ensure high quality and transparency in our reporting, as well as strengthening dialogues with investors, customers and other stakeholders.

Despite any potential easing of the original regulations, we are not losing momentum – quite the opposite. In fact, this could provide us with even greater opportunity to sharpen our focus on sustainable business development and innovation. We have already embraced CSRD and the double materiality analysis as strategic tools. Customers' expectations for transformation have not diminished, and demands remain high. We will continue as planned for the time being and if it turns out that easing that we do not consider to add value for us is implemented, we can use the time and energy freed up for specific sustainability measures that drive innovation, competitiveness and long-term profitability.

Reduced emissions despite growth

Despite continued growth, we're proud to have reduced our absolute emissions and lowered our Scope 1 and 2 carbon intensity by 10% over the past year – a total reduction of 24% since our 2021 base year. These results confirm that our climate strategy is working, with investments in energy efficiency, electrification, and

renewables showing clear impact. While the current reduction pace may seem modest, it aligns with our plan, as many measures have delayed effects. With both implemented and upcoming actions, we remain on track to achieve our 50% reduction target by 2026.

Sustainable investment and innovation

Sustainability is an important factor in our investment strategy. We continued to acquire companies with strong sustainability drivers in 2024, particularly in areas such as energy efficiency, water treatment and resource efficiency. At the same time, we have strengthened our internal sustainability efforts by developing our strategy for circular business models and social sustainability. In total, 76 per cent of our turnover contributes to the 17 UN Sustainable Development Goals (more information about this can be found in the sustainability notes).

A clear direction going forward

Looking ahead, we perceive a continued solid demand for sustainable infrastructure solutions. To meet these developments, we will continue to drive innovation and acquire companies with solutions that create more sustainable, efficient and safe societies, and thereby strengthening our impact throughout the value chain.

In 2025, we will continue preparing for the expanded reporting requirements, while also focusing on strengthening sustainability expertise both at the head office and within our companies. Regular training, workshops and guiding materials have allowed us to create a solid foundation for integrating sustainability throughout the organisation. This is crucial if we are to develop our work in a credible and scalable manner.

My Lundberg, Head of Sustainability & IR



My Lundberg
Head of Sustainability & IR

General principles for sustainability work

The sustainability report on pages 28–45 covers Sdiptech’s reporting of ESG issues (environment, social responsibility and corporate governance). From 2025, Sdiptech will comply with the European Sustainability Reporting Standards (ESRS) in accordance with the new EU Corporate Sustainability Reporting Directive (CSRD). Sweden will be implementing the directive into national legislation starting in 2025, which means mandatory reporting from 2026 for the annual report covering the 2025 reporting year.

We use the principle of materiality to focus on the issues most relevant to our business and stakeholders, and we have applied internal controls to ensure data quality and comparability over time.

Accounting standards

The sustainability report covers the financial year 1 January – 31 December 2024. The scope and content of Sdiptech’s sustainability reporting has been developed by applying GRI accounting principles. In 2020, we reported our climate-related risks and opportunities for the first time in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The report has also been inspired and prepared in accordance with the UN Guiding Principles on Business and Human Rights. In addition, Sdiptech reports on climate to CDP, where we have received a climate score of C. We are also a signatory to the Global Compact and report annually on outcomes and progress in our COP report.

Reason for preparation

Sdiptech’s sustainability report is prepared using regular reporting procedures on a monthly, quarterly and annual basis. The consolidation principles are primarily based on operational control, unless

otherwise specified in the accounting policies for each section. All reported data aligns with the reporting period of the consolidated financial statements.

Reporting and data sources

We started to calculate the Group’s greenhouse gas emissions in 2019. Sdiptech measures direct emissions from its own and leased vehicles, its own boilers and refrigerants (scope 1), indirect emissions from purchased electricity, steam, heating and cooling (scope 2) and other indirect emissions (scope 3), which are limited to emissions from business travel, parts of purchased goods and services, waste, fuel and energy-related activities and water (upstream under other). This is calculated in accordance with the Greenhouse Gas Protocol (GHG). All business units report their total Scope 1, 2 and 3 carbon emissions when they submit their financial statements on a quarterly basis. All units report the remaining sustainability data at the end of the financial year. The companies that have not been part of Sdiptech for the entire financial year report only the ESG data for the period for which they have been part of the Group.

Comparative figures and changes

Basic values and comparative figures are recalculated in accordance with Sdiptech’s recalculation policy. By default, baseline emissions are reviewed every three years from the base year, unless significant structural or methodological changes trigger a recalculation before then. Every three years, Sdiptech assesses whether the structural changes over the past years reach the threshold of significance when accumulated. Every year, Sdiptech assesses whether the structural changes in that year reach the threshold of significance.

Other sustainability figures reported externally are recalculated only if material errors are detected in the previous year’s reporting. The materiality of errors is determined on a case-by-case basis.

In 2024, we have recalculated the historical figures for scope 1, 3 and 3 emissions to correct errors related to previous years. This is partly due to the fact that the emission factors used have been updated from the third-party supplier used, which mainly affects the Group’s emissions from the vehicle fleet. In addition, some individual reporting errors have been corrected.

Incentives and follow-up of sustainability targets

Sdiptech integrates sustainability into the Group’s governance by linking sustainability targets to incentive programmes for senior executives, especially linked to long-term targets for climate impact, energy efficiency and social sustainability such as CO₂e reduction and gender equality.

Sdiptech’s Board of Directors and executive team have clear processes for setting, following up and revising sustainability targets:

- Climate impact and CO₂ reduction targets are integrated into the Group’s strategic plan and are monitored on a quarterly basis.
- The business areas have specific sustainability targets such as energy efficiency, reduced resource consumption and a sustainable supply chain.
- Incentives linked to sustainability have been implemented in order to ensure that targets are met and that sustainability is a priority at all levels.
- Annual reporting detailing progress and risks.

Roles and responsibilities

Sdiptech’s sustainability work is integrated at all levels of the organisation, from the Board of Directors to operational units.

The Board of Directors bears ultimate responsibility for sustainability governance, ensuring that sustainability issues are an integral part of business strategy and risk management, and ensuring that we have sustainability expertise on the Board. The Board receives regular reports on sustainability performance, with an in-depth review of the strategy at least once a year, or more frequently as needed.

The executive team, led by the Head of Sustainability, is responsible for the Group’s sustainability strategy and its integration into business development. ESG due diligence is an integral part of the acquisition process, ensuring that new companies are aligned with Sdiptech’s sustainability principles and long-term ambitions.

The Sustainability Council brings together expertise from across the Group and ensures that all parts of the organisation help to drive sustainability work forward. The Council conducts stakeholder dialogues and analyses regulatory changes in order to shape Sdiptech’s long-term goals and identify new opportunities.

Business area managers and subsidiary management teams are responsible for implementing the strategy locally, customising it to specific operations and ensuring that sustainability issues are addressed proactively. Several of Sdiptech’s 40 or so units have local sustainability managers who drive the daily work of implementing the sustainability strategy and following up local targets.

Approaches to sustainability

Sdiptech integrates sustainability into its business model by acquiring and developing companies that contribute to more sustainable, efficient and safe societies by offering solutions that enhance safety and improve resource efficiency. Sdiptech endeavours to create both economic and environmental value through long-term sustainability goals and clear actions.

Our sustainability work can be described as a pyramid. This is based on important foundations such as financial stability, long-term ownership, our strong local roots and decentralised working methods. We are constantly working with climate impact while also taking responsibility for ensuring that our business culture is characterised by respect: these are important building blocks. Our greatest impact on sustainability is in our responsible investments and existing business unit offerings.



Our focus on sustainability and responsible investment helps us create lasting value, with two main purposes: to mitigate risks and capitalise on opportunities, while also allowing us to create a positive impact and build internal pride.

According to our investment philosophy, the companies in which Sdiptech invests must have strong offerings that meet important needs for their customers, while also ensuring that these products and services make positive contributions to society. This combination of drivers in our business units' core activities ensures long-term demand. Conversely, companies whose offerings or activities conflict with these drivers will eventually encounter resistance from both authorities and the general public, and thus possess more risks.

Goal: economic sustainability

All companies acquired by Sdiptech must contribute to at least one of the UN's Global Sustainable Development Goals.

Outcome

All the companies acquired by Sdiptech since 2017 are contributing to one or more of the UN Sustainable Development Goals. Five companies with clear contributions were acquired in 2024, and overall, 76 per cent of Sdiptech's turnover contributed to the UN Sustainable Development Goals.

Comments

Five companies were acquired in 2024: JR Industries: *SDG 8.2*. WaterTech of Sweden: *SDG 7.3*. Eagle Automation Systems: *SDG 16.A*. Dado Labs: *SDG: 3.9*. Wintex Agro *SDG 12.4*.

As part of the process of ensuring our role as a responsible owner, and to ensure that the investments we make are sustainable, we apply three approaches: exclusion, inclusion and influence & control:

1) *Exclude*: Sdiptech actively chooses not to work with companies that are involved in the production or distribution of controversial products or services in accordance with our Responsible Investment Guide.

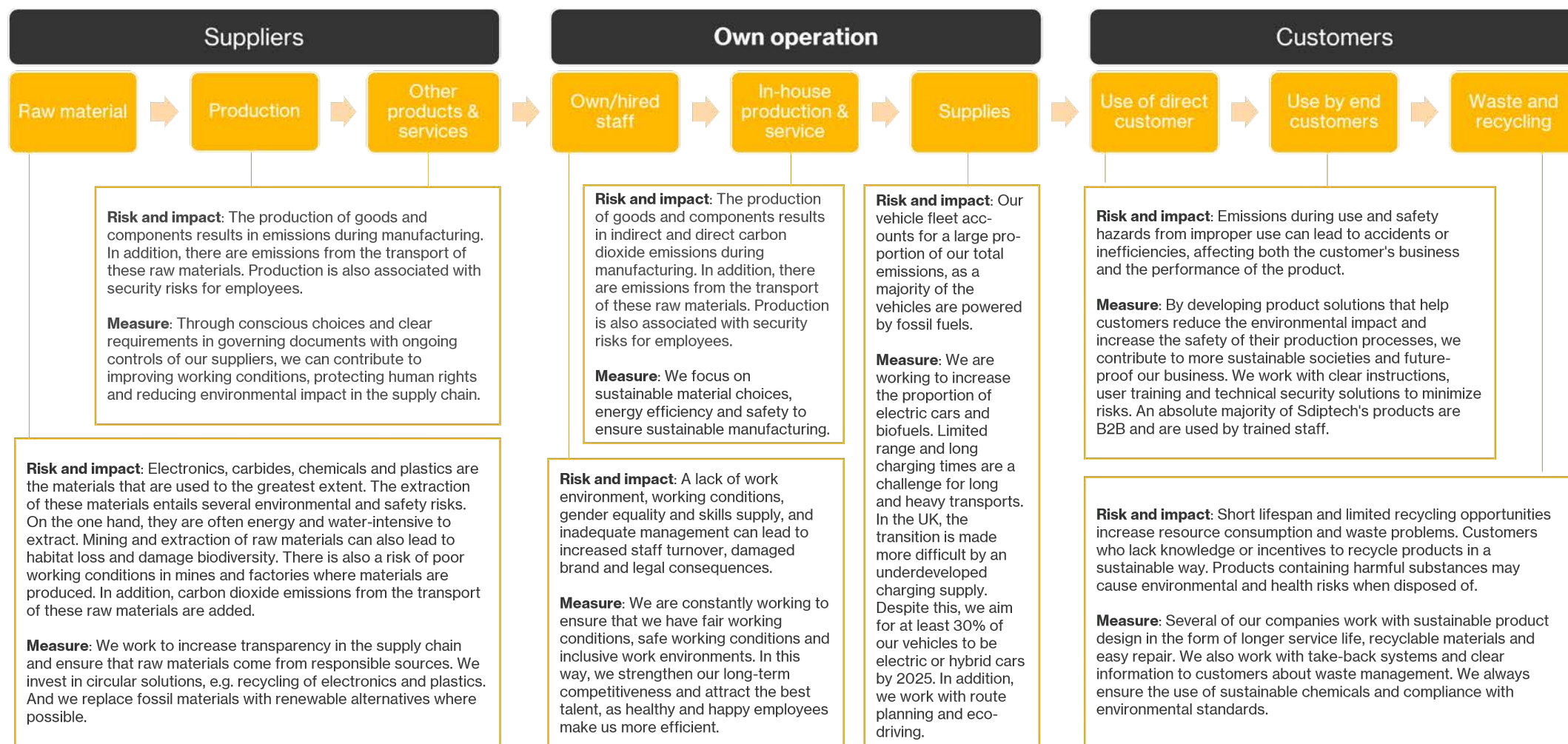
2) *Include*: Sdiptech is on the lookout for companies that are helping to bring about safer, more efficient or more sustainable societies, and that are subsequently contributing to at least one of the UN Sustainable Development Goals without having a significant negative impact on any other sustainability challenge.

3) *Influence & control*: Sdiptech conducts a sustainability analysis and survey in accordance with ESRD's risk mapping prior to each acquisition. As a long-term owner, we also have the opportunity to influence our companies. Sdiptech's business units monitor and are monitored on our policies within the framework of our internal control efforts. Additionally, annual sustainability surveys take place at each company, with defined goals, strategy, roadmaps and proposals for improvements that will continue throughout the financial year.

Sustainability guidelines

1. Ensure compliance with the Responsible Investment Guide
2. Ensure that ethics and sustainability are integrated into the business model
3. Analyse sustainability risks and opportunities
4. Regularly assess key sustainability areas and have an active dialogue with stakeholders
5. Comply with the UN Global Compact, the UN Sustainable Development Goals and the OECD Guidelines for Multinational Enterprises
6. Comply with policies and a Code of Conduct that address essential sustainability areas
7. Have relevant, measurable goals and continuously improve our social, environmental and economic impact on society
8. Manage and monitor sustainability efforts using appropriate processes and resources
9. Have a secure reporting channel for whistleblowing
10. Report on sustainability in a transparent manner

Sdiptech's value chain



Stakeholder dialogue

At Sdiptech, we perceive open and continuous dialogue with our stakeholders as an important part of our long-term growth and value creation. We deliver essential, innovative and sustainable solutions for infrastructures, making it important to understand and integrate the expectations of those who influence and are influenced by our activities.

In our efforts to conduct a dual materiality analysis, we systematically evaluate stakeholder insights in order to identify key risks, opportunities and impacts across our value chain.

We gather views on key sustainability issues such as climate action, labour and corporate responsibility through dialogues in the form of surveys, workshops and meetings. This dialogue helps us to develop our governance, improve our ways of working and prioritise investments so that our sustainability work creates real value, both for our business and for society in general. We have categorised our main stakeholder groups as follows.

Customers

- **Commitment:** Customers have participated through interviews with our subsidiaries and expressed their expectations regarding sustainability commitments within Sdiptech's operations.
- **Focus:** Customers are mainly interested in areas such as energy efficiency, climate impact, safety and innovation.

Suppliers and subcontractors

- **Commitment:** Supplier mapping and assessments have been conducted in order to identify sustainability risks in the supply chain.
- **Focus:** Key areas include environmental impact in the supply chain, social conditions and regulatory compliance.

Employees

- **Commitment:** In-house workshops and dialogue meetings have been used to gather input from employees at different levels within the Group.
- **Focus:** Employees provide insights on operational sustainability issues, work environment, diversity and inclusion, as well as Sdiptech's ability to achieve strategic goals.

Investors, analysts and rating agencies

- **Commitment:** Investors, analysts and rating agencies have been involved through dedicated meetings.
- **Focus:** Investors and analysts focus on financially material sustainability risks, such as climate-related risks, compliance with the EU's CSRD and long-term business strategies. Rating agencies are placing more emphasis on life cycle analyses and issues related to the workforce and human rights.

Local communities

- **Commitment:** Sdiptech has used indicative materials and indices to gain a better understanding of the perspectives of the local communities in which Sdiptech operates.
- **Focus:** Relevant questions relate to how Sdiptech contributes, both positively and negatively, to local development, social improvements and climate action.

Indices used for guidance and mapping of risks specific to country and sector. These have helped us better understand where risks may lie in our operations further down the value chain, where it is more difficult for us to engage in direct dialogue.

- Corruption Perception Index (CPI) in countries in which we have operations and suppliers
- Water scarcity in countries in which we have operations and suppliers
- Pressure on biodiversity in places where we have operations and suppliers
- Impact on indigenous communities in places where we have operations and suppliers
- Rule of Law Index
- World Press Freedom Index
- Transparency International's corruption
- Perceptions Index
- International Trade Union Confederation's Global Rights Index
- Freedom House's index
- US Department of State's High Risk List



Sdiptech's Double Materiality Analysis

In 2024, we finalised our double materiality analysis, viewing materiality from two perspectives. The first is how sustainability issues affect our performance and risks (financial impact). The second is how our operations affect the environment and society (external influence).

Double materiality recognises the interrelationship between environmental, social and governance factors and emphasises that a sustainability issue can be material from either or both perspectives. This approach provides a holistic understanding of how Sdiptech's business interacts with the external environment and how external factors such as regulatory changes and stakeholder expectations, may affect the company's financial stability. The impact areas, risks and opportunities identified are integrated into the relevant sustainability topics in a list. Additional impact areas are identified through ongoing internal stakeholder dialogues, reviews and analysis. The insights are scored according to ESRS criteria, ensuring compliance with both impact and financial materiality standards.



<p>Impact</p> <p>E4 Biodiversity and ecosystems S2 Workers in the value chain</p>	<p>Double</p> <p>E1 Climate change E5 Resource use and circular economy S1 Own Workforce G1 Business Conduct</p>
<p>Not material</p> <p>E2 Pollution E3 Water and marine resources* S3 Affected communities S4 Consumers and end-users</p>	<p>Financial</p>

*Only material for own consumption of water

Sdiptech's material disclosures

Sdiptech's material impacts, risks and opportunities identified within the materiality assessment for the year. As Sdiptech will be reporting in full accordance with the ESRS requirements in 2026 for the 2025 financial year, only the overarching areas identified as material are specified at this stage.

Large parts of *E1 Climate change* have been assessed as double material, as have *S1 Own workforce* and *G1 Business conduct*. In addition, a couple of disclosure requirements under environmental information *E5 Resource use* were of double materiality.

Under impact materiality, parts of *E4 Biodiversity and ecosystems*, as well as *S2 Workers in the value chain* were material.

Under *E3 Water and marine resources*, only the disclosure requirements related to own consumption of water were material.

E

- CO2e emissions, pp. 36–38
- Climate adaptation of activities, pp. 35–38
- Resource use, p. 38
- Energy, p. 38

S

- Own workforce, pp. 39–41
- Workers in the value chain pp. 31, 40–41, 43–44

G

- Business conduct, pp. 43–44

Focus area Environment (E)

Sdipotech in society

Goal: environmental sustainability

Sdipotech must reduce its carbon intensity (CO2e/turnover) from scope 1 and 2 by 50 per cent within five years (between 2021 and 2026).

Outcome

Sdipotech has reduced its carbon intensity from scope 1 and 2 in 2024 by 10 per cent, Sdipotech has reduced the same figure by 24 per cent compared with the base year 2021.

Comments

In 2024, Sdipotech has mainly worked on reducing emissions by increasing resource efficiency, increasing the percentage of renewable energy and working on route planning, ecodriving and gradually increasing the number of electrified vehicles within the Group.

Environmental focus areas

- The Group's total CO2e emissions
- Streamline our use of resources.
- Climate adaptation of activities
- Increase the percentage of renewable energy

What we did in 2024

- Increased the Group's percentage of renewable energy to 68 per cent, compared to 53 per cent in 2023
- Increased the Group's percentage of electric vehicles to 21 per cent, compared to 13 per cent in 2023
- Rolled out and financed green investments with our internal CO2e pricing
- Reduced our absolute emissions despite growth
- Set up Group-wide forums for knowledge sharing on various sustainability topics

Our plans for 2025

- Reduce the percentage of energy consumed per Swedish krona of turnover by means of resource efficiency measures
- Increase the percentage of renewable energy
- Implement an internal price on carbon emissions
- Add more key performance indicators and metrics to our scope 3
- Perform life cycle assessments
- Work even more on value creation to increase competitiveness in our companies through resource efficiency and other sustainability initiatives
- Set up Groupwide forums for sharing intelligence on the rollout of electric vehicles and ecodriving



“We are working to reduce our customers’ environmental impact through a number of our products and solutions, while focusing on reducing the carbon footprint of our own production. Choosing sustainable materials and streamlining our production processes are allowing us to reduce both resource consumption and emissions. Increasing the share of renewable energy, energy efficiency measures and the growing electrification of our vehicle fleet are other important initiatives that have been implemented during the year. This work will continue in 2025, when we will include all relevant scope 3 metrics.”

**My Lundberg,
Head of Sustainability & IR**

Environmental impact and contributions

Our environmental impact mainly stems from the extraction, production and transport of goods, energy use, and business travel – including the use of our own, leased, and air transport. We continuously work to reduce this impact, with initiatives driven locally by each company, supported by Group-level strategy, roadmaps and systems. Most of SdipTech's climate impact is generated through our business units, which is why we take an active role as a responsible investor. Our investments and acquisitions follow a philosophy aimed at driving the transition to more sustainable infrastructure and societies. Several of our companies also help customers reduce their environmental footprint – some examples are presented below.

Kemi-tech develops and manufactures special chemicals that optimise the operation of steam boilers, refrigeration systems, process plants and district heating plants, with a view to removing and avoiding corrosion, limescale deposits, grease, coatings, sludge, biofilm and bacterial problems, while reducing the consumption of water, chemicals, gas and energy, for example. Kemi-tech has a unique environmental profile and is self-sufficient in terms of water thanks to an innovative solar-powered evaporation pyramid that recycles 100 per cent of the wastewater from production, which is evaporated and treated. This innovative process means that Kemi-tech has no wastewater emissions from production. The recycled water is complemented by rainwater collection and treatment, which means that all water in the company's products is a mixture of collected and treated rainwater and evaporated wastewater.

The recycled water is complemented by rainwater collection and treatment, which means that all water in the company's products is a mixture of collected and treated rainwater and evaporated wastewater.

UN Target 7.3 seeks to double the global rate of improvement in energy efficiency: this is particularly important for industrial processes as industrial plants are often major consumers of energy. Kemi-tech's products and services are designed to make steam boilers, cooling systems and district heating plants more energy efficient by removing and preventing the formation of deposits and reducing emissions from steam and cooling processes. The service life of the system is also extended when using this technology. All Kemi-tech products and 100 per cent of the company's turnover help to increase energy efficiency.



Agrosistemi specialises in the treatment and recycling of biological sludge resulting from wastewater treatment. The company's by-product from the sewage sludge is a fertiliser that helps to restore and preserve healthy soil. Agrosistemi utilises the sludge resulting from the municipal water treatment process. This allows important organic minerals to be returned to the soil, which increases soil fertility and helps to ensure that not only is sludge waste recycled, it also acts as a carbon sink. Carbon dioxide in the air is utilised by plants through photosynthesis, and the carbon is sequestered in the plants. When plants decompose, some of that carbon is released back into the atmosphere as carbon dioxide, but 10–20 per cent of the carbon remains in the soil and is converted into humus. Humus makes the soil more fertile while also increasing soil biodiversity.

Soil is home to lots of land animals such as springtails and mites, which fulfil important functions for soil and plants. Large areas of all soils in the plains of Europe are in dire need of increased soil fertility. Sequestering carbon in the ground is one of the few methods that removes carbon dioxide from the atmosphere while not causing any harm: instead, it contributes positively to a number of environmental aspects.

UN Target 12.5 seeks to substantially reduce waste generation through prevention, reduction, recycling and reuse. Agrosistemi has more than 20 years' experience of treating and recycling biological sludge from municipal wastewater. The company has developed a patented treatment process that is used to remove harmful substances from sludge and convert it into high quality organic fertiliser products. This makes it possible to replace artificial fertilisers with organic agents, while recovering valuable resources that would otherwise be lost. Using more organic products in soils also helps combat desertification, which is a growing problem in many parts of the world. 100 per cent of Agrosistemi's turnover contributes to the target as all revenue comes from municipal water treatment plants whose sludge is treated by Agrosistemi.



Resource Data Management provides energy efficiency and indoor climate optimisation solutions for various industries, including temperature control for the entire cold chain and building management systems for heating, ventilation and air conditioning (HVAC).

RDM's control system controls and monitors indoor environments and underground agricultural facilities, providing optimal light, heat and humidity conditions, while optimising energy use for the prevailing conditions. RDM's advanced cold room controls and monitoring systems also streamline food storage management.



The system ensures that food is stored at the correct temperatures; a critical aspect in extending the shelf life and quality of food. RDM ensures that optimal conditions are in place throughout the cold chain, from processing and packaging to storage and final sale, thereby helping its customers to reduce food waste.

UN Target 7.3 seeks to double the global rate of improvement in energy efficiency. RDM's various energy management control solutions are helping organisations to reduce their energy consumption. The company offers intelligent remote monitoring, incident management and energy management, as well as a cloud-based dashboard that displays energy data in a manner that is easy to use. 100 per cent of RDM's products and sales help to increase energy efficiency.

RDM is also covered by the Taxonomy, where 100 per cent of the company's turnover is eligible under activity 3.6 Manufacture of other low-carbon technologies. However, we have not conducted a life cycle assessment of the company's products, and so we are unable to define the turnover as aligned.

Rolec specialises in developing and manufacturing a wide range of charging equipment and systems for electric vehicles. The electrification of society is a crucial step towards a sustainable future, with electric vehicles playing a key role. The infrastructure for charging electric cars in Europe has expanded significantly in recent years. By the end of 2024, it is estimated that there were more than 450,000 publicly accessible electric vehicle charging points in Europe. This figure represents a significant increase compared to previous years, but there is still some way to go to reach the EU target of 1.3 million charging points by 2025 and 2.9 million by 2030. This underlines the need for a robust charging network. Rolec is helping to bring about this transition by developing and manufacturing a comprehensive product portfolio of charging equipment for electric vehicles. In total, Rolec has installed over 330,000 private and public charging points across the UK. Hence the company is playing an important role in supporting the growing electric vehicle market.

At the same time, Rolec is integrating a number of environmental aspects into the design process for new products. For instance, 100 per cent of the company's packaging consists of recycled and recyclable materials for all products. Rolec also recycles metal waste. The company plans to switch to solar power and battery storage for the factory in 2025.



UN Target 9.4 seeks to upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. The UK transport sector accounted for 24 per cent of the country's total greenhouse gas emissions in 2020, making it the country's biggest sector for emissions. The majority (91 per cent) of these emissions came from road vehicles. Rolec has more than 30 years' experience of developing and manufacturing a wide range of charging equipment. More vehicles have to be powered by electricity for the transport industry to meet its transition goals. A functioning electric vehicle infrastructure, such as the availability of charging equipment, is an important building block in accelerating the transition. 80 per cent of Rolec's turnover comes from its sales of EV chargers and contributes to target 9.4.



Rolec is also covered by the Taxonomy, where 80 per cent of the company's turnover is eligible under activity 6.15 *Infrastructure enabling low-carbon road transport and public transport*. An equal proportion of Rolec's turnover, 80 per cent, meets the screening criteria according to the activity and is classified as aligned under the Taxonomy.

Climate change adaptation

Our companies endeavour to achieve high efficiency in the use of energy and natural resources, favour systems for the reuse and recycling of materials and energy, and prevent and limit environmental pollution. Our ambition is to be highly responsive to the wishes of customers and suppliers in respect of proactive environmental efforts. All business units in the Group work with quantitative objectives in their environmental efforts, such as switching electricity contracts to renewable energy, switching the vehicle fleet to electric and hybrid vehicles, energy streamlining measures and developing recycling systems and processes. These targets are linked to incentives.

Examples of projects completed in 2024 include the installation of solar panels, switching the vehicle fleet to electric vehicles, installing charging points for customers and employees, ecodriving programmes to reduce the percentage of miles driven per Swedish krona of turnover, energy efficiency measures, switching to renewable energy, reduction of packaging, increasing the proportion of environmental certifications, recyclable products and packaging, shorter deliveries due to new partnerships and suppliers, and product development for energy optimisation.

The majority of our business units, 69 per cent, are ISO certified to various standards, of which 44 per cent are certified according to an environmental management system such as ISO 14001 or similar. In four of its subsidiaries, the Group conducts activities subject to authorisation under the Environmental Code with regard to wastewater management. There are no known threats that would jeopardise operations from an environmental standpoint.

69 per cent of our business units are ISO certified by various standards

Carbon dioxide emissions

In 2019, work began on calculating the Group's greenhouse gas emissions. Sdiptech measures direct emissions from its own and leased vehicles, its own boilers and refrigerants (scope 1), indirect emissions from purchased electricity, steam, heating and cooling (scope 2) and other indirect emissions (scope 3), which are limited to emissions from business travel, parts of purchased goods and services, waste and fuel and energy-related activities. This is calculated in accordance with the Greenhouse Gas Protocol (GHG). In 2025 and based on a thorough scope 3 screening, Sdiptech has added all material reporting items within scope 3, namely Category 1: Goods and services purchased, Category 2: Capital goods, Categories 4 + 9: Inbound and outbound transport, Category 5: Waste generated by the activity, Category 6: Business travel, and Category 12: Treatment of the end-of-life cycle of products sold.

The emission intensity of greenhouse gases in scope 1 and 2 was 1.14 in 2024, down 10 per cent from the previous year

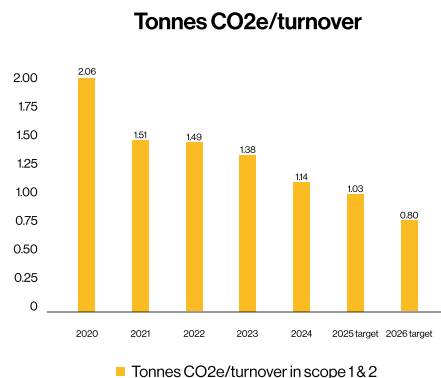
Sdiptech's impact on the climate mainly involves carbon dioxide emissions. Besides emissions related to the internal use of fossil fuels and electricity, carbon dioxide emissions are also generated from different types of transport, such as the transport of materials and products and passenger transport.

During the financial year, our total emissions from scope 1, 2 and 3 amounted to 9,315 tonnes of CO₂e. In scope 1 and 2, emissions amounted to 5,844 tonnes of CO₂e, which is a reduction in scope 1 and 2. The emission intensity of greenhouse gases in scope 1 and 2, measured as tonnes of CO₂e per million SEK of turnover, was 1.14.

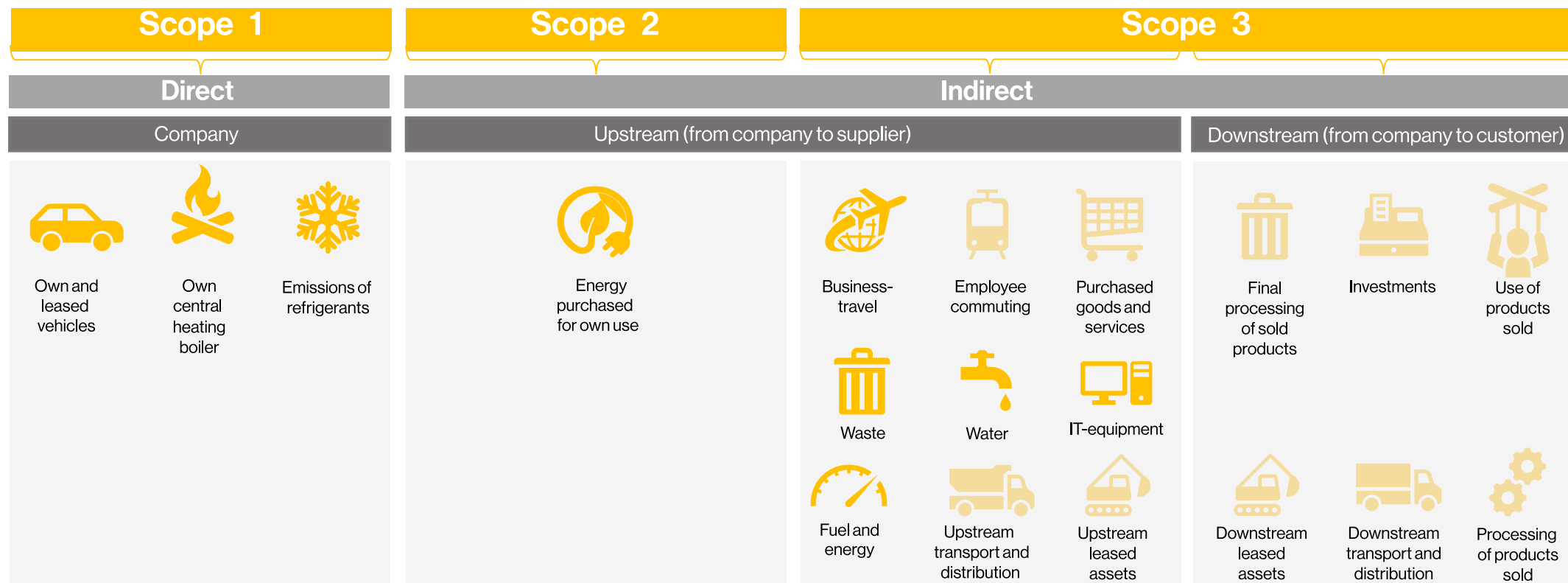
In scope 1, we have reduced our absolute emissions as well as our carbon intensity, driven by a shift towards a higher share of electric and hybrid vehicles, along with ecodriving programmes. At the same time, we have worked on route planning to reduce the number of kilometres driven.

In Scope 2, our absolute emissions, as well as our indirect emissions, have decreased during the year. This is mainly due to the fact that we have shifted to a greater percentage of renewable energy sources for running our premises. We have also worked on energy efficiency measures at several of our units.

In Scope 3 we have increased our greenhouse gas emissions. Please note, however, that this includes acquisitions of new companies.



Sdiptech's greenhouse gas emissions (tonnes of CO2e)	2024	2023	2022	2021
total tCO2e scope 1	4974	5567	4,086	3598
total tCO2e scope 2	870	1194	854	820
total tCO2e scope 3	3472	3200	744	393
total scope 1–2 tCO2e	5844	6761	4,940	4,419
total scope 1–3 tCO2e	9315	9960	5,684	4,807
Sdiptech's tCO2e/turnover	2024	2023	2022	2021
total tCO2e scope 1	0.97	1.15	1.17	1.32
total tCO2e scope 2	0.17	0.25	0.24	0.30
total tCO2e scope 3	0.68	0.66	0.21	0.14
total scope 1–2 tCO2e (target KPI)	1.14	1.38	1.49	1.51
total scope 1–3 tCO2e	1.82	1.99	1.62	1.77



Increase the percentage of renewable energy

Sdiptech's ambition and goal is for 100 per cent of the Group's energy to be renewable by 2026. As things stand at present, almost all of Sdiptech's business units, 95 per cent, have entirely or partially green electricity contracts. 68 per cent of Sdiptech's total energy consumption is renewable at present, as a small number of units with a larger percentage of energy consumption have only a smaller percentage of renewable energy. In our Nordic units, 80 per cent of the Group's energy consumption is renewable. It is more difficult on the UK to obtain renewable energy, and to guarantee that the energy purchased is renewable. The market for renewable energy is still developing in certain respects. There may be limitations in terms of the number of suppliers available and the types of renewable energy options offered. This presents a challenge for Sdiptech, as more than 40 per cent of our turnover comes from the region. However, we are constantly working to increase the percentage of renewable energy in the UK and our other markets.

	Goal 2026	2024	2023	2022	2021	2020
Proportion of renewable energy	100%	68%	53%	48%	38%	35%

More efficient use of resources

We are working on streamlining our operations in a number of respects. Each of our 40 units faces different challenges and opportunities. Some of the areas that Sdiptech has identified as most important when it comes to improving resource efficiency are presented below. Moreover, each business unit is able to focus on additional initiatives.

Energy use

While our ambition is for 100 per cent of our energy consumption to be renewable by 2026, it is important to ensure that we work in parallel on energy efficiency measures. This may involve reviewing our premises and specifically the needs of each unit, such as lighting, heating, ventilation, insulation, compressed air, etc. We have conducted night walks, for example, to ensure that everything that is supposed to be switched off is indeed switched off. We have also installed energy management systems in order to optimise energy use in buildings.

Kilometres, fuel consumption and vehicle fleet

Besides endeavouring to implement an electric vehicle fleet, a number of our units have introduced ecodriving programmes which aim to increase fuel efficiency and reduce environmental impact. Ecodriving offers many benefits for drivers, society and the environment. Drivers are able to reduce fuel consumption by means of techniques such as smooth acceleration and braking, as well as maintaining a steady speed. This leads to direct cost savings in the form of lower fuel costs and reduced carbon emissions.

Road safety is also enhanced by applying a calmer, more predictable driving style as drivers who practise ecodriving often pay more attention to traffic, thereby reducing the risk of accidents.

	2024	2023	2022	2021
Total energy consumption, kWh	7,456,091	7,127,583	6,283,058	5,086,114
Of which renewable	5,069,329	3 790 115	3,003,058	2,289,192
Energy consumption/turnover	1.44	1.48	1.79	1.87

Moreover, the service life of vehicles is extended and less frequent servicing is needed as smoother driving reduces wear and tear on the vehicle's engine, brakes and other components. This can help to reduce maintenance costs and extend vehicle life. Ultimately, ecodriving also helps to reduce noise levels from traffic, which is beneficial for both drivers and people who live near busy roads.

Switching to an electric vehicle fleet offers a number of advantages such as reduced emissions, lower operating costs and a quieter driving environment. However, challenges include range restrictions and long charging times, which can be particularly problematic for units that transport heavy loads over long distances. In the UK, the challenges are compounded by the fact that the charging network is very underdeveloped. However, our ambition and target is for at least 30 of our vehicle fleet to consist of electric and hybrid cars by 2026.

	Goal 2026	2024	2023	2022	2021	2020
Percentage electric and hybrid vehicles	30%	21%	13%	11%	9%	8%

Waste

Consumers, regulators, businesses and financial institutions are increasingly focused on raw materials, carbon emissions, circularity and waste reduction. In addition, governments around the world are increasingly regulating the use of fossil-based materials. More products can be made from less material in a circular economy, while waste is minimised as materials are reused and recycled.

A number of Sdiptech's business units are working with optimisation of packaging by reducing the size and amount of packaging, and by using recycled or biodegradable materials.

A number of units are also working on designing their products with reduced waste in mind, including easier dismantling for recycling or reuse of components. Sdiptech altered the measurement method and added more metrics in the waste category in 2023, which is why the percentage of waste for the year is higher than in previous years and is not comparable.

Number of tonnes of waste	2024	2023
Total waste	4 185	6 253
Recycled materials	2 833	3 047
Landfill	947	1 654
Combustible waste	274	1 465
Hazardous waste	131	87

Water consumption

The few units that consume water in their production operations are working on water reduction measures. Examples include conducting a water audit to identify where and how water is used within the organisation and to identify areas in which savings can be made. Other initiatives include investing in water-saving technology and equipment, educating employees on the importance of saving water and encouraging responsible use, as well as regularly checking and maintaining water infrastructure in order to detect and repair leaks.

	2024	2023
Total water consumption, sq m	24 051	23 788

Social responsibility focus area (S)

Sdipotech as an employer

Goal: social responsibility

By 2030, Sdipotech must achieve an equal gender distribution (men and women represented within the 40–60 per cent range) in senior positions.

Outcome

In 2024, Sdipotech’s total share of women in management positions fell to 30 per cent (33):

- 33 per cent (17) women form part of the Sdipotech Group executive
- 40 per cent (40) women form part of the Sdipotech Board of Directors
- 35 per cent (44) of Sdipotech’s business units have an equal gender distribution in senior positions

Comments

The overall share of women in management positions has decreased due to our acquisitions of companies. We have a balanced representation at head office and on the Board, and are actively working with our companies. The proportion of female CEOs has also increased.

Social responsibility focus areas

- Diversity and gender equality
- Health and safety in the workplace
- Human rights and working conditions
- Employee well-being

What we did in 2024

- Developed our reporting and surveying of our suppliers
- Continued working on and developing our HRDD (Human Rights Due Diligence) process
- Increased the proportion of companies with ISO 45001, an occupational health and safety management system
- Increased the proportion of female CEOs within the Group



Our plans for 2025

- Roll out Groupwide employee surveys
- Continue working on and developing our HRDD (Human Rights Due Diligence) process
- Increase the proportion of companies holding ISO certification to ISO 45001 (Occupational health and safety management systems)
- Develop our surveying, analysis and follow-up of our supplier surveys
- Work even more actively on the potential of our business units to make more sustainable decisions
- Continue working on our Groupwide training packages on gender equality, human rights and DE&I (Diversity, equity, and inclusion)

“During the year, we have taken further steps to strengthen our sustainability efforts in respect of social and work environment-related matters. We have improved our supplier mapping and developed our Human Rights Due Diligence (HRDD) process to ensure responsible business practices throughout our value chain. At the same time, we have increased the proportion of companies with ISO 45001 certification, which strengthens occupational health and safety efforts within our operations. We are also seeing positive developments in our gender equality work, with the proportion of female CEOs in the Group continuing to increase. These initiatives are important elements in our endeavours to build a more sustainable and inclusive business.”

My Lundberg,
Head of Sustainability & IR

Health and safety

Our most important asset is our staff, who all contribute to our collective success. SdipTech must offer everyone a safe and healthy working environment that, together with good working conditions, creates a sustainable work climate with good health and low absence due to illness. SdipTech's business is based on long-term relationships with customers and suppliers, as well as good ethics and great respect for all individuals both within the company and in external contacts. Like other parts of the Group's operations, specific social responsibility efforts are highly decentralised within the framework of the guidelines adopted by SdipTech.

A total of 47 work-related accidents resulting in sick leave were reported. We have a goal and a zero tolerance approach to occupational accidents, illnesses and incidents and an ambition to continuously work to improve the health and well-being of our employees. The frequency of recordable work-related injuries, where the incident rate is calculated in accordance with GRI 403-09 as the number of recordable work-related injuries per 200,000 hours worked, was 2.1.

The safety of our employees always comes first. SdipTech's business entities have their own safety policies that are customised for each entity. In addition, a small number of SdipTech's operations involve working in vulnerable environments, and these business units have clear safety procedures on how employees should protect themselves. The development of individual incidents, injuries, staff turnover and attendance rates is closely monitored, providing us with a way to evaluate our work relating to health and working environment aspects. Most of our business units (65 per cent) hold ISO certification to various standards, with just over a fifth specifically holding certification to ISO 45001 or similar systems in order to ensure a safe and healthy working environment and minimise risks of work-related injuries and illnesses.

Safety is deeply integrated into everything we do, with products and solutions from a number of our units helping their customers to protect workers and promote safe working environments. A few examples follow.

Alerter Group specialises in radio-based rescue and fire alarm systems for wheelchair users, the deaf and hearing-impaired, and other adaptive communication systems for what are known as high-risk workplaces.

There are over 1 million active wheelchair users in the UK at present. Additionally, around one in five adults in the UK are deaf or have hearing loss or tinnitus. All in all, 12 million adults in the UK are deaf or have hearing loss or tinnitus. More than 40 per cent of people over 50 and 70 per cent of people over 70 have hearing loss. According to statistics published by the UK government, there were more than 185,000 fires in 2022. Companies and public institutions often have a legal obligation to provide accessible safety equipment for all, including adapted fire alarm systems for the deaf, the hearing-impaired and wheelchair users. This is important in order to ensure equal access to safety and protection for all, as specially adapted fire alarm systems for the deaf, the hearing-impaired and wheelchair users can be crucial as a way of guaranteeing the safety and well-being of all.



Illustration: Alerter Group

UN Target 4.A seeks to build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.

Alerter Group's main customers are schools and universities. The company helps to bring about equal access to education and improves inclusive learning environments thanks to its radio-based communi-

cation and fire alarm systems that are specially adapted and designed for people with disabilities, focusing on the deaf and hearing impaired. 85 per cent of Alerter Group's turnover comes from customers in learning environments.

UN Target 8.8 seeks to protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment. Alerter Group helps to create safe working environments and secure employment for all by means of adaptive communication systems, including for what are known as high-risk workplaces. Alerter Group's entire turnover promotes a safe and secure working environment.

Medicvent offers hazardous gas evacuation systems, particularly in hospital environments. It is important to ensure that medical gas and waste are managed properly in healthcare settings so as to prevent environmental contamination and public health risks.

Target 3.9 seeks to reduce the number of deaths and illnesses from hazardous chemicals and pollution and contamination. The medical risks for healthcare workers due to constant exposure to anaesthetic gas, nitrous oxide and surgical smoke, for instance, are serious and well documented. Healthcare workers who come into contact with medical fumes at their place of work every day are exposed to health risks. Medicvent's technology improves the working environment and reduces pollution in hospitals by maximising the capture of unhealthy gas emissions occurring during surgeries and other procedures. 100 per cent of the company's turnover helps to reduce emissions of harmful chemicals and pollutants.



Illustration: Medicvent

RedSpeed manufactures digital cameras for measuring speed and promoting road safety. It was reported that 1,766 people died in road traffic accidents in the UK in 2023, with 28,941 people seriously injured in road traffic-related accidents during the same period. Traffic cameras play an important role in reducing road traffic accidents in a number of ways. First of all, speed cameras help to enforce speed limits, which is one of the most effective ways of reducing the risk of accidents. By discouraging speeding, cameras can reduce the number of high-speed accidents, where the risk of serious injury or death is greatest. Traffic flow monitoring cameras can also be used to control traffic, thereby reducing the risk of accidents caused by traffic jams, dangerous lane changes and other high-risk traffic situations. Analysing data from traffic cameras allows transport authorities to identify high-risk road sections and take action to improve safety by altering the road design or introducing additional safety measures, for example.



Illustration: Redspeed

Target 3.6 seeks to halve the number of deaths and injuries from road traffic accidents worldwide. Speed and accident risk are linked. This is why road safety cameras play an important part in reducing speeds, and can save lives. RedSpeed offers traffic monitoring systems, including speed cameras and red light cameras in order to increase road safety. By deterring dangerous driving behaviour, RedSpeed helps to reduce traffic offences and potentially the number of accidents as well, thereby supporting the goal of reducing traffic-related injuries and deaths. 100 per cent of RedSpeed's turnover comes from the company's traffic cameras designed to improve road safety.

Employee well-being

Type of employment

The majority of our workforce is permanent. Temporary staff are used primarily to replace regular employees in case of illness or other absences. Job security for our employees is not only a health and safety issue, but also an important factor in ensuring continuity in the organisation and building long-term relationships. In 2024, 97 per cent of Sdiptech's workforce was employed on a permanent basis.

Staff turnover

Staff turnover and attendance rates are continuously monitored internally and communicated externally on an annual basis. Major discrepancies in staff turnover from previous periods can be an indication of short-comings or dissatisfaction; and the earlier a discrepancy can be found, the more opportunity there is to investigate and remedy any problems. Total staff turnover was 17.5 (21.4) per cent during the year, excluding employees added through acquisitions. The reason for a continued high figure this year, as in 2023, is that a labour-intensive business unit has continued to have to lay off staff during the year.

Leadership

We endeavour to be a respected employer, and our business units must strive to be attractive employers with emphasis on the personal development of their employees. Relationships with and among employees must be based on mutual respect. To provide support in the development work, business unit heads and other centrally placed employees are involved in various issues at the subsidiaries, such as leadership, sustainability, marketing and sales, financial follow-up and reporting and project follow-up.



Human rights and working conditions

We must support and respect internationally recognised human rights wherever we work. We do not accept any form of forced, involuntary or unpaid labour. The UN Convention on the Rights of the Child, the ILO Convention on Minimum Age for Employment and the Convention on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour are guidelines for all business activities conducted in our name. Moreover, we do not invest in companies that contribute in any way to human rights violations. Even if the companies we look at are not directly involved in human rights abuses, we analyse whether they have customers – through companies or states – that could. It is particularly important to check whether any potential acquisition operates or has significant customers operating in regions where human rights violations are frequent.

Sdiptech has a human rights policy that is inspired by the principles of the Universal Declaration of Human Rights. We have also signed the UN Global Compact. Additionally, we follow human rights instruments that include the eight fundamental conventions of the ILO and the OECD Guidelines for Multinational Enterprises. If we are to provide top quality products that will last a long time, we know that we need to pay attention to responsible purchasing and manufacturing standards and ethical business practices that do not violate human rights. This is why we are committed to providing open, inclusive workplaces for our diverse workforce, and to minimising human rights risks in all our business activities in the value chain.



Gender equality, diversity and inclusion

We believe in the value of our differences and actively promote gender balance and international representation among employees and leaders. Diverse backgrounds, skills and perspectives lead to better decisions, which is why we foster an open, inclusive culture where diversity is a strength. We aim to increase the share of leaders with international experience – defined as being born or having lived at least five years in another country. Group-wide guidelines highlight the importance of recognising employees' varied contributions, with progress driven by transparency and regular follow-ups. One key metric is the share of women in senior roles, which is monitored annually. Sdiptech has zero tolerance for discrimination or harassment.

We endeavour to ensure that Group employees have equal opportunities for career development, training, remuneration, job content and employment conditions, regardless of gender. Where pay gaps exist between men and women, we work actively to close them. We also work towards a more equal gender balance in recruitment. We offer equal opportunities for employment regardless of origin, religion, gender, age, disability, family circumstances or sexual orientation. We work to prevent any form of discrimination in the workplace, or in the treatment of employees in terms of pay and career development. No cases of discrimination have been reported in 2024. While we are working towards a more equal gender balance in a generally male-dominated industry, we are working to alter this in our organisation, and the proportion of women in senior positions in the Group is continuing to increase.

Our goal is to have a gender balance of 40–60 per cent in senior positions by 2030. In 2024, the proportion of business units with an equal distribution of men and women in senior positions has decreased, which is largely due to acquired units as no company in the Group has reduced its proportion of women in senior positions. We are also pleased to note that we have increased the proportion of female CEOs within the Group.

Succession planning is a way for us to address gender equality through internal recruitment, while retaining skills in the organisation. In addition, we work continuously on training. In addition, in order to find new

target groups and diversify our final candidates, we work towards greater diversity and gender balance by:

- Policies and training sessions and materials. Surveying the current situation and setting ambitious diversity and gender equality targets.
- Working on training and inclusive recruitment processes.
- Performing quality reviews of our communications, including our recruitment materials, in order to create a more inclusive visual and written tone.
- Broadening our networks and opening up recruitment processes through new channels and ways of screening candidates.
- Continuously reviewing our forms of employment from a perspective that can attract more women, such as parental leave, flexible working hours, working from home and no qualifying period.
- Including both women and men in the recruitment team.

	2024	2023	2022	2021
Total number of employees	2,129	2,254	2,127	1,673
Of whom women	393	390	369	282
% women	18%	17%	17%	17%
% women on Sdiptech Board of Directors	40%	40%	40%	40%
% women in Group executive	33%	17%	17%	0%
% women in senior positions across the Group	30%	33%	30%	26%
% business units with gender-balanced executive teams	35%	44%	38%	32%

Corporate governance focus area (G)

Sdiptech’s business culture

Goal: corporate governance

All companies within the Sdiptech Group must have incentives that are linked to sustainability-related goals.

Outcome

In 2024, Sdiptech’s entire head office and most of the CEOs within the Group have had incentives linked to sustainability-related goals

- through an additional bonus,
- through salary development, or
- as part of an earn-out.

Comments

To define fair goals that are adapted to each business unit, sustainability analyses and strategies are implemented and followed up regularly at Board meetings throughout the year.

Focus areas in the field of corporate governance are responsible ownership, including:

- Responsible investment
- Code of Conduct and defining requirements for suppliers
- Anti-corruption and business ethics

What we did in 2024

- Developed our reporting and mapping of our suppliers
- Worked even more actively on the potential of our business units to make more sustainable decisions
- Continued sustainability certification with Sustademy
- Further developed our ESG-DD
- Conducted scope 3 screening and prepared all companies for extended reporting
- Developed and trained all companies in internal control of ESG data
- Updated and developed our double materiality analysis (DMA)

Our plans for 2025

- Continue preparations for the CSRD
- Continue to develop our reporting and mapping of our suppliers
- Work even more actively on the potential of our business units to make more sustainable decisions
- Add more key performance indicators and metrics to our scope 3



“We have been working on developing our reporting and mapping of suppliers in 2024. We have continued our sustainability certification work and developed our ESG-DD to ensure we apply ethical and sustainable business practices. Furthermore, we have carried out scope 3 screening and prepared our companies for increased reporting, while training all companies in internal control of ESG data. For 2025, we will be continuing to focus on business ethics by preparing for ESRS reporting and adding more metrics to ensure we maintain high ethical standards in all our decisions.”

My Lundberg,
Head of Sustainability & IR

Anti-corruption and business ethics

Business ethics is high on our agenda, and is an issue that is continuously addressed. We maintain a stated zero tolerance approach to corruption and do not accept bribes or unfair anti-competitive behaviour in any form. No cases of corruption were identified during the year. We comply with all labour laws and regulations as a minimum, and we expect customers and suppliers to comply with current legislation as a minimum requirement. Moreover, we work actively to ensure that there are no regulatory breaches within our operations or our value chain. One way of ensuring this is by excluding acquisitions of companies with operations, suppliers or customers in countries with a score of less than 30 in the Transparency International Corruption Perception Index (CPI), which ranks countries according to perceived levels of corruption, as determined by expert assessments and public opinion surveys. Sdiptech's Code of Conduct and Code of Conduct for Suppliers also include whistleblowing instructions and basic principles on anti-corruption.

Sdiptech follows the Swedish Business Code issued by the Swedish Institute Against Bribes (IMM), which aims to guide companies on how gifts, remuneration and other benefits can be used in business to promote the company's activities. Sdiptech also has a policy relating to transactions with related parties. All sales and marketing of our products and services must also comply with the applicable laws and regulations in each country. Sdiptech supports and respects freedom of assembly and association, also known as freedom of organisation, which means the right of people to belong to and form organisations. Freedom of association is a fundamental right enshrined in our own constitution and the UN Convention on Civil and Political Rights. Freedom of assembly is also constitutionally protected and gives people the right to organise and attend meetings for the purpose of education and information, express their opinions, present artistic works and the like. We apply fair labour practices and comply with applicable national and international labour standards. Sdiptech's Code of Conduct and Code of Conduct for Suppliers also include basic principles on freedom of association.

It is important to safeguard and strive for transparency and good business ethics in order to maintain a high level of trust among customers, suppliers and other stakeholders. Everyone who performs work for Sdiptech or otherwise represents the Group is obliged to comply with the Group's Code of Conduct and code of ethics, as well as acting in accordance with applicable rules and laws.

Requirements for our suppliers

We work with a large number of suppliers. A large proportion of these are domestic and based in the country in which the operation is conducted. In addition, our supplier relationships are often long-term and characterised by close cooperation, which gives us good conditions for dialogue and risk prevention. However, our value chain is becoming increasingly complex as we become more numerous, with operations in more countries, while the proportion of products in our sales mix has increased. This means more production and exports, which increases the importance of identifying risks in our customer and supply chain.

Besides scrutinising the company's business relationships in connection with acquisitions, Sdiptech conducts annual supplier surveys in order to identify, review and act on potential sustainability risks in the customer and supply chains. This is particularly important in contracts with non-Nordic customers and suppliers, specifically in what are known as high-risk countries, with poor visibility and compliance with human rights, working conditions, climate change, biodiversity, gender equality, animal welfare and corruption. We work systematically with Position Green as our evaluation system. This involves our suppliers responding to an evaluation form containing a number of questions on sustainability. Suppliers also sign our Code of Conduct for Suppliers through this tool.

Minimum safeguards

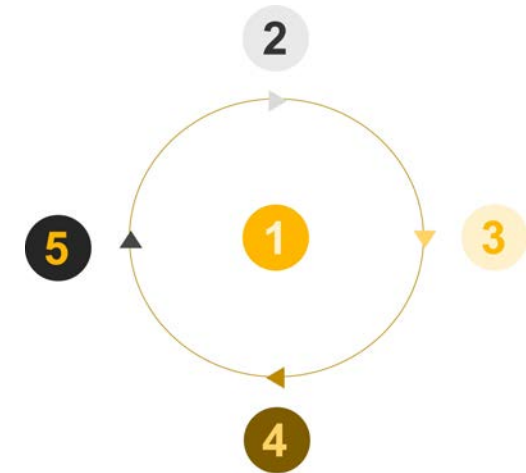
In order to comply with the minimum safeguards referred to in Article 18, companies must comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as the principles and rights set out in the eight fundamental conventions indicated in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Convention for the Protection of Human Rights and Fundamental Freedoms. Sdiptech has worked on the basis of this to set up a two-pronged strategy that includes a human rights due diligence process, and ensuring that Sdiptech is able to confirm that the company has not been involved in any activities or incidents related to non-compliance from an OECD National Contact Point.



Human Rights Due Diligence-process

Human Rights Due Diligence (HRDD) is an ongoing process that seeks to identify, assess, prevent and mitigate adverse human rights impacts that the company's operations may cause or contribute to. To summarise, the HRDD process involves the following steps, where the starting point may differ but where Sdiptech has chosen the following order of priority:

- 1. Policies:** Implement corporate responsibility by means of policies, guidelines and management systems
- 2. Identification:** Identify areas of the organisation where there are risks of negative impacts on human rights
- 3. Assessment:** Analyse and assess the extent, nature and context of the potential risks
- 4. Actions:** Develop and implement strategies and measures to prevent, minimise or entirely eliminate identified risks
- 5. Communication:** Report openly and transparently on how negative impacts are dealt with, both internally and to relevant external parties



The risk-based due diligence process is prescribed by both the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Although this is a dynamic and cyclical process that is constantly evolving, the policy step has been regarded as the first step for Sdipotech, where we describe our approach and commitments in respect of human rights. This is then followed by ongoing surveying of the areas in which there may be risks of negative impacts on human rights. This is followed by analyses and assessments of the situation, which also includes continuous monitoring and evaluation of the effectiveness of the measures implemented. Strategies and measures are developed in order to prevent, minimise or eliminate risks for Sdipotech in cases where risks arise. This has included in-depth analyses of customers and suppliers in certain countries, audits, additional guidelines and requirements or termination of a partnership. The final step involves reporting on the risks identified and indicating what we have done to address them.

Policies

Sdipotech's policies and codes of conduct summarise basic guidelines and include rules so as to ensure that operations are conducted with ethics and integrity in mind. Sdipotech's governance documents are reviewed regularly. Sdipotech's sustainability efforts are guided by the following governing documents:

- Code of Conduct (including anti-corruption policy and whistleblowing instructions)
- Code of Conduct for Suppliers
- Sustainability policy
- Gender equality policy
- Human rights policy
- Responsible Investment Guide
- HR policy
- Corporate governance policy
- IT policy
- Policy on transactions with related parties
- Information security policy
- Risk management policy
- Insider policy
- Communication policy

All employees and others working for Sdipotech undertake to read, follow and understand the Sdipotech Code of Conduct. The Code is available in Swedish and English so as to ensure that the entire workforce, as well as other stakeholders, can understand and adopt it. All staff members are asked each year to read the code of conduct and confirm their consent by providing a digital signature. This is also done on an ongoing basis every time a company is acquired.

Whistleblowing service

All employees, including third parties, have access to an anonymous whistleblowing function that is available 24 hours a day. Only an external lawyer is responsible for the whistleblowing service and has access to the messages received via the whistleblowing channel. If necessary, people providing expertise can be included in the investigation. These people are given access to the relevant data and undertake to maintain confidentiality.

This communication channel is encrypted and password-protected, and all messages are handled in confidence. The whistleblowing function is an important tool for maintaining good corporate governance and contributing to an effective process whereby the Group executive can quickly be made aware of risks and shortcomings in the organisation in order to investigate and address them. Sdipotech informs employees about the whistleblowing service each year and encourages the Group's subsidiaries to post the information about the function on their local websites for further distribution, too. Sdipotech has received two cases in 2024. However, these cases have not involved irregularities and have been handled according to the applicable process.

Find out more about the use of the Sdipotech whistleblowing channel and the investigation process in the Guidelines for the Sdipotech whistleblowing service under Corporate governance on the company's website.

Responsible investment

Our investment philosophy is that companies with a sustainable business model and few sustainability risks have better conditions for long-term profitability and growth. Sdipotech developed a Responsible Investment guide in 2020, which, by including sustainability criteria in the acquisition selection process, can continue to ensure that the investments made are responsible.

According to our investment philosophy, companies with a sustainable business model and few sustainability risks are better equipped to deliver long-term profitability and growth. Including sustainability criteria in the selection process allows us to ensure that our investments remain responsible. We have held discussions with stakeholder organisations working on issues such as social and environmental issues in our efforts to establish our selection criteria. Based on these discussions, we have identified a number of sectors in which we perceive no long-term sustainability or societal benefit where we actively refrain from investment. As part of the process of ensuring we are a responsible owner and that the investments we make are sustainable, we apply three approaches: integration, influence and exclusion.

More information about our responsible investment guide can be found on the company's website.

About the sustainability report

This Sustainability Report covers Sdiptech AB's operations from 1 January 2024 to 31 December 2024 and follows the guidelines of the international Global Reporting Initiative (GRI). The report has been compiled with reference to the GRI Standards and the ten reporting principles of the GRI Standards:

1. Interest involvement

The sustainability aspect of stakeholder dialogue describes how we work to include our stakeholders.

2. Sustainability context

We include relevant comparative figures in the sections Sdiptech in society, Sdiptech as a workplace and Sdiptech's business culture in order to place our results in context. We also show how our work contributes to the UN Sustainable Development Goals at target level.

3. Materiality

The significance of sustainability aspects for our stakeholders and the impact on our business as summarised in the materiality analysis.

4. Completeness

Our material sustainability aspects define our complete sustainability work, which we explain in the report under Sdiptech in society, Sdiptech as a workplace and Sdiptech's business culture.

5. Accuracy

The information provided in the report is accurate, and we have endeavoured to provide a reasonable level of detail.

6. Balance

We reflect on both positive and negative aspects of our outcome in the sections Sdiptech in society, Sdiptech as a workplace and Sdiptech's business culture.

7. Clarity

We have endeavoured to include and structure the information in the best and clearest way possible for our stakeholders.

8. Comparability

We have deliberately chosen established metrics with historical data so that our stakeholders can compare our data with previous years.

9. Reliability

The Group's auditors have issued a separate opinion regarding the statutory sustainability report. The metrics we report are compiled centrally on an annual basis.

10. Time (timeliness)

Our latest sustainability report was launched in April 2024. We produce our sustainability report annually in conjunction with the annual report.



Contact person for the sustainability report:

My Lundberg,
Head of Sustainability & IR and convener of the
Sdiptech Sustainability Council

my.lundberg@sdiptech.com

AUDITOR'S OPINION ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of Sdiptech AB, co. reg. no. 556672-4893

Engagement and responsibilities

The Board of Directors is responsible for the 2024 sustainability report on pages 28–46 and 113–126, and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, 14 April 2025

Öhrlings PricewaterhouseCoopers AB

Anna Rosendal

Authorised Public Accountant
Auditor in charge

Andreas Skogh

Authorised Public Accountant
Co-signing auditor

Why invest in Sdipotech

Sdipotech creates long-term shareholder value through the over 40 independent business units within the Group. We are an active owner, taking care of and developing our business units for sustainable and profitable growth.

“Sdipotech offers specialised infrastructure solutions with stable demand and low cyclical sensitivity. Since our strategic shift in 2019, we have acquired companies whose products and services are critical to maintaining functionality. Our solutions combine products that are manufactured or assembled in-house together with custom software, often combined with installation and servicing. This strengthens our customer offering, creates good recurring revenue and drives profitable growth.”

Susanna Zethelius, CFO, Sdipotech

Turnover and differentiation

Sdipotech has seen an average annual revenue growth of 25 per cent since being listed on the stock exchange in 2017.

We differ from other companies with a similar business model in three primary ways:

- 1) our focus on infrastructure,
- 2) our internal acquisition team, and
- 3) our model relating to how we fund our acquisitions.

Total revenue growth, 2024: 13%
Organic sales growth, 2024: 3%

Profits growing year on year

Sdipotech's overall goal is to increase its profits through organic growth and acquisitions. We have seen an average annual profit growth, adjusted EBITA, of 34 per cent since 2017.

Financial goal, profit acquired:

SEK 120–150 million of added EBITA per year
Outcome 2024: SEK 109 (50) million in line with our ambition for the year to acquire SEK 100–120 million

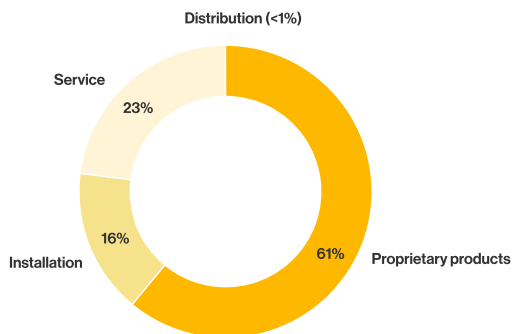
Financial goal, organic profit growth:

5–10 per cent adjusted EBITA growth
Outcome 2024: -2 per cent due to tough comparables. Overall, profits increased by 2 per cent.

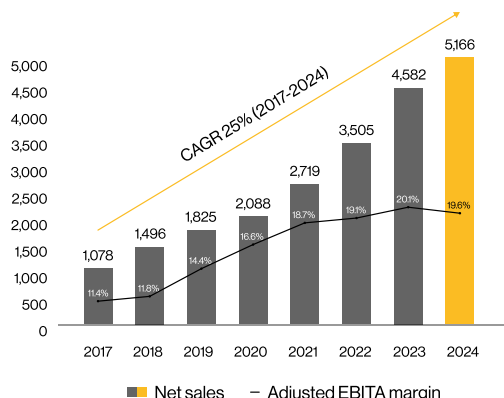
Diversification

With around 40 business units in various niche markets across multiple geographical areas, combined with our decentralised model in which decisions are made closest to customers, employees and suppliers, we are able to deliver high growth with balanced risk. Our entrepreneurial business units endeavour to be market leaders in their niches and operate in growing infrastructure markets with high investment and development needs. Our scalable model gives us the opportunity to grow geographically and create a greater spread of different customer segments through new acquisitions. This makes us less vulnerable to isolated trends and downturns as a broader spread creates good resilience and favourable conditions for organic growth.

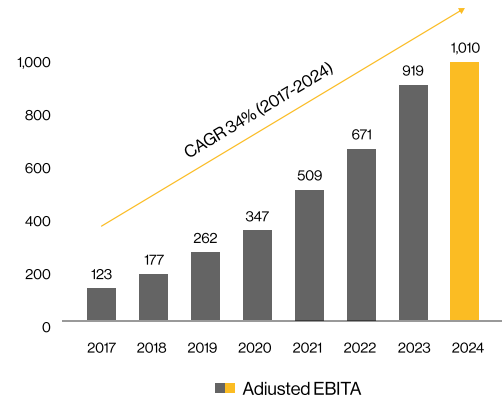
BREAKDOWN OF TURNOVER BY REVENUE TYPE



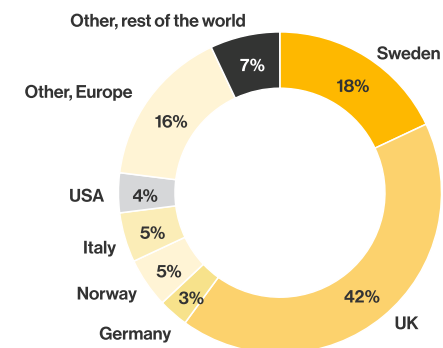
TURNOVER AND ADJUSTED EBITA MARGIN



ADJUSTED EBITA



BREAKDOWN OF TURNOVER BY GEOGRAPHY



Sdipotech as an investment, cont.

Sdipotech’s funding of acquisitions

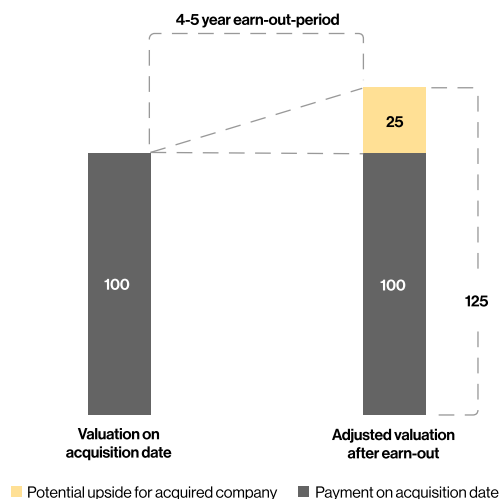
Sdipotech is growing through both organic growth and acquisitions. We primarily use our own cash flow to fund our acquisitions, followed by credits and loans. Moreover, earn-outs are also an important part of the funding for which no interest is paid: see also the description of Sdipotech’s earn-outs on this page.

Sdipotech is able to continue funding its acquisition goals in an appropriate manner thanks to good relationships with creditors and a presence on the bond market since the autumn of 2023. Our model is not based on issuing shares as a means of payment, as this creates a continuous flow of new issues. Furthermore, sellers rarely ask to be paid in shares.

Nor do Sdipotech’s acquisition goals require the company to issue shares in order to fund the acquisitions, as the financial goals for organic growth, indebtedness and acquisition volume are calibrated against one another and create stable conditions for long-term growth.

Historically, Sdipotech has issued shares on a few occasions in order to take advantage of extraordinary opportunities to make good acquisitions.

Sdipotech’s earn-out model



Contingent earn-out liability

- Final payment is adjusted on the basis of profit growth
- Potential upside is paid only in the event of significant profit growth
- The probable outcome of total earn-out is recognised in the balance sheet; although the outcome is based on a higher profit, which is not recognised
- If the recognised outcome of the earn-out does actually occur, this will involve a higher profit and subsequently a lower net debt/EBITDA
- Sdipotech has no actual interest on these liabilities even though the probable outcome of the total earn-out is recognised as a liability
- Sdipotech reviews the debt on a quarterly basis and measures it at market value (IFRS)



“We apply an earn-out that usually continues for four to five years, where part of the company’s valuation is paid at the time of acquisition. The remaining remuneration is paid only if the company performs at or above expectations during this period, with the possibility of further upside. Should the company underperform, the remaining payment will be reduced or cancelled altogether. This model incentivises continued growth and profitability, while sharing the risk between ourselves and the acquired company. Our total net debt, including provisions for future earn-outs, was 3.3 times EBITDA at the end of 2024. As these additional payments assume earnings growth from current levels, the book debt would be reduced by 35–40 per cent if future earnings were to remain at 2024 levels.”

Susanna Zethelius, CFO, Sdipotech

The share

Sdiptech's class B ordinary shares have been traded on Nasdaq Stockholm since 11 June 2021 under the ticker SDIP B and ISIN code SE0003756758. Prior to that, shares were traded on Nasdaq First North Premier Growth Market since 12 May 2017 under the same ticker and ISIN code.

The company's largest owners are Vulcan Value Partners, Handelsbanken Fonder and Swedbank Robur Fonder, whose holdings as of 31 December 2024 amounted to 10.04, 8.68 and 8.28 per cent of capital and 7.59, 6.56 and 6.26 per cent of votes, respectively. Ashkan Pouya has the largest percentage of the vote with 28.22 per cent.

Dividend policy

No dividend is paid on the company's ordinary shares as the company prioritises growth over dividends. Dividends on Sdiptech's preference shares are paid quarterly in accordance with Sdiptech AB's Articles of Association.

Shareholder information

Annual reports, quarterly reports and other information can be downloaded from Sdiptech via
 Website: www.sdiptech.com
 Email: info@sdiptech.com

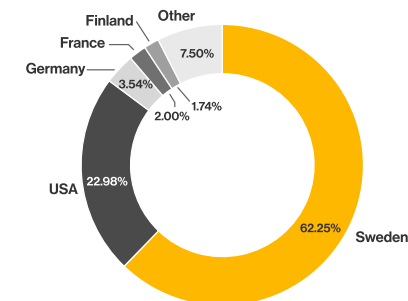
Analysts who follow Sdiptech

ABG Sundal Collier
 Berenberg
 Carnegie
 Nordea
 Redeye
 SEB

Ownership structure, size of holdings, %

Number of shares	% of share capital	Number of owners	% of number of owners
1 - 500	2,16	8584	85,29
501 - 1000	1,26	652	6,48
1 001 - 5 000	3,34	617	6,13
5 001 - 10 000	1,64	87	0,86
10 001 - 20 000	0,96	26	0,26
20 001 - 50 001	2,23	28	0,28
- 50 001	88,36	70	0,70
Unknown size of holdings	0,06	-	-
Total	100,00	10064	100,00

Five largest countries



Shareholders

shareholders, 31/12/2024	Class A	Class B	Pref	Assets	Votes
Vulcan Value Partners, LLC		3 990 132		10.04%	7.59%
Handelsbanken Fonder		3 448 121		8.68%	6.56%
Swedbank Robur Fonder		3 290 847		8.28%	6.26%
Clients Fonder		2 089 035		5.26%	3.97%
Ashkan Pouya	1 424 000	592 967		5.08%	28.22%
SEB Investment Management		1 836 434		4.62%	3.49%
Avanza Pension		1 238 651	170 585	3.55%	2.68%
Vanguard		1 374 564		3.46%	2.62%
Nordnet Pensionsförsäkring		1 202 653	53 169	3.16%	2.39%
Invesco		1 026 298		2.58%	1.95%
Total others		16 478 236	1 526 246	45.30%	34.26%
Total	1 424 000	36 567 938	1 750 000	100.00%	100.00%

Distribution

	Class A	Class B	Pref	Total
Number of shares	1,424,000	36,567,938	1,750,000	39,741,938
No. of votes	14,240,000	36,567,938	1,750,000	52,557,938
Capital, %	3.60	92.00	4.40	100.00
Votes, %	27.10	69.60	3.30	100.00

Price performance

OMX Stockholm Large Cap PI has been used as a benchmark index for Sdiptech B.

Class B share performance since Sdiptech's IPO in May 2017 to last trading day in December 2024



Preference share

Class B share

Summary of conditions

Amount issued SEK 175 million
First day of trading 4 March 2015
Issue price SEK 100
Dividend 8,00 per annum, divided into quarterly payments
Redemption price SEK 105

Record dates

Subject to a resolution by the 2025 Annual General Meeting, the following record dates will be:
June 13, 2025
September 15, 2025
December 15, 2025
March 13, 2026

Development 2024

Highest listing SEK 130.5
Lowest listing SEK 115.0
Volume-weighted average price SEK 121.3
Daily average: turnover SEK 209,332
Daily average: Number of shares traded 1,725 shares

Development 2024

Highest listing SEK 354.4
Lowest listing SEK 220.2
Volume-weighted average price SEK 277.8
Daily average: turnover SEK 18,027,208
Daily average: Number of shares traded 64,905 shares

Sdipotech's board of directors may at any time decide to redeem the preference share at the applicable redemption amount.

Sdipotech's preference shares have been listed on Nasdaq Stockholm since 11 June 2021 and are traded under the ticker SDIP PEF and ISIN code SE0006758348. Prior to that, shares were listed on Nasdaq First North Premier Growth Market under the same ticker and ISIN code on 4 March 2015.

The share, Sdip B, has seen an average price increase of about 21 per cent per year since Sdipotech was listed on the stock exchange in May 2017. Sdipotech is continuing to deliver value through organic and acquired growth.

Proposals for profit distribution

Share premium reserve	2,094,236,582
Retained earnings	212,135,480
Profit for the year	6,964,893
Total	2,313,336,955

The Board of Directors proposes the following appropriation of profits:

Dividend to preference shares*	14,000,000
Profit/loss carried forward**	2,299,336,955
Total	2,313,336,955

*Dividends on preference shares are regulated by 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.

**Of which SEK 2,094,236,582 is transferred to the share premium reserve.

Compensation

REMUNERATION TO SENIOR EXECUTIVES

Sdipotech's policies for remuneration to senior executives mean that remuneration to the Chief Executive Officer and other members of the corporate executive can consist of basic salary, performance-related pay, pension, other benefits and financial instruments. Guidelines for remuneration to senior executives adopted by the 2024 Annual General Meeting and information on existing incentive programmes are presented in Note 7 of this annual report and are summarised below. Remuneration aims to be competitive, while also being aligned with shareholders' interests. Remuneration to executives shall consist of fixed and variable salary, the opportunity to participate in a long-term incentive programme, and pension benefits.

These components shall together create well-balanced remuneration that reflects individual skills, responsibilities and performance, in both the short and the long term, as well as the overall performance of the Group. Performance-related pay must not exceed 50 per cent of the fixed annual salary. Long-term performance-related pay in the form of shares and/or share-related instruments in the company may be paid through participation in long-term incentive programmes decided by the Annual General Meeting. Such programmes must be performance-based and conditional on continued employment with the Group, and require personal investment from the participants.

Incentive programme

The 2023 Annual General Meeting decided on a new incentive programme of Series B warrants for managers and senior executives. This programme comprises 350,000 warrants. Redemption is possible until 30 November 2026. The Group received a total of SEK 11.6 million in equity through these options. 305,150 warrants series 2023/26 are outstanding as of 31 December, after repurchases. The subscription price for new class B shares subscribed for with the support of these warrants amounts to SEK 326.40 per share. A full description of the outstanding option programmes can be found in Note 7.

At the 2024 Annual General Meeting, a new incentive programme was approved for managers and senior executives, in the form of a long-term performance-based share programme that may include up to 50 employees within the Sdipotech Group. Participants must have invested in the Group by investing in class B shares in Sdipotech AB (publ) ("savings shares"). Thereafter, participants will be given the opportunity to receive Class B shares, known as "performance shares", free of charge. For each savings share held, the company will grant participants a right to performance shares, meaning the right to receive up to three performance shares free of charge, provided that certain conditions are met. In addition to the requirement of the participant's continued employment and an intact savings shareholding during the vesting period, certain requirements are also imposed on the Group's adjusted EBITA growth per average outstanding ordinary share. Subject to certain exceptions in the event of extraordinary circumstances, such growth will be calculated on the basis of the Sdipotech Group's annual reports for the financial years 2024, 2025 and 2026. The Board of Directors or the Remuneration Committee will decide on the number of savings shares that each participant shall be able to invest in the share programme, which will be a minimum of 100 savings shares and a maximum of 3,000 savings shares, but in total no more than 30,000 savings shares.

Risks and risk management

The Group and the parent company are exposed to various types of risks through their international activities; mainly market-related, strategic, operational, regulatory, IT and cyber risks, AI and financial risks. These risks are deemed to be of a similar nature for both the Group and the parent company. Financial risks consist of interest rate risk, credit risk and financing risk. See Note 16 for more detailed information on financial risks. See the corporate governance report for the company's risk management.

Market-related risks

Sdipotech is a technology group whose main focus is to offer high value to customers in the infrastructure sector by providing high quality technologies, solutions and services to both the public and private sectors, mainly in Europe. Macroeconomic factors such as growth, general economic development, population growth, interest rates and changes in political or regulatory conditions may adversely affect the company and the demand for the Group's services and products. An economic downturn may affect factors such as the ability to invest and the willingness to pay that are required in order to maintain demand for the Group's products and services.

In an ever-evolving economic environment, characterised by changes in the geopolitical landscape and market conditions, our risk management strategy is designed to be prudent and adaptive, thereby ensuring resilience and stability in our operations.

Global trade and financial markets have been affected since Russia's invasion of Ukraine in 2022, but the Group's direct business exposure to the region is limited and demand has remained stable to date. The long-term economic impact will depend on the evolution of the crisis and political measures. The heightened tensions in the Middle East have had a limited impact so far, but an escalation could affect logistics chains and lead to delays in customer deliveries, especially if shipping in the Red Sea is disrupted further.

Currently, inflation in the Group's key geographical regions has slowed, leading central banks to stop raising their key interest rates and, in some cases, to lower them. However, the future is uncertain as to what interest rate levels will prevail in the longer term. This affects the Group insofar as loan interest rates are variable.

All in all, the current geopolitical and macroeconomic situation implies increased uncertainty for global markets, which may affect the Group's business both directly and indirectly. The company is monitoring developments closely and taking ongoing action to manage any risks and minimise the impact on its operations.

Strategic risks

The Group has communicated financial targets and intends to make further acquisitions and business expansions in the coming years in order to achieve these targets. As part of the company's financial targets, the ambition is for the annual average acquisition rate to amount to SEK 120–150 million in EBITA per year. The Group is aligning – and intends to continue to align – its financial position, leverage and operational infrastructure with its financial objectives and expansion strategies.

Whether Sdipotech can successfully implement its strategy depends on factors such as the company's ability to identify and correctly evaluate potential acquisitions and market conditions. The Group's expansion is also reliant on its ability to finance acquisitions and/or operations on terms acceptable to the company. Therefore, if Sdipotech fails to meet its growth targets and implement its current expansion strategy successfully, there is a risk that Sdipotech will have to further adjust its financial position, indebtedness and operational infrastructure, which may be costly and time-consuming for the Group.

The company has its own acquisition team so as to ensure that Sdipotech has control over the acquisition processes and the inflow of new potential acquisition candidates. Today, Sdipotech uses its own staff for the processes of identifying new candidates, as well as the processes of performing acquisitions from first contact to contract signing. This has proven particularly successful in that Sdipotech is often the first party, before Sdipotech's competitors, to contact the company and the entrepreneur in question, which leads to an in-depth discussion with the seller on an exclusive basis, providing a good opportunity to perform the acquisitions on reasonable terms for both parties.

Operational risks

Operational risks in Europe relate to daily activities such as supply chain management, production processes and human resources.

Sdipotech's decentralised organisational structure, where each subsidiary holds significant responsibility for its own operations, places stringent demands on financial reporting and monitoring.

The accuracy of this reporting and monitoring is crucial, and any shortcomings in these areas may result in inadequate governance and control over the Group's overall operations. Sdipotech implements an active board structure and applies common policies and guidelines for all subsidiaries in order to manage these operational risks and ensure consistent governance. This structured board work provides an overall direction and creates a consistent understanding of the company's overall goals and strategies.

Sdipotech's success and continuous development are closely interlinked with the ability to both retain experienced staff with specific skills and recruit talented new individuals. Within Sdipotech, key individuals are identified among senior executives and other employees who play a key part in the company's success. The risk of one or more of these key individuals leaving the Group at short notice is identified as a possible but not significant operational risk.

Sdipotech has implemented strategies and initiatives in order to address these challenges and minimise potential negative impacts on the company's financial position and performance. This includes active efforts to create a favourable working environment and offer development opportunities for staff. Sdipotech endeavours to be an attractive employer, a Group where employees enjoy working and where they have opportunities for development within the Group.

Sdipotech's acquisition strategy includes the objective of ensuring that key individuals in acquired companies have plenty of motivation and have the ability to run the organisation independently as an integral part of the Group.

Sdipotech has established Sdipotech Academy, an internal training platform, to further promote knowledge transfer and development within the organisation. This training platform seeks to reinforce the internal knowledge base, ensure further development of employees and refine the corporate culture.

Regulatory risks

Sdipotech's activities are subject to numerous complex laws, rules and standards, as well as processes and decisions. A number of Sdipotech's subsidiaries are subject to different types of certification. The Group operates in niche cooling applications and electrification, for instance, which exposes Sdipotech to a number of complex regulations. The company may acquire other companies operating in industries where certification is required. Accreditation places stringent demands on the company wishing to operate, and independent audits of the competences and working practices of accredited companies are carried out by accreditation bodies on an ongoing basis. An operational deficiency may lead to withdrawal of the relevant accreditation.

There is a risk that the Group's existing authorisations will be withdrawn, restricted or not renewed if the company's interpretation of the applicable regulations proves to be incorrect, or if the company violates the applicable regulations due to deficiencies in its operations or changes in the regulations, which can sometimes occur at short notice. This could result in the Group being subject to fines or administrative sanctions and related negative publicity, which in turn could have an adverse effect on the Group's business, profits and financial position.

Time and resources are devoted to identifying and understanding them applicable laws and regulations to ensure that Sdipotech complies with them. Using the decentralised corporate governance model, each unit takes responsibility for staying up to date, which they are best placed to do through their daily contacts with customers, suppliers and authorities. This also means that Sdipotech's business units can be quick to market with new solutions and services that are adapted to any new requirements and guidelines.

IT and cyber risks

Digital risks are constantly on the increase throughout society. Like most companies, Sdipotech is reliant on various information systems and other technologies to run and develop its operations. Unplanned downtime and cybersecurity incidents such as ransomware attacks, sabotage and other cybercrimes, can result in both loss of revenue and high costs to remedy the situation and restore an operation. IT incidents or cyber incidents among third parties such as suppliers or customers could affect Sdipotech's delivery capacity and earning capacity. Sdipotech conducts regular risk analyses in order to ensure its IT environments are stable and prevent incidents. Additionally, regular maintenance and IT security reviews are carried out at Group and subsidiary level. The risks are limited by the decentralised organisational model, where the individual subsidiaries work with individual solutions and separate IT infrastructures. Sdipotech also engages external IT experts to ensure that the security level is adapted and updated on the basis of the current threat scenario and growing cybersecurity demands.

AI

The use of AI is growing at a phenomenal pace, and Sdipotech is evaluating and identifying potential opportunities and risks related to the use of AI in its operations. These risks may include incorrect implementation, vulnerabilities in AI algorithms or the possibility of unintended consequences.

Sdipotech is analysing the threats to our AI systems, which may include attacks on AI models, manipulation of training data or attempts to sabotage AI-based systems. We are also considering the integrity and quality of the data used when our AI models are involved in decision-making processes.

Sdipotech works actively with training in the field of AI through Sdipotech Academy, thereby ensuring that staff are aware of the specific security risks and best practices for working with AI.

Financial risks

Sdipotech is exposed to financial risks of various kinds through its activities:

Liquidity risk and financing risk: Sdipotech's acquisitions of companies and businesses are partly funded through loans from external lenders and the issuing of bonds linked to sustainability. The interest costs for this are a significant cost item for the Group. In the case of company acquisitions, the payment of the purchase price is generally split, with part of the purchase price being paid at the time of acquisition and part (what is known as an earn-out) being paid over time, and only insofar as the business acquired fulfils certain conditions set out in the agreement, such as profit growth, cash flow levels or similar.

Sdipotech's ability to make payments in accordance with the Group's financing and to finance planned investments is reliant on the company's future ability to generate cash. If Sdipotech cannot generate sufficient cash flow to make payments in accordance with its obligations and meet other commitments, the company may be forced to restructure or refinance all or part of the company's financing, sell important assets or operations or raise additional loans or additional equity.

Sdipotech carries out liquidity monitoring and planning at both local and central level to ensure access to financial resources. This makes it possible to plan well ahead for any new funding needs. New credits are procured centrally and made available to the Group's units through a multi-currency cash pool. This allows Sdipotech to ensure centrally that units that need financial resources can access them on reasonable terms, and also that units with excess liquidity can invest it on favourable terms in the short term. By pooling the Group's total liquidity in the cash pool, the companies that have a surplus can support those that currently have a deficit. Moreover, the total credit utilisation of the entire Group can be kept to a minimum.

Interest rate risk: Changes in market interest rates and credit margins affect net interest income. The speed and extent to which changes in these two components affect net interest income depend mainly on the capital selected and the duration of the interest rate. Sdipotech is financed with equity and liabilities, the majority of liabilities consisting of interest-bearing liabilities. Currently, inflation in the Group's key geographical regions has slowed, leading central banks to stop raising their policy rates and, in some cases, to lower them. However, the future is uncertain as to what interest rate levels will prevail in the longer term. This affects the Group insofar as loan interest rates are variable.

As changes in market interest rates and credit margins always have an impact on net interest income over time, there is therefore a risk that changes in market interest rates and credit margins will have a negative cash flow impact on Sdipotech in the future. By not borrowing more than necessary and by collecting all credit exposure to financial institutions centrally, the effects of increased interest rates can be kept as small as possible. The Group also has agreements on so-called interest rate swaps, for more information see note 18.

Currency risk: Exchange rate risk consists of the fact that exchange rate changes have an impact on the Group's results, balance sheet and cash flow. The risks arise in connection with transactions taking place in foreign currency, which arise when the Group makes purchases and sales in foreign currency, and that assets and liabilities are held in foreign currency. Sdipotech's purchases and sales are made, among other things, from suppliers and customers in countries with other currencies. The Group's results are most sensitive to changes in GBP/SEK and EUR/SEK. Future currency fluctuations may have a negative impact on the Group's results and financial position and if any of the risks described above were to materialize, it could have a negative impact on the Group's results and financial position. By balancing assets in foreign currency against liabilities in corresponding currencies, and by entering into forward exchange contracts, Sdipotech can reduce the effects of currency fluctuations. However, the Group has net assets in all currencies, which means that it is not possible to avoid the impact of currency fluctuations entirely. For more information, see Note 18.

Customer and counterparty risk: Risk exposure to customers is continuously assessed within the Group; the credit risk is varied, as the customer base within the Group ranges from private to government operations. The Group's exposure to individual customers is small, and risk diversification is deemed to be good.

Bad debt losses are rare as Sdiptech's customers are mostly large, stable counterparties, such as public authorities, government agencies and companies and other major players in the infrastructure sector. Credit checks and, in some cases, payment plans with advance payment are implemented to ensure that even small customers are able to pay. In 2024, inflation rates have slowed in most of the countries in which the Group's companies operate. Most of the higher prices for inputs and labour for the Group's companies are compensated for by higher prices to customers. However, there is a certain delay between these events as Group companies have some contracts with customers that regulate these processes over time.

ESG risks and risk management

TCFD analysis 2024

Sdiptech's social and climate-related risks and opportunities

Sdiptech's analysis of sustainability risks and opportunities has been developed according to the Taskforce on Climate-related Financial Disclosure (TCFD) methodology, a framework that aims to guide organisations in identifying climate-related financial risks and opportunities. The application of the TCFD has allowed us to gain a better understanding of the financial implications that social and climate-related impacts can have on our business, in both the short and the long term. At the same time, the framework facilitates efforts to build robust strategies to manage these risks. As recommended by the TCFD, we have worked on the basis of governance, strategy, risk management, goals and metrics. Within these areas, we highlight how Sdiptech manages and assesses physical and transition-related climate risks. Moreover, we have chosen to follow the same methodology for social sustainability risks.

Social and climate-related sustainability risks span many areas, such as human rights, working conditions, environment and climate, corruption, and information and IT security. Our diversified structure, with almost 40 companies in different industries and geographical markets, gives us a good spread of risk, which creates conditions for stability. This breadth reduces dependence on individual business units, markets and risks. Many sustainability risks are eliminated because we have clear acquisition criteria and do not invest in companies or sectors that are contrary to our philosophy, i.e. companies whose activities are harmful to society.

A separate sustainability survey, including a TCFD analysis, is also carried out for the company in question prior to each acquisition. We also see opportunities with the transition, as sustainability is integrated into the business model of the companies we already own.

Our work on identifying sustainability risks is carried out by Sdiptech's sustainability council together with the Group executive, which involves representatives from each business unit.

Management, control and follow-up follow our decentralised model through Sdiptech's business area managers at Board meetings and other reconciliations with the business units, and within the framework of established risk management processes.

Sdiptech follows the precautionary principle and must implement measures or restrictions in its activities or take other precautionary measures to prevent, hinder or counteract damage or other adverse effects on the environment or health.

Sdiptech's resilience

We are already seeing an increase in extreme weather events that can be linked to climate change, and although global carbon emissions are being reduced in line with the Paris Agreement, carbon dioxide levels in the atmosphere remain high.

We should therefore anticipate that damage from storms and extreme weather events will continue to increase, and continuously work on monitoring and improving preparedness against business continuity disruptions caused by physical climate risks such as storms and floods. Given the EU's ambitious climate policy, we must also work to prepare to manage transition risks.

We need to increase our readiness to deal with regulatory changes in the coming decade, given the direct impact such changes may have on Sdiptech's operations, as well as the indirect impact they may have on supply chain lead times and prices.

Sdiptech has been reporting under the TCFD framework for three years. In 2021, an analysis was conducted to assess climate risks and opportunities based on two different climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) – RCP 8.5 and RCP 2.6.

RCP 8.5 is a business-as-usual scenario, where the world has failed to adapt and greenhouse gas emissions continue to increase at the current rate.

RCP 2.6 is a scenario where we manage to limit the temperature increase to 1.5 and 2 °C. Both scenarios present risks for Sdiptech, but also opportunities, and we need to prepare and adapt our operations to changing climate conditions.

Climate scenario "We reach the Paris Agreement" (RCP 2.6)

- Greenhouse gas emissions are halved by 2050.
- +1.5–3 °C national temperature increase in Sweden.
- New renewable energy technologies are introduced on a large scale.
- Low energy intensity.
- Significant transformations of society, infrastructure and buildings have taken place. The world's countries manage to work together on joint initiatives.
- Political decisions, taxes and regulations are imposed on greenhouse gases.
- Increased regulation with sustainability requirements for land use and building standards.
- Changing requirements from customers and investors.

"Business-as-usual" climate scenario (RCP 8.5)

- Emissions of greenhouse gases continue to increase at the current rate.
- +2–4 °C national temperature increase.
- Rising sea levels.
- More days of extreme weather and flooding.
- Increased number of forest fires.
- Unchanged behaviour and demands from customers and investors.
- High energy intensity and high dependence on fossil fuels.
- Political climate initiatives and partnerships are failing.
- Poorer indoor climate affects human health.
- Increased population and immigration to Sweden.
- Operations become more event-driven due to extreme weather.

TCFD Sustainability risks

Climate risks: Physical risks

Sdipotech has identified few direct physical climate risks and opportunities at Group level. However, indirect risks may affect Sdipotech’s business model in the form of:

- **Higher insurance costs and capital investments**
Climate change may lead to increased insurance premiums for facilities and infrastructure.
Greater need for climate adaptation and investments in more resilient buildings and systems.
- **Supply chain disruptions**
Production plants and logistics centres may be affected by climate-related events, leading to delays and higher costs.
Increased need for supply chain resilience, such as diversified suppliers and alternative transport routes.

A list of the physical climate risks identified at Sdipotech’s individual companies is presented below.

Risk impact at Group level	Low	Mean	High
Risks	Potential financial impact	Actions (Planned = PL, Ongoing = ON)	Opportunity
Climate change			
Rising average temperatures	Reduced need for winter-related products for e.g. slippery road conditions, such as studs and snow ploughs	Risk diversification through greater supply that is less dependent on weather and season (ON)	Increased need for water treatment to eliminate e.g. algal blooms
Higher water levels and flooding	Production stoppages and destruction of materials and machinery	Work actively with potential risks and future analyses at the company in question (ON) Risk mitigation measures are implemented in instances where there are material risks (ON)	Changes in ground composition that may increase loads and thus demand for servicing of pipes and water mains and facilities
Storms	Damage from storms that may indirectly affect Sdipotech if electricity and other service providers suffer damage and disruption , which in turn may lead to delays in supply chains	Close dialogue and relationship with existing suppliers, and increase the percentage of suppliers to spread the risk (ON)	Increased need for critical radio communications for aviation and maritime transport. Increased need to measure power quality, as well as solutions for efficient uninterruptible power supplies

Climate risks: Transition risks

Sdipotech has identified a couple of transition risks and opportunities at Group level that may impact the business model both positively and negatively. These are linked to regulatory changes, technological developments, market requirements and financial factors, as well as shifts in demand for products and services, where climate adaptation may drive increased demand for energy-efficient solutions, climate-resilient building materials and water management technologies. That said, some traditional technologies or infrastructure solutions may become less relevant in a world subject to climate change. By proactively adapting its operations, investing in sustainable solutions and ensuring transparency in climate reporting, Sdipotech can reduce its exposure while also capitalising on business opportunities arising from the green transition.

Risk impact at Group level	Low	Mean	High
Risks	Potential financial impact	Actions (Planned = PL, Ongoing = ON)	Opportunity
Laws and policies			
Increased fuel prices/greenhouse gas emissions	Increased operating costs, e.g. for business units with a significant fleet of service vehicles	Target for increasing the percentage of vehicles using renewable fuels (ON)	Increasing demand for charging equipment for electric vehicles
Extended emission reporting obligation	More reporting work where greater use of resources to carry out work can reduce efficiency in other areas	Efficient processes and investment in central resources to support reporting (ON)	Increased demand for safe, sustainable and efficient solutions from more customers
Regulation of existing products and services	Increased costs and/or reduced demand for products and services due to restrictions on the use of specific materials and substances	Spreading of risk with alternative materials and substances (ON).	Stricter regulation on emissions of e.g. harmful gases
Reporting and compliance requirements for third party providers	May have to change products or terminate contracts with suppliers and switch to more expensive suppliers if the existing ones do not comply with the requirements	Communicate our sustainability expectations to companies early on in the acquisition process (ON)	Increased demand for safe, sustainable and efficient solutions from more customers
	More reporting work where greater use of resources to carry out work can reduce efficiency in other areas	Efficient processes and investment in central resources to support reporting (ON)	n/a
Technology			
Failed investments in new/old technologies	Lost customers and revenue due to new and alternative technologies	R&D, expert networks, advisory boards and continuous support with technical expertise at head office. Prospective assessment of how long a technology is relevant/attractive as early as the acquisition process (ON)	n/a
Transition to lower emission technologies	Resistance from founders to make climate investments during the earn-out period	Define clear expectations in the acquisition process and hold regular strategy discussions on investments that are correct in the long term, e.g. internal CO2 price (ON)	Increased demand for safe, sustainable and efficient solutions from more customers, such as charging equipment for electric vehicles
Market			
Altered customer behaviour	Changing ways of travelling, working and shopping can affect demand in different ways in the long run	Work actively with potential risks in each company with future analyses (ON)	Increased demand for safe, sustainable and efficient solutions from more customers
Reputation			
Stigmatisation of the sector	More stringent demands from the public to take a stand and reject stigmatised industries by not delivering solutions to customers in these sectors	Comply with and continuously develop our responsible investment guide, which clarifies how we approach investment in specific sectors. Conduct a separate sustainability and TCFD analysis prior to each acquisition (ON)	Increased demand for safe, sustainable and efficient solutions from more customers

Climate risks: Social risks

Sdiptech has identified a number of social transition risks and opportunities at Group level that may impact the business model both positively and negatively. These include regulatory changes, changing labour market requirements, demographic shifts and increased expectations of social responsibility. At the same time, demand for products and services is affected by growing awareness of occupational health and safety, diversity and inclusion, along with demands for responsible supply chains.

Social factors can create new business opportunities through increased demand for safety systems, work environment enhancing technologies and digitalised solutions that promote a more sustainable work environment. However, a lack of alignment with social requirements, such as gender equality goals or labour law expectations, may pose risks in terms of reduced attractiveness as an employer and increased regulatory costs. By proactively strengthening social sustainability, investing in responsible business models and ensuring transparency in sustainability reporting, Sdiptech can reduce its exposure to social risks while capitalising on business opportunities linked to the growing demand for socially sustainable solutions.

Risk impact at Group level	Low	Mean	High
Risks	Potential financial impact	Actions (Planned = PL, Ongoing = ON)	Opportunity
Operations			
Information and IT security	Loss of trust and possible financial consequences of failures in the handling of personal or business-sensitive information	Clear guidelines, instructions and technical security solutions. Continuous monitoring and internal control. Train staff to raise awareness of threats and risks in information security (ON)	Increased need for secure communication solutions
Financial crime	Loss of reputation and weakened financial position due to financial or legal consequences	External whistleblowing function, clear guidelines, compliance requirements and monitoring, especially in countries where regulation on these issues is weaker (ON). Supplier mapping (ON). ESG-DD prior to each acquisition (ON)	n/a
Social conditions			
Human rights and social conditions	Loss of reputation and weakened financial position due to financial or legal consequences	External whistleblowing function, clear guidelines, compliance requirements and monitoring, especially in countries where regulation on these issues is weaker (ON). Supplier mapping (ON). ESG-DD prior to each acquisition (ON)	n/a
Working conditions	Loss of labour and difficulties in attracting talented people if competitors have higher standards in working conditions and we do not maintain attractive working conditions	Continuously conduct benchmark analyses and update working conditions (ON)	n/a
Employee safety	Accidents and incidents relating to occupational health and safety	Clear safety procedures in all workplaces, especially in high-risk workplaces (ON)	Increased demand for workplace safety solutions from more customers
Gender equality and diversity	Higher public expectations that can result in a loss of trust and reputation and a poorer image of us as an employer if we fail to live up to public expectations	Clear guidelines, compliance requirements and monitoring, as well as reporting and gender equality and diversity goals with an action plan on how to achieve them (ON)	n/a

Corporate governance statement

The Board of Directors of Sdiptech AB (publ) hereby submits its corporate governance report in accordance with the Swedish Annual Accounts Act (1995:1554), Chapter 6 (6–9). This report is an integral part of the company's annual report for 2024. References made below refer to the 2024 Annual Report in its entirety. The report has been reviewed by the company's auditors. Sdiptech essentially applies the Swedish Corporate Governance Code (see www.bolagsstyrning.se) in accordance with the revised code that entered into force on 1 January 2020, which is a requirement for Sdiptech as an issuer on Nasdaq Stockholm, Mid Cap.

The report also includes an account of the Nomination Committee's work ahead of the 2025 Annual General Meeting.

Corporate governance structure

Sdiptech is a Swedish public limited company based in Stockholm. Through its subsidiaries, the company sells niche technologies, solutions and services to the infrastructure sector. The Company has been listed on Nasdaq First North Premier Growth Market since March 2015 (preference share) and since May 2017 (class B ordinary share), and since June 2021 instead as an issuer on Nasdaq Stockholm for both share classes. Ordinary shares and preference shares were initially listed on Nasdaq Stockholm, Large Cap, but were transferred to Nasdaq Stockholm, Mid Cap on 2 January 2024. Governance and control of the company is governed by a combination of written rules and practices. The regulatory framework includes primarily the Companies Act and the Annual Accounts Act, but also the rules that apply on the market where the company's shares are admitted to trading. The Companies Act contains basic rules on the organisation of the company.

The Companies Act states that there must be three decision-making bodies: the Annual General Meeting, the Board of Directors and the Chief Executive Officer, which are in a hierarchical relationship with one another. There must also be a control body, the auditor, appointed by the Annual General Meeting.

Shareholders

The number of shareholders on 31 December 2024 was 10,064, compared to 10,336 at the beginning of the financial year. Swedish private individuals owned 21 per cent (14) of the shares and 41 per cent (35) of the votes in the company. The remaining share was owned by legal units, mainly investment companies, mutual funds, insurance companies and pension funds. Foreign shareholders held 38 per cent (39) of the shares and 29 per cent (30) of the votes. The ten largest shareholders had a total shareholding of 55 per cent (65) of the shares and 66 per cent (75) of the votes. The company's largest owner, and the only owner with more than one-tenth of the voting rights for all shares in the company, was Ashkan Pouya, whose holdings as of 31 December 2024 amounted to 5.1 (5.1) per cent of capital and 28.2 (28.2) per cent of votes.

Annual General Meeting and Articles of Association

The Annual General Meeting is the highest decision-making body within Sdiptech. There, shareholders exercise their influence through discussions and decisions. The Annual General Meeting can decide on any matter in the company that does not expressly fall under the exclusive competence of another corporate body. Each shareholder is entitled to attend and vote on their shares at the Annual General Meeting in accordance with the provisions of the Articles of Association. Sdiptech's Annual General Meeting must be held in Stockholm within six months of the end of the financial year.

The Annual General Meeting appoints the company's Board of Directors and auditors and determines their fees. Furthermore, the Annual General Meeting adopts the financial statements and decides on the appropriation of profits and discharge from liability for the Board of Directors and the CEO, and decides on other matters that are incumbent on the Annual General Meeting according to law or the Articles of Association.

Articles of Association have been adopted by the Annual General Meeting. The Articles of Association state that the company's shares are divided into three share series, whereby class A shares have 10 votes, class B shares one vote per share and preference shares one vote per share. The company's share capital shall be not less than SEK five hundred thousand (500,000) and not more than SEK two million (2,000,000). The number of shares shall be no less than 20,000,000 and no more than 80,000,000. Class A and B shares carry the same rights to a share in the company's assets and profits. The preference shares have preferential rights to dividends: see also the section entitled "Terms of preference share", page 127. The Articles of Association authorise the conversion of class A shares into class B shares. The Articles of Association also state that the company's Board of Directors shall consist of at least three and no more than ten members, as well as the procedures for convening the Annual General Meeting. The Articles of Association do not contain any restrictions as to how many votes each shareholder can cast at an annual general meeting. See the company's website for the full text of the Articles of Association, which were adopted in their current form by the Annual General Meeting on 18 May 2021. Notice of an Annual General Meeting and notice of an Extraordinary General Meeting at which amendments to the Articles of Association will be discussed shall be issued not earlier than six weeks and not later than four weeks before the meeting.

Notice of other Extraordinary General Meetings shall be issued not earlier than six weeks and not later than two weeks before the meeting.

The notice shall be published in Post och Inrikes Tidningar and on the company's website. The fact that notice has been given shall be announced in Dagens Industri at the same time. Shareholders who wish to attend the Annual General Meeting shall be listed in a printout or other presentation of the entire share register six banking days before the meeting, and shall notify the company of their attendance for themselves and a maximum of two assistants no later than 12.00 noon on the day specified in the notice of the meeting. The Annual General Meeting also determines the format for appointing a Nomination Committee.

Annual General Meeting 2024

The 2024 Annual General Meeting was held in Stockholm on 22 May. The Board of Directors had decided, pursuant to Article 12 of the Company's Articles of Association, that shareholders who could not, or did not wish to, attend the meeting in person could submit their votes in advance by what is known as postal voting.

Notice of the meeting was published in the form of a press release on 18 April 2024 and was available on the company's website on the same day. At the time of the notice to attend, an advertisement was also placed in Dagens Industri indicating that the notice to attend had been issued. The notice has also been published in Post och Inrikes Tidningar.

The Annual General Meeting resolved on the following and other matters:

- The Annual General Meeting resolved, in accordance with the Board's proposal, on a dividend of SEK 8 per preference share to be paid quarterly with SEK 2 per preference share.
- The Annual General Meeting resolved, in accordance with the Board's proposal, that no dividend be paid on class A ordinary shares or class B ordinary shares and that the remaining profits be carried forward.
- The Board of Directors and Chief Executive Officer were discharged from liability for administration for 2023.
- The Annual General Meeting resolved in accordance with the Nomination Committee's proposal to (i) re-elect Johnny Alvarsson, Birgitta Henriksson and Jan Samuelson as Board members, and elect Kristina Schauman and Joakim Landholm as new Board members, and (ii) re-elect Jan Samuelson as Chairman of the Board.
- Fees to the Board of Directors and auditors were approved.
- Re-election of PwC as the audit firm.
- Procedures for appointing a Nomination Committee for the next Annual General Meeting were agreed.
- Policies for remuneration and other terms of employment for senior executives were adopted.
- Resolution to authorise the Board of Directors to issue shares, convertibles and warrants.
- Resolution on a long-term performance-based share savings programme for the company's employees.

Board of Directors

The Board's task is to manage the company's affairs in the best possible way and to safeguard the interests of the shareholders in its work. In 2024, Sdiptech AB's Board of Directors consisted of five ordinary members, who together represent broad commercial, technical, financial and public experience:

Jan Samuelson, Chairman of the Board
 Johnny Alvarsson,
 Birgitta Henriksson,
 Kristina Schauman and
 Joakim Landholm

A detailed presentation of the members of the Board, including information on other assignments, can be found in the section entitled Board of Directors. Other Group executives may participate in Board meetings as rapporteurs or secretaries.

Work of the Board

The Board of Directors held 13 minuted meetings during the 2024 financial year, of which one was an inaugural meeting in connection with the Annual General Meeting and 1 was a per capsulam meeting. The Board's work is governed by Rules of Procedure that are adopted annually. The Rules of Procedure set out the division of labour between the Board and the executive management, the responsibilities of the Chairman and the CEO, and the arrangements for financial reporting. The CEO is not a member of the Board, but reports at Board meetings. A quorum is constituted when at least three members are present and decisions are made, if possible, after discussion leading to consensus. The Board was in full attendance at all but one of its meetings during the year. Each ordinary meeting of the Board of Directors deals with the company's economic and financial position, the company's risks and internal control, and an item on acquisitions. The Board of Directors is regularly informed of the company's activities and other relevant information by means of written information. In 2024, the Board's work was characterised by issues related to acquisitions, market development, financing and the business model. The Board has also held a meeting that focused solely on the Group's position and strategy. In accordance with the Code, the Board has evaluated the CEO's work at a meeting that was not attended by the CEO or other senior executives.

According to the decision of the Annual General Meeting in May 2024, fees totalling SEK 2,090,000 (1,990,000) were paid to the Board of Directors. Of this fee, the Chairman of the Board received SEK 870,000 (830,000), and the other ordinary members received SEK 305,000 (290,000) each. For the company's Audit Committee, a fee of SEK 195,000 (160,000) was paid to the Chairman and SEK 65,000 (55,000) per member (one member). For the company's Acquisition Committee, a fee of SEK 50,000 (50,000) was paid to the Chairman and SEK 50,000 (50,000) per member (two members). For the company's Remuneration Committee, a fee of SEK 40,000 (40,000) was paid to the Chairman and SEK 20,000 (20,000) per member (one member). See also Note 7.

Acquisition Committee

The Board of Directors has appointed an acquisition committee that is tasked with remaining up to date on the current "acquisition pipeline", familiarising itself with impending acquisitions by studying memoranda and declarations of intent regarding acquisitions, and formally deciding to carry out acquisitions. However, it is necessary to take into account the fact that decisions on making acquisitions must be made by the Board of Directors as a whole, in accordance with the Board's Rules of Procedure, if either:

- the acquired company's operating profit (EBIT) exceeds SEK 40 million annually, or
- the acquisition in question is outside the acquisition strategy established by the Board of Directors, can be considered extraordinary in relation to the company's current business and/or involves the company taking on extraordinary obligations.

The Acquisition Committee consists of the Chairman of the Board and at least one additional member. The Chairman of the Board is the Chairman of the Acquisition Committee. In 2024, the committee consisted of Jan Samuelsson (Chair) and Johnny Alvarsson. Urban Doverholt also participated until the 2024 Annual General Meeting. The CEO or Acquisition Manager presented the report. The Acquisition Committee shall meet as often as necessary to fulfil its duties. Meetings are held over the telephone or in person. The Chairman of the Acquisition Committee shall regularly inform the other members of the Board of Directors about the work done and decisions made by the Committee. This shall be done at regular Board meetings or, if specifically requested, by other means.

Audit Committee

The Board has appointed an Audit Committee within itself. This committee works according to an agenda set annually and is tasked with monitoring and quality assurance of the company's financial reporting and the effectiveness of the company's internal control and risk management. The Audit Committee shall review the accounting policies on which the company's accounts are based and stay abreast of the audit of the annual accounts and consolidated accounts. The Committee shall also review and monitor the auditor's independence and impartiality and, in particular, whether the auditor provides non-audit services. Such additional services up to a maximum of SEK 100,000 per assignment must be authorised in advance by the company's CFO. Assignments exceeding SEK 100,000 must be approved in advance by the Chair of the Audit Committee. In addition, the Committee shall assist the Nomination Committee in the preparation of proposals for the Annual General Meeting's decision on the election of auditors as well as decisions on the remuneration of the auditors, whereby the Committee shall monitor that the auditor's term of office does not exceed the applicable rules.

The Audit Committee establishes an annual cycle of the tasks and areas for which it is responsible. The work of the Audit Committee mainly follows Sdiptech's external reporting calendar.

The Committee shall regularly report on its work to the Board, both verbally and through the distribution of the minutes of each Committee meeting. The Audit Committee liaises with the company's auditors to discuss the focus and scope of the audit work. In connection with the adoption of the annual accounts, the company's auditors report their observations from the audit and their assessment of internal control.

In 2024, the Committee consisted of Eola Ånggård Runsten (chair) and Birgitta Henriksson until the 2024 Annual General Meeting. Since then, the committee has consisted of Kristina Schauman (chair) and Birgitta Henriksson.

Sdiptech's auditors perform a general review of the interim report for the third quarter. In connection with this, the Audit Committee has taken note of the auditors' review report, analysed the auditors' observations and made proposals to the company's executive team for improvement of certain procedures.

Remuneration Committee

The Board of Directors has appointed a Remuneration Committee that is tasked with preparing the Board's proposal to the Annual General Meeting on guidelines for remuneration to the CEO and other senior executives. The Committee is also tasked with following up on the Annual General Meeting's decision regarding policies for remuneration to senior executives. In addition, the Committee shall monitor and evaluate potential, ongoing and completed variable remuneration programmes for the executive management, and monitor and evaluate potential, ongoing and completed share-based incentive programmes.

In 2024, the Remuneration Committee consisted of Jan Samuelsson (Chair) and Johnny Alvarsson. The CEO is the rapporteur, but does not participate in matters concerning himself. The Chairman of the Remuneration Committee shall inform the other members of the Board of Directors about the work done and decisions made by the Committee. This shall be done at regular Board meetings or, if specifically requested, by other means.

Auditors

The 2024 Annual General Meeting re-elected the registered audit firm PwC Sweden as auditor. The audit firm appointed Authorised Public Accountant Anna Rosendal as the principal auditor. The Board is given the opportunity to comment annually on the auditors' planning of the scope and focus of the audit so as to ensure Board transparency. After completing the review of internal controls and accounts, the auditors reported their findings to the February meeting of the Audit Committee and the March 2024 meeting of the Board of Directors. The auditors are also granted access to Board meetings when the Board or the auditors deem it necessary. The independence of the auditors is ensured by the audit firm's internal guidelines. Independence has been confirmed to the Board.

Executive management

The Chief Executive Officer and Group executive prepare and implement Sdiptech's overall strategies and address issues relating to acquisitions, divestments and major investments. Such matters are prepared by the Group executive for decision by the parent company's Board of Directors or its Acquisition Committee. The President and CEO is responsible for the day-to-day management of the company in accordance with the Board's decisions and guidelines. During 2024, Sdiptech's Group executive consisted of the CEO, the Group's CFO, two business area managers, the Acquisition Manager and the head of the Group's sustainability work, totalling 6 people. The executive team has been meeting twice a month to discuss the performance and financial position of the Group and its subsidiaries, as well as issues relating to strategy, performance monitoring, forecasting and business development. Its duties also include issues related to acquisitions, joint projects, sustainability work, the Group's financial reporting, communication with the stock market, internal and external information, and coordination and monitoring of safety, environment and quality.

Operational management

The Group's operational activities are carried out at Sdiptech subsidiaries. There is active board work in all subsidiaries under the leadership of the business area managers. The boards of the subsidiaries monitor day-to-day operations and define business plans. Operations are conducted in accordance with the rules, guidelines and policies established by the Group executive and the guidelines established by each subsidiary's Board of Directors. The heads of the subsidiaries are responsible for the performance of their respective companies, and for ensuring growth and development in their respective companies.

The allocation of investment capital within the Group is decided by the Board of Directors of the parent company Sdiptech according to an annually updated investment policy. Operational governance is characterised by clear demands from the Group executive and a great deal of freedom for each subsidiary to make decisions and act to achieve set targets.

Diversity policy

The Code of Business Ethics (Code of Conduct) established by the Group's Board of Directors for the legal, fair and ethical treatment of employees, suppliers, customers and other stakeholders also includes guidelines on diversity. Sdiptech endeavours to ensure that Group employees have equal opportunities for career development, training, remuneration, job content and employment conditions, regardless of gender. Where pay gaps exist between men and women, we work actively to close them. We also work towards a more equal gender balance in recruitment. We offer equal opportunities for employment regardless of race, religion, gender, age, disability, family circumstances or sexual orientation. The Group's operational management ensures that the Board's guidelines are respected and developed by being involved in the recruitment process.

The Board of Directors shall have an appropriate composition with regard to the company's operations, stage of development and other circumstances, characterised by diversity and breadth in terms of the expertise, experience and background of the members elected by the Annual General Meeting. Attempts must be made to ensure gender balance.

Internal audit

At an overall level, internal governance and control can be described as a process influenced by the company's Board of Directors, management and other personnel, designed to provide reasonable assurance that the company's goals are achieved in the following areas:

- effective and efficient operations,
- reliable reporting and compliance with applicable regulations and internal rules

Effective internal governance and control consists of a number of interacting components and is achieved by managing risks related to business goals by eliminating, reducing, monitoring or insuring against them. This requires the organisation to identify its material risks and to design and implement internal rules that describe the organisation's approach to managing the risk areas. Effective controls shall be formulated and implemented in the various processes of the organisation on the basis of the intent of the internal rules.

The organisation shall continuously evaluate the functioning of internal governance and control and report any risk exposure, control shortcomings and actions taken to the Audit Committee and Board of Directors.

The Board of Directors is formally responsible for the company's internal governance and control and sets limits and the company's appetite for risk. The Board of Directors requires regular reporting (format, content and frequency) in order to monitor and assess the current state of the company's internal governance and control. The CEO is responsible for the day-to-day

management of the company, and thus for the appropriate organisation of internal governance and control. This includes responsibility for designing the company's internal governance and control and evaluating the effectiveness of the organisation's internal governance and control system.

Based on identified risks, internal steering documents (policies and guidelines) are designed and implemented that describe the organisation's approach to managing the company's risks, compliance with applicable laws and regulations and the company's ethical behaviour in society. In accordance with the Swedish Code of Corporate Governance and listing requirements, internal steering documents are expected to be prepared, adopted and implemented in areas such as: corporate governance policy, financial policy, information policy, insider policy, IT policy, IT and information security, risk policy, HR policy, Code of Conduct, ethical guidelines and Finance Manual.

Internal controls are designed to ensure that the company's strategies and goals are followed and that shareholders' investments are protected. It also aims to ensure that information provided to the stock market is reliable, relevant and in accordance with generally accepted accounting policies; and that there is compliance with laws, regulations and other requirements for listed companies throughout the Group.

Sdiptech's Board of Directors has delegated the practical responsibility to the CEO, who has distributed the responsibility to other members of the executive team and to managers at the subsidiaries. Control activities occur at all levels throughout the organisation. Monitoring is an integral part of management's ongoing work.

Board member	Board of Directors	Investment Committee	Audit Committee	Remuneration Committee
Total number of meetings	13	9	7	1
Jan Samuelson	13	9		1
Johnny Alvarsson	13	9		1
Birgitta Henriksson	12		7	
Kristina Schauman	8		4	
Joakim Landholm	8			
Eola Änggård Runsten	5		3	
Urban Doverholt	5	3		

There are policies and guidelines for financial reporting, as well as automatic controls in the systems and a manual reasonability assessment of flows and amounts. The executive regularly assesses new financial risks and risks of errors in financial reporting. The executive reports its assessment of existing risks and any other relevant internal control issues to the Board. The Board may then call for further action if so deemed necessary.

The company shall have a process in place to evaluate the design and effectiveness of key controls in order to ensure the effectiveness of the company's system of internal governance and control. The evaluation considers two aspects when assessing whether or not the controls work (are effective):

Correct design: Sufficient controls are in place and properly designed/documented in order to manage the material risks. Furthermore, the controls are sufficiently documented in terms of why, how, when and who is to carry out the control. The type of documentation varies, but includes instructions, manuals, process descriptions, templates, etc.

Working: The controls are performed in accordance with the control design. To reach this conclusion, sufficient evidence is needed to show that the control was carried out, who carried it out and when. Evidence can take various forms, but should be clear and detailed enough for someone other than the person carrying out the control to understand that the control has been carried out in the way in which it has been designed and documented. The Group's finance department, under the leadership of the Group CFO, carries out an annual assessment of the internal controls in the companies. This is done by each company as a self-assessment on the basis of predefined questions developed by the finance department in consultation with the Group's auditors. The purpose of this assessment is to highlight the Group's internal control procedures and compliance.

The results are reviewed by the Group's finance department, which, through the respective business area managers, proposes potential improvement measures to the companies concerned. Reporting also takes place to the Group's Audit Committee, and the Group's auditors note the results and in turn report their observations and recommendations to the Audit Committee and the whole Board.

The Board of Directors shall annually evaluate the appropriateness of this procedure and, in consultation with the company's auditors, call for any changes to the internal control process. The Board of Directors also analyses Sdiptech's risk map at least once a year, summarising material risks, their impact and governing documents and processes. The focus is on material income statement and balance sheet items and areas where the consequences of any errors are likely to be significant. It is the Board's opinion that an operation of the scale of Sdiptech in a decentralised organisation, in a limited geographical market, does not require a more extensive audit function in the form of an internal audit department. The Board has adopted a Communication Policy and an Information Security Policy in order to ensure good capital market communication. These specify what is to be communicated, by whom and how. The basis is that regular financial information is provided by:

- Press releases about significant or events influencing prices
- Interim reports, year-end reports and Annual General Meeting reports
- Annual report

Sdiptech's Board and executive work to provide the company's owners and the stock market with relevant and accurate information by maintaining transparency and clarity.

Nomination Committee

At the 2024 Annual General Meeting, the Chairman of the Board was instructed to contact the largest shareholders in terms of votes as of 30 September 2024 and ask them to appoint members to a Nomination Committee. This Nomination Committee shall comprise three members. The Chairman of the Board shall be a co-opted member of the Nomination Committee and shall convene the meetings of the Nomination Committee. A Nomination Committee for the 2025 Annual General Meeting has now been appointed accordingly, comprising:

- Helen Fasth Gillstedt (representing Handelsbanken Fonder) – Chairman of the Nomination Committee
- Caroline Sjösten (representing Swedbank Robur Fonder)
- Ashkan Pouya

The main duty of the Nomination Committee is to propose members of the Board of Directors, the Chairman of the Board and the auditors, as well as their fees, in such a way that the Annual General Meeting can make informed decisions. The Nomination Committee has access to information on the company's operations and strategic direction.

The Nomination Committee's proposals are published by the time of the notice to attend the Annual General Meeting and are also made available on the company's website together with a description of its work. The term of office of the Nomination Committee extends until the appointment of a new Nomination Committee. No fees are paid for Nomination Committee work.

The Board and the Nomination Committee's opinion is that the majority of the members of the Board are independent in relation to the company and its executive, and that at least three of these members are also independent in relation to the company's major shareholders.

Board of Directors



JAN SAMUELSON
Born 1963
Chairman since 2017

Jan has extensive experience of acquiring and developing companies from an ownership perspective in both listed and unlisted environments. He also has extensive experience of board work from companies such as KappAhl AB, Still-front AB and Resurs Holding AB.

Education: MSc in business and economics from Stockholm School of Economics and a law degree from Stockholm University.

Other Board memberships: Including Chairman of the Board of Max Mathiessen Holding AB, etc.

Previous positions: Senior Partner at Accent Equity Partners and Senior Vice President at EF Education.

Independent in relation to Sdipotech and its senior management
Independent in relation to major shareholders

Shareholdings: 326,000 class B shares



JOHNNY ALVARSSON
Born 1950
Board member since 2016

Johnny has extensive experience of both senior positions and Board memberships at large listed companies.

Education: Degree of Master of Science in Engineering from Linköping University.

Other Board memberships: Board member of Beijer Alma and Instalco, among others, and Chairman of the Board at VBG and FM Mattsson Mora.

Previous positions: CEO of Indutrade, Elektronikgruppen and Zeteco AB, and has previously held several senior positions at Ericsson.

Independent in relation to Sdipotech and its senior management
Independent in relation to major shareholders

Shareholdings: 8,000 class B shares



BIRGITTA HENRIKSSON
Born 1963
Board member since 2019

Birgitta is a partner at Fogel & Partners. Provides advice on strategic communication, sustainability and capital market issues.

Education: Degree in Business Administration from the Universities of Uppsala and Stockholm.

Other Board memberships: n/a

Previous positions: Partner at Brunswick Group and Head of IR and Corporate Communications at Carnegie, where she also worked on corporate acquisitions and raising of capital.

Independent in relation to Sdipotech and its senior management
Independent in relation to major shareholders

Shareholdings: 4,600 class B shares



KRISTINA SCHAUMAN
Born 1965
Board member since 2024

Kristina is a consultant with her own company and has extensive experience as CFO and financial advisor at a number of Swedish and international companies.

Education: Degree of Master of Science in Business and Economics from Stockholm School of Economics.

Other Board memberships: Board member and Chairman of the Audit Committee of Afry, BEWi ASA, Coor Service Management, Ahlstrom Oyi and Ellos Group and Board member of Viaplay Group.

Previous positions: CFO for OMX AB, Carnegie Investment Bank AB, Apoteket AB and others, and CFO at Investor AB.

Independent in relation to Sdipotech and its senior management
Independent in relation to major shareholders

Shareholdings: 5,000 class B shares



JOAKIM LANDHOLM
Born 1969
Board member since 2024

Joakim holds a key position at SKF as Senior Vice President Group Operations and Chief Sustainability Officer.

Education: Degree of Master of Science in Business and Economics from Stockholm School of Economics.

Other Board memberships: n/a

Previous positions: Several senior positions such as CEO of Hector Rail, Chief Commercial Officer at Scandinavian Airlines AB, and Codan/Trygg Hansa, General Electric and Accenture.

Independent in relation to Sdipotech and its senior management
Independent in relation to major shareholders

Shareholdings: 2,943 class B shares

Auditors

PricewaterhouseCoopers AB

ANNA ROSENDAL
Authorised Public Accountant
Born 1975

Signatory auditor at Sdipotech since 2020.

Other audit assignments at listed companies:

Sandvik and Nobia

Group Executive Board

Fredrik Navjord and Steven Gilsdorf were active in Group Management until February 2025, Peter Helsing will take office in May 2025.



BENGT LEJDSTRÖM
Born 1962
CEO since Dec 2023
(CFO 2018–Dec 2023)

Bengt has extensive experience in the financial sector, particularly in relation to listed companies and international groups with an intense acquisition agenda. Bengt has been CFO of Lagercrantz Group and Intrum Justitia, and CFO and acting CEO of Acando. He has also worked as a management consultant and run his own businesses.

Education: Degree of Master of Science in Business and Economics from Stockholm School of Economics.

Shareholdings: 85,740 class B shares, 500 preference shares and 50,000 warrants



SUSANNA ZETHELIUS
Born 1980
CFO since April 2024

Susanna has more than a decade of experience in various senior positions in finance, most recently as CFO at the listed company Pricer. She held a number of senior roles prior to that, including CFO of Clear Channel in Scandinavia. She also has experience of management consultancy and banking.

Education: Degree of Master of Science in Business and Economics from Stockholm School of Economics.

Shareholdings: 3,000 class B shares and 0 warrants



ANDERS MATTSSON
Born 1980
Vice CEO and business area manager since 2018

Anders has a solid track record of leading and developing organisations both in Sweden and internationally. Anders joins us from Munters, where he held a number of positions including global sales and marketing manager for one of the Group's business areas and as CEO of an international subsidiary. He also started his career with five years as a management consultant.

Education: Degree of Master of Science in Engineering from Chalmers University of Technology.

Shareholdings: 50,003 class B shares and 25,000 warrants



MY LUNDBERG
Born 1988
Head of Sustainability & IR since 2020

My has extensive experience of IR and strategic communication, both in Sweden and internationally. My has run her own company, worked as a head of marketing at media companies and as a communications consultant. My has also led diversity and gender equality initiatives at previous workplaces.

Education: Degree of Master of Science in Business and Economics, specialising in international marketing, from Mälardalen University and Università Cattolica del Sacro Cuore.

Shareholdings: 8,866 class B shares and 13,000 warrants



PETER HELSING
Born in 1973
Acquisition Manager from May 2025

Peter has over 20 years of experience in M&A and joins us from Essity, where he has been Global Head of M&A since the company's IPO in 2017. Prior to that, he was Head of M&A at SCA. Peter started his career at KPMG, where he specialised as an M&A advisor, working primarily with clients in the small cap sector.

Education: Degree of Master of Science in Business and Economics from Örebro University.

Shareholdings: 0 class B shares

Holdings as of 31 March 2025

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All amounts are presented in millions of Swedish kronor (SEK) unless otherwise stated, and rounding differences may therefore occur.

Consolidated income statement

Remaining activities	Note	2024	2023
Net sales	4.5	5,166	4,582
Other operating income	6	54	60
Total revenues		5,220	4,642
Operating expenses			
Materials and general subcontract work		-2,067	-1,853
Other external expenses	8	-469	-415
Staff costs	7	-1,445	-1,239
Depreciation/amortisation and impairment of tangible and intangible assets	13-15	-344	-301
Operating profit	4	895	834
Financial income	9	4	6
Financial expenses	9	-265	-225
Net financial items		-260	-219
Profit after financial items		635	615
Tax	10	-200	-165
Profit for the year attributable to continuing operations		436	450
Profit for the period attributable to discontinued operations	11	-79	-4
Profit for the year		357	446
Profit attributable to			
Holders of shares in the parent company, of which		353	444
<i>Profit from continuing operations</i>		432	448
<i>Profit from discontinued operations</i>		-79	-4
Non-controlling interests		4	1
Average number of ordinary shares		37,991,938	37,960,086
Earnings per share before dilution	12		
Earnings per share for continuing operations (average number) attributable to the parent company's ordinary shareholders during the year (SEK)		11.00	11.44
Total earnings per share (average number) attributable to the parent company's ordinary shareholders during the year (SEK)		8.93	11.33

Consolidated report of comprehensive income

	2024	2023
Profit for the year	357	446
Other comprehensive income		
<i>Components that can be reclassified to profit/loss for the year</i>		
Exchange rate differences on translation of foreign operations	154	-19
Other comprehensive income for the year	154	-19
Total comprehensive income for the year	511	426
Total comprehensive income for the year attributable to:		
Parent company's shareholders	507	425
Non-controlling interests	4	1

Consolidated balance sheet

ASSETS	Note	2024-12-31	2023-12-31	EQUITY AND LIABILITIES	Note	2024-12-31	2023-12-31
Intangible assets				Equity	23		
Goodwill	13	5,357	4,583	Share capital		1	1
Other intangible assets	14	1,493	1,211	Other capital contributions		2,094	2,094
Tangible fixed assets				Retained earnings including profit for the year		2,350	1,857
Tangible fixed assets	15	504	412	Total equity attributable to parent company shareholders		4,445	3,952
Rights of use	16	503	432	Non-controlling interests		6	5
Financial assets				Total equity		4,451	3,957
Shares and other securities		3	6	Non-current liabilities			
Deferred tax receivables	10	8	7	Non-current interest-bearing liabilities	24	4,027	3,681
Other financial assets	18	4	3	Non-current non-interest-bearing liabilities		28	18
Total fixed assets		7,871	6,655	Deferred tax liabilities		306	246
Current assets				Provisions		25	15
Inventories	19	733	635	Non-current liabilities, total		4,385	3,960
Accounts receivable	20	981	785	Current liabilities			
Current tax receivables		45	56	Current interest-bearing liabilities	24	537	365
Other receivables		55	24	Accounts payable	18	364	316
Prepaid expenses and accrued income	21	196	230	Current tax liabilities		89	38
Cash and cash equivalents	22	435	550	Other liabilities	18	175	132
Assets of discontinued operations		125	171	Accrued expenses and prepaid income	25	355	275
Total current assets		2,569	2,450	Liabilities in discontinued operations		85	62
Total assets		10,441	9,105	Current liabilities, total		1,604	1,188
				Total liabilities		5,990	5,148
				Total equity and liabilities		10,441	9,105

Consolidated cash flow statement

	Note	2024	2023
Cash flow from remaining current operations			
Profit after financial items	9	635	615
Adjustments for items not included in cash flow	22	359	306
Tax paid		-196	-195
Cash flow from operating activities before changes in working capital		798	726
Changes in working capital			
Change in inventories		18	-19
Change in operating receivables		-12	-187
Change in operating liabilities		19	108
Cash flow from current operations		823	628
Investing activities			
Acquisition of subsidiaries net of cash acquired	3	-580	-403
Acquisition of subsidiaries, contingent consideration paid	3	-288	-182
Disposal of subsidiaries		17	-
Acquisition of intangible fixed assets	14	-96	-75
Acquisition of property, plant and equipment	15	-131	-118
Cash flow from investment activities		-1,078	-778
Financing activities			
New issue after issue costs		-	14
Issue of warrants, premium		-	12
Borrowing		661	1,615
Repayments of borrowings		-420	-1,228
Amortisation of leasing debt		-106	-77
Dividend paid to company's shareholders		-16	-15
Dividend paid to non-controlling interests in subsidiaries		-2	-1
Cash flow from financing activities		117	319
Cash flow for the period		-138	170
Cash and cash equivalents at start of year		550	377
Exchange rate difference in cash and cash equivalents		23	4
Cash and cash equivalents at year-end		435	550
Cash and cash equivalents in discontinued operations		11	7

Consolidated report of changes in equity

	Equity attributable to parent company shareholders					
	Share capital	Other capital contributions	Profit brought forward, including profit for the year	Total	Non-controlling interests	Total equity
Opening balance as at 1 January 2023	1	2,069	1,447	3,517	5	3,522
Profit for the year	-	-	444	444	1	446
Other comprehensive income for the year	-	-	-19	-19	-	-19
Total comprehensive income for the year	-	-	425	425	1	426
Transactions with shareholders						
New issue of class B ordinary shares	-	14	-	14	-	14
New issue expenses	-	-1	-	-1	-	-1
Option premiums	-	12	-	12	-	12
Dividend paid to preference shareholders	-	-	-14	-14	-	-14
Dividends to non-controlling interests	-	-	-1	-1	-1	-3
Total transactions with shareholders	-	25	-15	10	-1	9
Opening balance as at 1 January 2024	1	2,094	1,857	3,952	5	3,957
Profit for the year	-	-	353	353	4	357
Other comprehensive income for the year	-	-	154	154	-	154
Total comprehensive income for the year	-	-	507	507	4	511
Transactions with shareholders						
Share-based payment programmes	-	-	2	2	-	2
Dividend paid to preference shareholders	-	-	-14	-14	-	-14
Dividends to non-controlling interests	-	-	-2	-2	-2	-4
Total transactions with shareholders	-	-	-14	-14	-2	-16
Closing balance as at 31 December 2024	1	2,094	2,350	4,445	6	4,451

Parent company income statement

	Note	2024	2023
Net sales		28	25
Other operating income	6	-	1
Total revenues		28	26
Operating expenses			
Other external expenses	8.9	-20	-23
Staff costs	7	-70	-61
Depreciation of tangible and intangible assets	15	-1	-1
Operating profit		-62	-59
Profit/loss from financial investments	9		
Other interest income and similar items		45	14
Interest expenses and similar items		-57	-18
Net financial items		-12	-4
Profit after financial items		-74	-63
Group contributions received		81	70
Tax on profit for the year	10	-	-2
Profit for the year and total comprehensive income for the year		7	6

Parent company balance sheet

ASSETS	Note	2024-12-31	2023-12-31
Fixed assets			
<i>Tangible fixed assets</i>			
Tangible fixed assets	15	1	1
<i>Financial assets</i>			
Participations in Group companies	17	50	0
Receivables from Group companies	28	2,908	2,578
Total fixed assets		2,959	2,579
Current assets			
Receivables from Group companies		1,272	1,319
Other receivables		1	2
Prepaid expenses and accrued income	21	15	14
Cash and cash equivalents	22	13	7
Total current assets		1,301	1,342
Total assets		4,260	3,921

EQUITY AND LIABILITIES	Note	2024-12-31	2023-12-31
Equity	23		
Share capital		1	1
Total restricted equity, parent company		1	1
Share premium reserve		2,094	2,094
Retained earnings including profit for the year		219	224
Total non-restricted equity, parent company		2,313	2,319
Total equity		2,314	2,320
Non-current liabilities			
Non-current interest-bearing liabilities	24	1,538	1,310
Non-current liabilities, total		1,538	1,310
Current liabilities			
Current interest-bearing liabilities	24	378	261
Accounts payable		3	4
Current tax liabilities		1	3
Other liabilities		2	2
Accrued expenses and prepaid income	25	24	21
Current liabilities, total		407	291
Total liabilities		1,946	1,601
Total equity and liabilities		4,260	3,921

Parent company statement of changes in equity

	Restricted equity		Non-restricted equity	Total equity
	Share capital	Share premium reserve	Retained earnings inc. profit for the year	
Opening balance as at 1 January 2023	1	2,069	233	2,303
Profit for the year	-	-	6	6
Total comprehensive income	-	-	6	6
Transactions with shareholders				
New issue of class B ordinary shares	-	14	-	14
New issue expenses	-	-1	-	-1
Option premiums	-	12	-	12
Dividend paid on preference shares	-	-	-14	-14
Opening balance as at 1 January 2024	1	2,094	224	2,320
Profit for the year	-	-	7	7
Total comprehensive income	-	-	7	7
Transactions with shareholders				
Share-based payment programmes	-	-	2	2
Dividend paid on preference shares	-	-	-14	-14
Closing balance as at 31 December 2024	1	2,094	219	2,314

Parent company cash flow statement

	Note	2024	2023
Operating activities			
Profit after financial items		-74	-63
Adjustments for items not included in cash flow	22	-1	1
Tax paid		-2	1
Cash flow from operating activities before changes in working capital		-77	-62
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-	12
Increase (+)/Decrease (-) in operating liabilities		2	10
Cash flow from current operations		-75	-40
Investing activities			
Acquisition of subsidiaries, contingent consideration paid		-288	-182
Acquisition of intangible fixed assets	12	-1	-
Cash flow from investment activities		-289	-183
Financing activities			
New issue after issue costs		-	14
Issue of warrants, premium		-	12
Borrowing		211	600
Loans granted to subsidiaries		173	-382
Repayments of loans from subsidiaries		-	-3
Dividends paid		-14	-14
Cash flow from financing activities		370	226
Cash flow for the year		6	4
Cash and cash equivalents at start of year		7	4
Cash and cash equivalents at year-end		13	7

Key figures and financial information

Financial information in summary	2024 (1)	2023 (1)	2022	2021	2020
Net sales	5,166	4,582	3,505	2,719	2,088
EBITDA	1,240	1,136	858	506	403
Adjusted EBITDA	1,250	1,132	823	611	426
EBITA	1,041	961	729	416	330
Adjusted EBITA	1,010	919	671	509	347
Adjusted EBITA margin, %	19.6%	20.1%	19.1%	18.7%	16.6%
EBIT	895	834	641	364	311
Profit for the year from continuing operations	436	450	428	247	220
Profit for the year after deduction of minority interests and dividend on preference shares	418	434	413	232	201
Interest-bearing liabilities	4,564	4,046	3,586	2,496	1,591
Interest-bearing liabilities to credit institutions, incl. leases	3,243	2,849	2,318	1,363	892
Equity capital including minority interests	4,451	4,392	3,522	2,529	1,756
Capital employed	8,257	7,414	5,996	4,146	2,726
Total assets	10,441	9,105	8,096	5,692	3,853

Key figures	2024 (1)	2023 (1)	2022	2021	2020
Net debt/Adjusted EBITDA, times	3.30	3.09	3.69	3.46	3.08
Financial net debt/Adjusted EBITDA, times	2.25	2.03	2.15	1.60	1.44
Equity/assets ratio, %	42.6%	48.2%	43.5%	44.4%	45.6%
Return on capital employed (ROCE), %	12.6%	13.0%	12.2%	10.0%	12.1%
Return on equity, %	10.1%	11.8%	14.9%	10.3%	14.3%
Cash flow generation, %	82.8%	68.2%	79.7%	71.4%	109.4%

Earnings per share	2024 (1)	2023 (1)	2022	2021	2020
Earnings per ordinary share (SEK) before dilution (1)	11.00	11.44	11.53	6.62	6.24
Earnings per ordinary share (SEK) after dilution (1)	11.00	11.44	11.48	6.55	6.18
Average number of ordinary shares	37,991,938	37,960,086	35,828,726	35,050,858	32,171,146
Average number of ordinary shares after dilution	37,991,938	37,960,086	35,969,623	35,385,015	32,457,112
Number of preference shares	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000

1) Key figures for 2023 and 2024 relate to continuing operations

Notes

Note 1 Significant accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®) as adopted by the European Union and issued by the International Accounting Standards Board (IASB). Swedish Corporate Reporting Board recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups has also been applied.

The parent company applies the same accounting policies as the Group, except in the cases stated below under the "Parent company accounting policies" section.

The parent company's annual accounts and the consolidated accounts were approved for issue by the Board of Directors and the Chief Executive Officer on 11 April 2025. The consolidated and parent company income statements and balance sheets will be adopted at the Annual General Meeting on 25 May 2025. Sdiptech's annual accounts and consolidated accounts refer to the period 1 January–31 December for income statement-related items and 31 December for balance sheet-related items. All amounts are provided in millions of Swedish kronor (SEK) unless otherwise stated, and rounding differences may therefore occur.

Valuation policies applied in the preparation of the financial statements

Assets and liabilities are recognised at historical cost, with the exception of certain financial assets and liabilities that are measured at fair value. These include participations in associates and contingent considerations. Receivables and liabilities, like income and expenses, are offset only if required or explicitly allowed by applicable accounting standards.

The preparation of the financial statements in accordance with IFRS requires the corporate executive to make assessments, estimates and assumptions in applying the Group's accounting policies and in the presentation of balance sheet and income statement items. The areas that include a high degree of assessment, are particularly complex, or where assumptions and estimates are of significant importance for the consolidated financial statements are specified in Note 2.

Events after the balance sheet date refer to events occurring between the balance sheet date and to the date on which the financial statements are signed by the Board. Significant events after the balance sheet date that have not been taken into account in the preparation of the balance sheet and income statement are recognised in the financial statements. Only events that confirm conditions existing at the balance sheet date influence the final accounts.

The accounting policies that are significant to the Group have been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated.

Standards, amendments and interpretations that came into force in 2024

In 2024, no adopted amendments have had a material impact on the consolidated financial statements. Only accounting policies that are considered relevant to the Group are disclosed.

New standards and interpretations not yet in force

Other amendments in IFRSs that will become effective in future financial years or later have not been applied early in the preparation of this year's financial statements. The new standards and interpretations are not expected to have any significant impact on Sdiptech's financial reporting.

Holdings without controlling influence

Non-controlling interests are recognised as a separate item in consolidated equity.

Acquisitions from non-controlling interests are recognised as an equity transaction, i.e. between the owners of the parent company and the non-controlling interest. Therefore, no goodwill arises from these transactions.

Translation of foreign currency

Functional currency and reporting currency

Items included in the financial reports for the different units within the Group are valued in the currency used for the primary economic environment where the unit is active (functional currency). The consolidated financial statements use the Swedish krona (SEK), which is the functional and reporting currency of the parent company. All amounts are in SEK million unless otherwise stated.

Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing at the date of the transaction. The functional currency is the currency used in the primary economic sectors in which the Group's units operate. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate applicable on the balance sheet date. Foreign exchange gains and losses arising on translation are recognised in the income statement.

Exchange differences on loans and borrowings are recognised in net financial income/expense, while other exchange differences are included in operating profit. Non-monetary assets and liabilities recognised at historical cost are translated at the exchange rate applicable at the time of the transaction. Non-monetary assets and liabilities that are recognised at fair value are converted to the functional currency at the current exchange rate in effect at the time of the fair value valuation.

Group companies

The earnings and financial position of all Group companies with a functional currency other than the reporting currency are translated into the reporting currency of the Group as follows:

- Assets and liabilities for each balance sheet of foreign operations are translated at the exchange rate prevailing on the balance sheet date.
- Income and expenses for each income statement in foreign operations are translated at the average exchange rate for the period.
- All resulting exchange rate differences are recognised as a separate component of equity in other comprehensive income. On disposal of a foreign operation, in whole or in part, the exchange differences recognised in equity are taken to the income statement and recognised as part of the capital gain or loss.
- Goodwill and adjustments to fair value arising on the acquisition of a foreign company are treated as assets and liabilities in this company and translated at the exchange rate on the balance sheet date.

Note 1, cont.

Cash flow statement

The cash flow statement is prepared according to the indirect method. The reported cash flow includes only transactions involving payments in or out. Cash and cash equivalents in the cash flow statement are consistent with the definition of cash and cash equivalents in the balance sheet.

Materials and general subcontract work

Materials and general subcontract work refer to the direct costs of the goods or services supplied.

Discontinued operations

In the third quarter, a decision was made to initiate a sale of the Group's unit for the manufacture of special lifts, installation and lift servicing in Central Europe. All financial values for the financial year and the comparative period refer to units excluding discontinued operations, unless otherwise stated. The operations are recognised separately in accordance with IFRS 5. For more information, see Note 11.

Parent company accounting policies

The parent company's annual report has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL 1995:1554) and RFR 2 Accounting for Legal units. Under RFR 2, the parent company in the annual accounts of the legal unit must apply all of the EU-approved IFRS standards and statements provided this is possible within the framework of the Swedish Company Accounts Act and with due regard for the relationship between accounting and taxes. This recommendation specifies which exceptions and additions must be applied with regard to IFRS.

Revised accounting policies

Unless otherwise stated below, the parent company's accounting policies in 2024 have been changed in accordance with what is stated above for the Group.

Classification and valuation

The parent company's income statement and balance sheet follow the format set out in the Annual Accounts Act. The main differences between this and IAS 1 Presentation of Financial Statements as applied to the preparation of the consolidated financial statements relate to the presentation of financial income and expenses, fixed assets, equity and the presentation of provisions under a separate heading in the balance sheet.

Group contributions and shareholder contributions

Group contributions received and paid in the parent company are recognised as appropriations. Shareholders' contributions are recognised directly in the equity of the recipient and as an investment in shares in subsidiaries or, if no value is added, as an impairment of the shares through the income statement.

Difference between the Group's and the parent company's accounting policies

The parent company does not apply IFRS 16 Leases under the exemption in RFR 2. The parent company's rental agreements are recognised as operating leases.

The parent company has chosen not to apply IFRS 9 for financial instruments. However, some of the policies in IFRS 9 are still applicable, such as those relating to impairment. In the parent company, financial assets are valued at cost less any impairment, and current financial assets are valued according to the lowest value principle.

No significant differences have been noted in respect of new standards and interpretations that have not yet come into force.

The parent company uses the formats specified in the Annual Accounts Act, which means that a different presentation of equity is applied. The parent company has different titles for the accounts compared to the Group.

Participations in subsidiaries are reported in the parent company in accordance with the cost method. This means that transaction costs are included in the carrying amount of investments in subsidiaries and associates. Transaction costs relating to shares in Group companies are recognised directly in the income statement. Dividends from subsidiaries are fully recognised as income in the income statement.

Note 2 Significant estimates and assessments when applying the Group's accounting policies

The preparation of financial statements in conformity with GAAP and IFRS requires the corporate executive and the Board of Directors to make estimates and assumptions that affect the reported amounts of income and expenses, assets and liabilities and other disclosures.

Estimates and assessments are evaluated regularly and are based on historical experience and other relevant factors, including expectations of future events that are considered reasonable under the prevailing circumstances. However, the actual outcome may differ from the estimates made. The areas where estimates and assumptions are significant to the understanding of the financial statements are discussed in the following sections, focusing on the significance and uncertainty of the assessments. Circumstances for the Group change over time, which means that these assessments may also change.

Impairment testing of goodwill

The Group Executive Board performs an annual impairment test of goodwill, in accordance with the accounting policies described under "Impairment testing of other fixed assets".

Goodwill is monitored within the Group's operating segments, which in turn consist of groups of cash-generating units. The Group Executive Board continuously monitors developments within these cash-generating units. The cash-generating unit to which the goodwill relates must be valued by discounting its future cash flows in order to determine whether the value of goodwill is impaired. The impairment test is performed on the basis of the grouping of the cash-generating units within the Group's operating segments, which is the lowest level of internal monitoring of financial position.

In applying this methodology, the Group Executive Board relies on a number of factors including historical performance, strategic plans, forecasts and market data. A more detailed description of the methodology can be found in Note 13 "Goodwill".

Impairment testing of other fixed assets

The Group's tangible and intangible assets, excluding goodwill, are stated at cost less accumulated depreciation and any impairment losses. Apart from goodwill, no intangible assets with an indefinite useful life are recognised. They are amortised over their estimated useful life, taking into account an estimated residual value. Both useful life and residual value are reviewed at the end of each accounting period, as a minimum.

The carrying amount of the Group's non-current assets is reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of intangible assets not yet ready for use is reviewed annually. If the analysis indicates that the carrying amount is too high, the asset's recoverable amount is determined.

The recoverable amount is defined as the higher of an asset's fair value less costs of disposal and its value in use. Value in use is calculated as the expected future discounted cash flow from the asset, or the cash-generating unit to which the asset belongs. A test of the carrying amount also arises when a fixed asset is classified as held for sale, when it is recognised at its carrying amount or its fair value less costs to sell, whichever is the lower.

Note 2, cont.

Assumptions when calculating lease liability

When calculating lease liability, the corporate executive has made a number of estimates, assumptions and assessments that, if made differently, could affect the amount of the lease liability. The most important parameters include:

- Discounting at the marginal rate: A discount rate is used in instances where a fixed rate is not specified in the underlying contract. This rate affects both the amount of the lease liability and the right-of-use asset, as well as interest expenses and depreciation. A change in the assessment of the incremental discount rate would therefore affect the measurement of the lease liability.
- Assessment of extension options: Another important aspect affecting the valuation is the assessment of the likelihood of extension options being exercised. The Group makes this assessment when it is reasonably certain that the contract will be extended, taking into account factors such as investment in premises and the growth of the business. For more information, see also Note 15 "Right-of-use assets".

Valuation of acquisition-related liabilities

In the business combinations conducted by Sdiptech, part of the purchase price is often linked to the acquired company's financial performance over a given period after the takeover. The carrying amount of the liabilities to sellers in the form of contingent considerations is based on the same factors as for goodwill impairment testing, including – but not limited to – historical performance, strategic plans, forecasts and market data.

The time period for the assessment differs from goodwill impairment testing, as only the fixed period of time remaining of the contingent consideration for each acquisition is included. The Group's earnings may therefore be affected both positively and negatively depending on the assessments made by the Group executive of the financial performance of the acquired companies during the remaining vesting period.

Note 3 Business combinations

Accounting policies

Acquired companies are accounted for using the acquisition method and are included in the consolidated financial statements from the date on which control of the company is acquired. In accordance with the acquisition method, the total purchase consideration paid – including any contingent consideration – and the acquired company's identifiable net assets are measured at fair value on the acquisition date.

When a subsidiary is acquired and the previous owner remains as a minority shareholder, the agreement may in some cases include an option that gives the minority shareholder the right to sell their remaining holding, and gives Sdiptech the opportunity to purchase it at a later date. No non-controlling interest is recognised in these cases. Instead, a financial liability is recognised for the potential future acquisition. This liability is recognised as a contingent consideration, measured at the present value of the redemption amount of the shares.

Transaction costs related to the acquisition are expensed immediately in other external expenses.

The amount of the difference between the cost and the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Goodwill is tested for impairment at least once a year.

Acquisition analysis and adjustments

The acquisition analysis is preliminary and may be kept open for a period of up to 12 months from the acquisition date. During this period, adjustments can be made to the preliminary amounts recognised at the acquisition date, related to the determination of the closing balance and the outcome of guarantees in the acquisition agreement, for example.

Accounting for acquisitions

The estimated purchase price for the operations acquired during the financial year totalled SEK 920 (492) million. This amount includes an estimated contingent consideration of SEK 281 (85) million. The outcome of the contingent consideration is dependent on the net profit generated by the acquired companies from the date of acquisition until the end of the agreed contingent consideration period. The growth is calculated on the basis of a normalised annual profit at the time of acquisition.

The present value of the contingent consideration is initially calculated on the basis of the likely outcome. The contingent consideration period for this year's acquisitions extends over 4 to 5 years. The outcome can be a maximum of SEK 482 (189) million, but the outcome will be in the range of SEK 81–482 (0–189) million unless all conditions are met.

As a result of the acquisitions made during the year, goodwill in the Group increased by SEK 534 (295) million and other intangible assets by SEK 261 (143) million as at the balance sheet date.

The effect of the acquisitions made on the Group's consolidated Net Sale during the year is SEK 375 (142) million, and on profit before acquisition costs and tax SEK 62 (38) million.

During the year payments of contingent consideration totalling SEK 288 (182) million was made for 13 acquisitions from previous years. Of this amount, eight relates a final settlement of contingent consideration, while the remainder is an early partial settlement of a portion of the contingent consideration agreed.

Acquired intangible assets

In preparing purchase price allocations, any differences between the fair value of the assets acquired and liabilities assumed are analysed compared to the values recorded in the acquired company's financial statements. This analysis also examines the presence of:

- IP rights (technology-related), such as patents and licence rights
- Brands and trademarks
- Customer relations

Assets that fulfil the requirements of separability and measurability have been identified in the companies acquired during the year.

Goodwill

Goodwill represents the excess of the consolidated cost of shares in acquired subsidiaries over the fair value of the identifiable net assets at the date of acquisition, based on the purchase price allocation. Goodwill is mainly attributable to synergies and intangible assets that do not fulfil the criteria for separate recognition. This goodwill is related to the acquired entity's expected contribution to complementing and broadening the Group's offering, sales channels, and creating synergies within infrastructure, which in turn supports the Group's continued growth.

Valuation of intangible assets

The values allocated to intangible assets for the year's acquisitions are:

IP rights: SEK 34 million (28)
 Trademarks: SEK 79 million (43)
 Customer relations: SEK 148 million (72)

Note 3, cont.

Transaction costs

Acquisition-related costs, also known as transaction costs, are expensed as they are incurred. As the Group has an internal acquisition team that works continuously with acquisitions, external advisors have been engaged to only a limited extent, mainly for commercial, legal and financial due diligence.

Transaction costs for the year amount to SEK 17 (13) million.

Acquisitions during the year

The Group's business model involves actively seeking solutions to critical needs in the infrastructure sector. The purpose of the Group's acquisitions is to strengthen its presence and expand its offering in the business segments in which it operates.

A total of five business acquisitions were completed during the financial year.

JR Industries Ltd (UK)

On 24 January, Sdipotech acquired all shares in the British company JR Industries Ltd, with subsidiaries in France and Germany. JR Industries, which was founded in 1970 and has its head office in Caerphilly, Wales, is a leading manufacturer of roller shutter doors for commercial vehicles in Europe. The company offers a wide range of custom products that increase efficiency and safety when loading and unloading goods from vehicles, including robust roller shutter door solutions and flexible bulkheads for refrigerated vehicles. At the time of acquisition, the company had an annual turnover of GBP 23 million with an annual operating profit of around GBP 4.5 million. JR Industries had 87 employees at the time of the acquisition

The market in which JR Industries operates is experiencing steady growth, driven by trends such as the electrification of delivery vehicles, increasing e-commerce and the adaptation of vehicle fleets to improve operational efficiency. The company is part of the Special Infrastructure Solutions business area and is Sdipotech's thirteenth business unit in the UK. Sdipotech paid GBP 26 million on the closing date, which was financed from its own funds and an existing credit facility. The final purchase price, which will be settled after a four-year earn-out period, is based on the company's earnings performance and will amount to between GBP 30 million and GBP 43 million. At the time of acquisition, the present value of the contingent consideration was estimated at SEK 155 million. The valuation is based on the expected performance of the company in the period up to the end of the contingent consideration period.

WaterTech of Sweden AB (Sweden)

On 11 April, Sdipotech acquired all shares in the Swedish company WaterTech of Sweden AB, which produces specialized chemicals, focused on the optimization of industrial water systems.

The company offers products and services to improve cooling water, boiler feedwater and process water, among other applications. WaterTech plays an important role in increasing the efficiency and sustainability of industrial water use. WaterTech will be working closely with Sdipotech's Kemi-tech business unit to strengthen and expand the Group's industrial water treatment offering in the Northern European market. Kemi-tech already works closely with Water Treatment Products Ltd, a leading manufacturer of speciality chemicals in the UK.

At the time of acquisition, the company had an annual turnover of SEK 20 million with an annual operating profit of around SEK 4 million. WaterTech had 4 employees at the time of the acquisition. The company is part of the Resource Efficiency business area. Sdipotech paid SEK 26 million on the closing date, which was financed from its own funds and an existing credit facility. The final purchase price, which will be settled after a four-year earn-out period, is based on the company's earnings performance and will amount to between SEK 26 million and SEK 61 million. At the time of acquisition, the present value of the contingent consideration was estimated at SEK 14 million.

Eagle Automation Systems Ltd (UK)

On 25 October, Sdipotech acquired all shares in the British company Eagle Automation Systems Ltd. Eagle designs and manufactures high-quality physical perimeter security and hostile vehicle mitigation (HVM) products to the highest security standards for both the UK and international markets. At the time of acquisition, Eagle has annual sales of GBP 8 million with an EBIT of approximately GBP 2 million.

The acquisition of Eagle strengthens Sdipotech's vision to improve safety and sustainability in key infrastructure sectors. Eagle had 42 employees at the time of the acquisition. The company is part of the Special Infrastructure Solutions business area and is Sdipotech's fourteenth business unit in the UK. Sdipotech paid GBP 14.5 million on the closing date, which was financed from its own funds and an existing credit facility. The final purchase price, which will be settled after a four-year earn-out period, is based on the company's earnings performance and will amount to between GBP 14.5 million and GBP 23 million. At the time of acquisition, the present value of the contingent consideration is valued at SEK 72 million.

Dado Lab Srl (Italy)

On 12 November, Sdipotech acquired all shares in the Italian company Dado Lab Srl, a premium provider of instruments used in stack emission and environmental sampling. Founded in 2013, Dado Lab has built a strong reputation for its innovative and reliable air quality measurement solutions. The company's products help customers to comply with the EU's stricter emissions standards and ensure that emissions are monitored regularly in order to maintain environmental and public health standards.

Dado Lab had 15 employees at the time of the acquisition. At the time of acquisition, the company had an annual turnover of EUR 4 million with an annual operating profit of around EUR 1 million. The company is part of the Special Infrastructure Solutions business area and is Sdipotech's third business unit in Italy. Sdipotech paid EUR 4.5 million on the closing date, which was financed from its own funds and an existing credit facility. The final purchase price, which will be settled after a five-year earn-out period, is based on the company's earnings performance and will amount to between EUR 4.5 million and EUR 7 million. At the time of acquisition, the present value of the contingent consideration was estimated at SEK 18 million.

Wintex Agro ApS (Denmark)

On 16 December, Sdipotech acquired all shares in Wintex Agro ApS (Wintex), a leading manufacturer of automatic soil samplers for the agricultural sector. At the time of acquisition, the company had an annual turnover of DKK 15 million and an operating profit of around DKK 5 million. Wintex, which was founded in 1999, is one of the leading providers of precision soil sampling solutions for sustainable agriculture. With increasing global food security challenges, detailed soil data is becoming increasingly important as a way of optimising nutrient management and crop production. Wintex's innovative products enable farmers all over the world to analyse soil quality, maximise yields and minimise environmental impact.

The company had 13 employees at the time of the acquisition. Wintex became Sdipotech's third company in Denmark and is in line with the Group's ambition to contribute to safer, more efficient, more sustainable communities. The company is part of the Resource Efficiency business area. Sdipotech paid DKK 33 million on the closing date, which was financed from its own funds and an existing credit facility. The final purchase price, which will be settled after a four-year earn-out period, is based on the company's earnings performance and will amount to between DKK 33 million and DKK 60 million. At the time of acquisition, the present value of the contingent consideration was estimated at SEK 22 million.

Disposals

In 2024, Sdipotech divested its shares in its subsidiary Frigotech AB. The company, which had annual sales of approximately SEK 20 million at an EBITA margin of 10 per cent, was divested at a capital gain of SEK 12 million, including goodwill amortisation of SEK 4 million, and contributed SEK 17 million net to cash flow.

A decision was made during the year to initiate the sale of the Group's unit for the manufacture of special lifts, installation and lift servicing in Central Europe. The units were part of Special Infrastructure Solutions and are reported separately for 2024 and 2023 as Discontinued operations in accordance with IFRS 5: see also Note 11 Discontinued operations.

Preliminary acquisition analyses 2024

Net assets acquired	JR Industries (1)	WaterTech	Eagle	DadoLab	Wintex (2)	Total 2024
Intangible assets	-	-	-	1	-	1
Tangible fixed assets	19	-	3	9	1	31
Right-of-use assets	16	1	10	1	-	28
Stocks and work in progress	64	2	6	-	9	81
Cash and cash equivalents	18	1	11	29	0	60
Accounts receivable (3)	56	2	26	7	7	98
Tax assets	7	-	-	-	-	7
Other current assets	2	1	4	2	0	9
Deferred tax liabilities	-1	-	-	-	-	-1
Other non-current liabilities	-20	-1	-21	-2	-	-45
Current tax liabilities	-	-1	-8	-2	-1	-12
Other current liabilities	-51	-2	-9	-4	-4	-69
Net identifiable assets and liabilities	110	4	22	41	11	188
Group goodwill	264	24	182	20	44	534
Brands and trademarks	26	-	37	3	13	79
Customer relations	110	13	20	5	-	148
IP rights	-	-	22	4	8	34
Deferred tax liabilities	-34	-3	-20	-2	-4	-63
Total estimated purchase price	476	39	263	70	72	920
Remuneration transferred						
Cash and cash equivalents	321	26	191	52	50	639
Contingent consideration	155	14	72	18	22	281
Total remuneration	476	39	263	70	72	920
Liquidity impact on the Group						
Cash and cash equivalents acquired	18	1	11	29	0	60
Remuneration transferred	-321	-26	-191	-52	-50	-639
Total cash impact	-303	-24	-180	-23	-50	-580
Other information	JR Industries (1)	WaterTech	Eagle	DadoLab	Wintex (2)	
Annual turnover at the time of acquisition	319	19	110	46	23	516
Annual profit before tax at the time of acquisition	60	4	27	10	8	109

(1) Gwindy Ltd with subsidiaries

(2) Wintex Agro ApS with subsidiaries

(3) Receivables are measured at fair value, no estimated doubtful debts are included

(4) Run rate is based on sales and operating profit before tax, on a twelve-month basis, at the time of acquisition. For foreign acquisitions, the results have been recalculated based on the currency exchange rate at the time of acquisition.

Acquired companies' net assets at the time of acquisition

	2024	2023
Net assets acquired	188	85
Intangible assets identified on acquisition	261	143
Goodwill	534	295
Estimated purchase price	983	523

Effect on cash flow

	2024	2023
Cash and cash equivalents in the acquired operations	60	26
Remuneration transferred	-639	-407
Impact on the Group's cash and cash equivalents from the year's acquisitions	-580	-382
Adjusted remuneration, previous years' acquisitions	0	-22
Purchase prices paid for acquisitions in previous years	-288	-182
Cash flow attributable to investments in operations	-868	-586

Contribution of the acquired units to Group turnover and profit

	2024	2023
Turnover	375	142
Profit contribution before acquisition-related costs and amortisation	62	38
Transaction costs	-19	-6
Amortisation and impairment of intangible assets	-10	-5
Profit before tax	32	28

Note 3, cont.

Valuation technique for contingent considerations

The Group Executive Board makes an assessment of the recognised contingent consideration at each reporting period after the acquisition date. The valuation is based on an analysis of historical performance, strategic plans, forecasts, market data and other relevant information – both financial and non-financial – that may affect the contingent consideration. External factors, such as macro and micro environmental changes with potential material impact, are also included in the assessment.

A general growth rate of 6 per cent is assumed for the remaining term if the contingent consideration extends beyond the defined budget and strategic plan, which normally covers three years from the balance sheet date.

Revaluation of contingent considerations

Contingent considerations may be revalued both upwards – through an increase in the liability, driven by improved future earnings forecasts – and downwards. Adjustments are recognised in the income statement:

- A decrease in the liability is recognised under other income
- An increase in the liability is recognised under other external external expenses.

Revaluation takes place annually at the end of the financial year, after the companies' strategic plan for the coming year has been finalised. An earlier revaluation may be required if significant changes occur during the year that affect an unit's contingent consideration.

The total contingent consideration is discounted at Group level during the financial year. At the end of the financial year, this is revalued on the basis of a present value calculation and discounting of the liability linked to future payments per acquisition.

Discount rate

The discount rate used in the assessment is four percentage points. In the previous year, the discount rate was adjusted in line with the increase in the Group's borrowing rate, resulting in a reduction in the liability of SEK 26.9 million for the full year.

Acquisition analyses 2023

Two acquisitions of businesses were completed during the financial year.

Heatwork AS (Norway)

On 31 March 2023, Sdiptech acquired 81.6 per cent of shares in HeatWork AS, with subsidiaries in Sweden and Finland.

HeatWork has over 20 years of experience in developing specialised hydronic heating products and focuses on innovative, sustainable and high-quality solutions. The company's technology helps to bring about a significant reduction in energy consumption, costs and carbon emissions. At the time of the acquisition, HeatWork had an annual turnover of NOK 120 million and an operating profit of around NOK 23 million. The company operates globally, with its head office and production facility in Narvik, Norway, and is a strong addition to Sdiptech's energy solutions business. HeatWork is Sdiptech's second business unit in Norway and had 42 employees at the time of the acquisition.

At the transaction date, the company was valued at NOK 225 million on a cash- and debt-free basis. The acquisition is financed through a combination of own funds and bank credits. The final purchase price, including the redemption of the remaining 18.4 per cent of the shares, is dependent on the company's performance during the earn-out period. Under the agreement, Sdiptech has the option to acquire the remaining shares after six years, the valuation being based on the company's profit growth. HeatWork is part of the Resource Efficiency business area.

Kemi-tech AS (Denmark)

On 11 July 2023, Sdiptech acquired all shares in Kemi-Tech A/S. The company is based in Hedensted, Denmark, and is a leading supplier of custom chemical products for industrial water treatment. Kemi-Tech specialises in the chemical treatment of all types of water-bearing systems, ensuring that boilers, refrigeration systems and district heating plants operate more efficiently, save energy and extend their service life. At the time of the acquisition, Kemi-Tech had an annual turnover of DKK 34 million and an operating profit of around DKK 16 million. The company is Sdiptech's second business unit in Denmark, and its expertise in environmental technologies is a valuable addition to Sdiptech's ambition to deliver sustainable and innovative technologies driven by long-term growth trends.

At the transaction date, the company was valued at DKK 146 million on a cash- and debt-free basis. The acquisition is financed through own funds and bank credits. The final purchase price including earn-out costs, settled after the end of the earn-out period in July 2027, will be between GBP 146 and 196 million, depending on the company's performance. Kemi-Tech had 15 employees at the time of the acquisition, and the company is part of the Resource Efficiency business area.

Acquisition analyses 2023

Net assets acquired	Heatwork (1)	Kemi-tech (2)	Total2023
Intangible assets	28	-	28
Tangible fixed assets	11	2	12
Right-of-use assets	48	5	53
Other fixed assets	0	1	1
Stocks and work in progress	55	4	59
Cash and cash equivalents	20	5	26
Accounts receivable (3)	16	10	26
Other current assets	8	1	8
Other non-current liabilities	-62	-2	-64
Current tax liabilities	-3	-	-3
Other current liabilities	-29	-30	-59
Net identifiable assets and liabilities	90	-5	85
Group goodwill	105	190	295
Brands and trademarks	31	13	43
Customer relations	20	52	72
IP rights	-	28	28
Deferred tax liabilities	-11	-20	-31
Total estimated purchase price	235	257	492
Remuneration transferred			
Cash and cash equivalents	189	218	407
Contingent consideration	46	38	85
Total remuneration	235	257	492
Liquidity impact on the Group			
Cash and cash equivalents acquired	20	5	26
Remuneration transferred	-189	-218	-407
Total cash impact	-169	-213	-382

(1) Heatwork AS with subsidiaries
 (2) Kemitech A/S with subsidiaries

Note 4 Segment reporting

Accounting principles

The Group's segment reporting is based on its operating segments, reflecting the management structure and how financial information is regularly reviewed by Sdiptech's chief operating decision maker. This decision maker, who is responsible for resource allocation and evaluation of segment performance, has been identified as the Group Executive Board of Sdiptech.

The Group Executive Board monitors the performance of the business and makes decisions on resource allocation. Sdiptech's acquisition organisation conducts an in-depth survey of markets and value chains within the Group's selected business areas. Acquisition decisions, operational decisions, governance, control and monitoring are handled by the Group executive through the respective Business Area Manager, supported by central functions.

Companies within a business area often share customers, suppliers and market dynamics, which creates opportunities for revenue synergies (such as cross-selling and joint bids for complex projects) and cost synergies (such as joint procurement and larger volume agreements with suppliers). The exchange of expertise between the companies within a business area also enables further synergies. The Group is organisationally divided into two business areas, Resource Efficiency and Special Infrastructure Solutions.

Under IFRS, the parts of the business that do not constitute separate operating segments are presented as Other segments. Within Sdiptech, this includes unallocated items, such as central costs incurred in the Group's holding companies. These costs include parent company overheads, interest and dividend income, interest expenses, tax expenses and certain administrative expenses.

The monitoring of the business segments is based on net sales, which include both external and internal sales. Transactions between operating units are carried out on an arm's length basis and eliminated on consolidation. Internal sales between business areas are limited and of non-material amounts, as shown in the elimination column in the accompanying table.

The Group's primary performance measure is Adjusted EBITA (see Definitions of key ratios and explanations).

Segment information is provided in accordance with IFRS 8, at Group level only.

Revenue is not tracked at a geographical level, but Sweden, the UK and Italy are the Group's main markets.

Segment reporting

	Resource Efficiency		Special Infrastructure Solutions		Central Units		Eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net sales	1,800	1,650	3,366	2,931	-	-	-	-	5,166	4,582
Internal customers	-	-	-	-	29	29	-29	-29	-	-
Adjusted EBITA	394	366	692	621	-75	-67	0	0	1,011	920
Adjusted EBITA margin, %	21.9%	22.2%	20.6%	21.2%	et	et	et	et	19.6%	20.1%
Amortisation of acquired intangible assets	-36	-32	-68	-58	-	-0	-	-	-104	-90
Adjustment in respect of contingent considerations	-	-	7	-2	-12	19	-	-	-5	17
Transaction costs	-2	-1	-15	-0	-	-12	-	-	-17	-13
Other comparison-obstructing items	0	-3	12	-4	-3	7	-	-	9	0
Operating profit	356	331	628	557	-90	-54	0	0	894	834
Net financial items	21	-4	-1	-18	-231	-159	-49	-39	-260	-219
Profit before tax	377	327	627	536	-321	-212	-49	-39	634	612
Goodwill	1,961	1,800	3,396	2,783	-	0	-	-	5,357	4,583
Other assets	2,340	2,107	4,010	2,862	224	674	-1,615	-1,293	4,959	4,350
Total assets	4,301	3,907	7,406	5,645	224	674	-1,615	-1,293	10,316	8,933
Liabilities	825	770	1,842	1,552	4,730	4,057	-1,491	-1,293	5,906	5,086
Other information										
Amortisation of intangible assets	-65	-55	-81	-72	-	-0	-	-0	-146	-127
<i>of which attributable to acquisitions</i>	<i>-36</i>	<i>-32</i>	<i>-68</i>	<i>-58</i>	<i>-</i>	<i>-0</i>	<i>-</i>	<i>-</i>	<i>-104</i>	<i>-90</i>
Depreciation of tangible assets	-76	-70	-117	-101	-5	-5	-	-	-198	-175

Resource Efficiency

Companies within Resource Efficiency provide niche products and services that help to bring about efficient and sustainable use of resources such as water, energy, minerals, forests and food.

Special Infrastructure Solutions

The Special Infrastructure Solutions business units provide niche products and services to meet specialised needs in terms of air and climate control, security and surveillance and transportation systems.

Central units – Groupwide functions

Groupwide functions consist of the Group's parent company, Sdiptech AB, and the Group's holding company and include revaluation of liabilities relating to earn-outs.

Note 4, cont.

Net turnover by market

	Resource Efficiency		Special Infrastructure Solutions		Total	
	2024	2023	2024	2023	2024	2023
Sweden	510	490	440	430	950	920
UK	703	776	1,509	1,229	2,212	2,005
Germany	1	1	146	122	147	123
Croatia	0	0	1	1	1	1
Austria	0	0	9	5	9	5
Netherlands	7	8	138	125	145	133
Norway	192	126	92	95	284	221
Finland	21	20	45	46	66	66
Denmark	62	30	91	101	153	131
Italy	136	118	106	96	242	214
US	0	0	206	245	206	245
Other countries in Europe	109	24	285	185	394	209
Other countries outside Europe	59	56	298	252	357	308
Total	1,800	1,650	3,366	2,931	5,166	4,582

In the sale of goods, control usually passes to the customer when significant risks and benefits have been transferred, which is normally regulated in accordance with Incoterms. For services, the transfer of control usually takes place when the customer approves the service provided. Revenue is recognised at the amount specified in the contract with the customer.

Installation

Some contracts cover both product sales and services such as installation. If the product and service are considered to constitute a combined performance obligation, they are recognised as a single delivery. If the product is stand-alone, however, they are recognised separately.

The transaction price is usually fixed, and any expected losses are recognised immediately as an expense.

Service

Sdipotech also generates revenue from service and maintenance contracts. Revenue recognition occurs for one-off services – revenue is recognised immediately upon delivery, for ongoing service contracts – revenue is recognised on a straight-line basis over the contract period.

Revenue recognition over time

Some of Sdipotech's major projects generate revenue over time, such as when the company creates an asset with no alternative use and is entitled to payment for work performed to date.

This revenue is recognised on an accrual basis and represents the value transferred to the customer for which the company is entitled to invoice.

In the case of fixed price contracts:

- The customer pays the agreed price on the agreed payment dates.
- A contract asset is recognised if the products/services supplied exceed the payments.
- If the payments exceed the services supplied, a contractual liability is recognised.

Variable remuneration and guarantees

Variable remuneration, such as discounts, credits and returns, is recognised on the basis of the probability of reversal. This is calculated using either the expected value method or the most likely value method.

Guarantees are mainly of the "assurance" type, which means that they do not constitute a separate performance obligation. Hence, they do not affect revenue recognition, but are recognised as an expense or provision. The right of return is very limited

Rights of use, tangible and intangible assets by market

	2024	2023
Sweden	227	217
UK	1222	900
Netherlands	128	127
Norway	123	129
Finland	128	132
Italy	297	267
Denmark	295	268
Other countries	80	15
Total	2,501	2,054

Note 5 Revenue

Accounting policies

Sales of products

Sdipotech's revenue consists primarily of sales of goods, which are recognised as revenue at a certain point in time. Revenue is recognised when the Group has fulfilled its performance obligation, which occurs at the point in time when a product or service is delivered and the customer assumes control.

The transfer of control is assessed on the basis of a number of several indicators, including, but not limited to:

- The customer is in physical possession of the product or service
- The company is contractually entitled to payment
- The customer has approved the delivery
- Significant risks and rewards have been transferred to the customer
- Legal ownership has been transferred

Note 5, cont.

Turnover by revenue type

	Resource Efficiency		Special Infrastructure Solutions		Total	
	2024	2023	2024	2023	2024	2023
Products	1,204	1,156	1,994	1,432	3,198	2,588
Installation, direct	241	300	51	292	292	592
Installation, over time	112	18	383	379	495	397
Service, direct	201	122	833	719	1,034	841
Service, over time	41	55	106	110	147	165
Total	1,800	1,650	3,367	2,931	5,166	4,582
Primary revenue types						
Products	1,204	1,156	1,994	1,432	3,198	2,588
Execution of services	596	494	1,373	1,499	1,968	1,994
Direct sales	1,646	1,577	2,878	2,443	4,524	4,020
Sales over time	153	73	489	489	642	562

Contract costs and payment terms

Sciptech applies a relief rule, which means that costs for obtaining a contract are capitalised only if the contract term is longer than 12 months. The Company has no material assets related to contract-related costs such as contract acquisition costs or start-up costs.

No one customer accounts for more than 10 per cent of the Group's total revenue.

Payment terms vary between 30 and 120 days, with an average of 62 days (57).

Contractual assets and liabilities

The Group recognises the following assets and liabilities in the balance sheet related to contracts with customers.

	2024	2023
Accounts receivable	981	785
Accrued income	101	159
Total contract assets	1,082	943
Prepaid income	-118	-91
Total contract liabilities	964	852

Accrued income refers to the portion of income where performance obligations have been met but the invoice has been issued after the end of the period. Prepaid income refers to income that has been invoiced for a future period and where the income is recognised as the performance obligation is fulfilled, which includes service agreements.

The Group's order backlog runs over shorter periods on average and, as of the balance sheet date, the Group has order backlogs of around SEK 130 million extending over 12 months. As a result, the Group does not adjust the transaction price for the effects of a significant financing component.

Note 6 Other operating income

Government grants are recognised as deferred income in the balance sheet when there is reasonable assurance that the grant will be received and the company will comply with the conditions attached to it. Grants related to assets are recognised as a reduction of the carrying amount of the asset.

	Group		Parent company	
	2024	2023	2024	2023
Gains on sale of fixed assets	7	2	-	-
Insurance compensation	1	0	-	-
Capital gain on disposal	12	-	-	-
Revaluation of contingent considerations	-	27	-	-
Sick pay benefits	2	3	-	-
State aid received	9	7	-	-
Exchange rate gains	9	4	-	-
Other items	14	17	-	1
Total	54	60	-	1

Note 7 Remuneration to employees

Accounting policies

Salaries, social security contributions, bonuses and other short-term employee benefits are recognised as an expense when the service has been rendered. On termination, a liability and an expense are recognised if it is likely that the remuneration will be paid and a reliable estimate can be made. The Group's pension plans consist mainly of defined contribution plans where insurance premiums are paid and the employee bears the risk in respect of the future pension level.

Remuneration to employees

	2024			2023		
	Senior executives	Other employees	Total	Senior executives	Other employees	Total
Group						
Salaries and remuneration	82	1,043	1,125	70	873	1,061
Of which variable remuneration	9	142	150	7	134	141
Social security costs	21	197	218	18	186	214
<i>of which pension costs</i>	9	67	75	7	55	62
Parent company						
Salaries and remuneration	18	28	46	20	18	39
Of which variable remuneration	3	8	11	5	3	9
Social security costs	6	15	21	7	12	19
<i>of which pension costs</i>	4	3	7	4	3	7

Of the Group's pension costs, SEK 4 (4) million related to the Board of Directors and Chief Executive Officers. The group of other senior executives in the parent company is made up of 5 (5) individuals.

Remuneration to the parent company's CEO and other senior executives (SEK thousand)

	CEO, Bengt Lejdström (1)		CEO, Jakob Holm		Other senior management	
	2024	2023	2024	2023	2024	2023
Basic salary	4,145	4,768	10,457	10,128		
Performance-related pay	794	1,643	2,523	3,790		
Other benefits	103	5	186	219		
Pension costs	1,355	1,441	2,525	2,426		
Total	6,397	7,857	15,691	16,564		

(1) Bengt Lejdström took over as Chief Executive Officer on 15 December 2023.

Number of employees

	2024		2023	
	Total	Of whom women	Total	Of whom women
Parent company				
Sweden	22	11	21	10
Group companies				
Sweden	397	54	386	50
UK	1,102	202	999	187
Denmark	233	29	221	27
Netherlands	62	13	67	12
Norway	63	8	61	6
Finland	79	5	68	4
Italy	86	19	65	15
Other countries	125	30	82	22
Total in Group companies	2,147	360	1,949	323
Group total	2,169	371	1,970	333

Remuneration to the parent company's Board of Directors, Chief Executive Officer and other senior executives

In accordance with the Nomination Committee's proposal, the 2024 Annual General Meeting resolved that Board fees should amount to a total of SEK 2,090,000. The remuneration is distributed as follows:

Board members: SEK 305,000 per Board member
Chairman of the Board: SEK 870,000.

In addition, the following fees were decided for work on the Board's committees:

Audit Committee: Chairman: SEK 195,000, Member: SEK 65,000 per member (one to two members)
Investment Committee: Chairman: SEK 50,000, Member: SEK 50,000 per member (one to two members)
Remuneration Committee: Chairman: SEK 40,000, Member: SEK 20,000 (one member)

Note 7, cont.

Remuneration to the parent company’s Board of Directors (SEK thousand)

Directors’ fees/base salary	2024	2023
Jan Samuelsson, Chairman	943	908
Urban Doverholt, member	142	336
Johnny Alvarsson, member	369	352
Birgitta Henriksson, member	360	341
Eola Änggård Runsten, member	188	446
Kristina Schauman	292	0
Joakim Landholm	178	0
Total	2,472	2,301

Gender distribution on the Board and Group executive, percentage of women

	2024-12-31	2023-12-31
Board of Directors	40%	40%
Other senior executives	33%	17%

Preparation and decision-making process in respect of remuneration to the Board of Directors, the CEO and the Group executive

The guidelines for the remuneration of senior executives applicable during the 2024 financial year were adopted at the 2024 Annual General Meeting. These are broadly in line with the guidelines proposed for the coming year. The principle is that the remuneration of the Board of Directors, the CEO and the Group executive should be competitive and in line with the market.

The remuneration of the Board of Directors is decided by the Annual General Meeting on the basis of proposals from the Nomination Committee. Remuneration to the CEO, the Group executive and other senior executives is prepared by the Remuneration Committee of the Board of Directors, comprising the Chairman of the Board and one Board member, with the CEO acting as rapporteur.

The remuneration comprises: fixed salary, variable remuneration, ordinary employment benefits, pension benefits, incentive programmes according to established guidelines.

The Remuneration Committee ensures that remuneration decisions follow the guidelines established by the Annual General Meeting of Sdiptech AB.

Long-term incentive schemes

The purpose of the incentive programmes and the deviation from the preferential rights of shareholders is to ensure the possibility of retaining and recruiting competent staff within the Group. The programmes also aim to increase participants’ motivation, strengthen loyalty to the company and create a shared interest with the company’s shareholders. By promoting personal share ownership, the programmes contribute to long-term shareholder value and overall value creation.

Incentive programme 2021

The 2021 Annual General Meeting resolved on a new incentive programme for managers and senior executives. The programme comprised 350,000 series B warrants with an exercise price set at 126 per cent of the volume-weighted average price paid for Sdiptech’s class B share between 19 May and 1 June 2021. The premium for the call options is to correspond to the market value of the options, as determined by an external independent valuation in accordance with the Black & Scholes model. The redemption was set for three occasions between June 2024 and 30 November 2024. The programme expired without redemption.

Incentive programme 2023

The 2023 Annual General Meeting resolved on an additional incentive programme for managers and senior executives, comprising 350,000 Class B warrants. The exercise price was set at 126 per cent of the average share price during the measurement period 23 May – 5 June 2023. The programme has three exercise periods from June 2026 until 30 November 2026. Upon full exercise of all outstanding warrants, the increase in the company’s share capital will amount to a maximum of SEK 8,750 relating to series 2023/2026, corresponding to a dilution of a maximum of around 0.8 per cent of shares and around 0.6 per cent of votes.

Outstanding share options

	2024		2023	
	Exercise price (1)	Number of options	Exercise price (1)	Number of options
As of 1 January	398	642,631	324	528,071
Allotments	-	-	326	305,150
Forfeited	463	-337,481	75	-190,590
As of 31 December	398	305,150	398	642,631

(1) The exercise price is calculated as an average of the exercise price for issued warrants

Outstanding share options at year-end have the following expiry dates and exercise prices

Maturity	Exercise price (SEK)	2024	2023
1 June – 30 November 2024	463.00	-	156,320,375
1 June – 30 November 2026	326.40	99,600,960	99,600,960
Total		99,600,960	255,921,335

As of the balance sheet date, 50,000 warrants are held by the Group’s Chief Executive Officer, Bengt Lejdström, and 88,000 warrants by other senior executives.

Note 7, cont.

Share savings programme

At Sdipotech's 2024 Annual General Meeting, it was resolved to introduce a long-term performance-based share programme for up to 50 employees within the Group. To participate, employees must invest in class B shares in Sdipotech AB (publ) ("savings shares"). Thereafter, participants will have the opportunity to receive Class B shares, known as "Performance Shares", free of charge.

For each savings share held, the participant is granted a right to receive up to three Performance Shares free of charge, under certain conditions. The conditions include:

- Continued employment within the Group throughout the vesting period.
- Retention of savings shares during the vesting period.
- Fulfilment of financial targets, whereby the Sdipotech Group's adjusted EBITA growth per average outstanding ordinary share has to reach a certain level.

The calculation is based on the annual reports for the 2024, 2025 and 2026 financial years, with certain exceptions in case of extraordinary circumstances.

The Board of Directors or the Remuneration Committee will decide on the number of savings shares that each participant is to be able to invest in the share programme, which will be at least 100 savings shares and a maximum of 3,000 savings shares, but not exceeding 30,000 savings shares in total.

The purpose of the share programme is to pave the way for motivating and retaining competent Sdipotech Group employees, to promote the company's business strategy, long-term interests and sustainability, and to increase the alignment between the objectives of employees and the company and increase the motivation to achieve and exceed Sdipotech's financial targets.

The shares vest immediately on the grant date and are recognised at the closing price of the share on the grant date (fair value at grant date) as an issue of treasury shares and as staff cost in the period in which the shares are granted.

Accounting policies

Performance shares are recognised as an employee expense (excluding social security contributions) over the vesting period in accordance with IFRS 2 Share-based Payment, and are recognised directly in equity. The recognised cost is revised regularly during the vesting period depending on the number of performance shares expected to be earned by programme participants. It is based on an assessment of whether all performance targets will be met; that is, the programme's profitability targets, continued employment of the participants, and retention of the investment shares. The social security contributions for the programme are expensed as incurred during the vesting period and are based on the market price of the share at each reporting date.

Share-based Payments PSP 2024

	2024
	PSP 2024 performance shares
Instruments	
Maximum number	67,023
Investment shares, number	22,341
Adjustment for dividends	-
Start date	2024-06-17
Allocation date	2027-04-25
Theoretical value of share on start date, SEK	340
Exchange rate at start date, SEK	340.4
Expected dividends	-
Maximum vesting period, years	2.85
Remaining vesting period, years	2.32
Number of participants at end of year	17
Method of payment	Shares

Impact of share-based payments on earnings

	Group	Parent company
	2024	2024
	PSP 2024 performance shares	PSP 2024 performance shares
Costs for the year according to IFRS 2 (excluding social security contributions), MSEK	2	2

Note 8 Remuneration to auditors

An audit assignment is an examination of the annual accounts, the accounting records and the administration of the Board of Directors and the CEO. This also includes other tasks that by law or the company's Articles of Association are the responsibility of the company's auditor, as well as advisory or other assistance arising from observations made during such audits or the performance of these tasks.

Other services are categorised as tax consultancy or other assignments.

At the Annual General Meeting held on 22 May 2024, it was resolved to reappoint PwC Sweden as the company's auditor.

Remuneration to auditors

	Group		Parent company	
	2024	2023	2024	2023
Audit engagement	-5	-5	-2	-2
Audit activities in addition to the tasks of the audit engagement	-	-0	-	-0
Total PWC	-5	-5	-2	-2
Other agencies				
Audit engagement	-8	-7	-1	-2
Audit activities in addition to the tasks of the audit engagement	-1	-1	-	-
Tax advice	-1	-1	-	-
Other services	-0	-1	-	-
Total Other agencies	-10	-10	-1	-2

Note 9 Financial income and financial expenses

Financial income and expenses

Financial income consists mainly of interest income on bank deposits and dividends from associates.

Financial expenses include interest expenses to credit institutions and discount rates related to lease liabilities and contingent considerations. The contingent considerations are classified as interest-bearing as they are discounted to present value, but they do not generate any actual interest payment affecting the Group's cash flow.

Financial items also include realised and unrealised translation differences related to internal and external loans denominated in foreign currencies, as well as forward exchange contracts and forward rate agreements denominated in GBP, EUR and NOK. The item "Other financial expenses" also includes expenses in connection with the raising of credit.

Interest received amounts to SEK 2 million (5), and all interest income is attributable to financial assets valued at amortised cost.

Interest paid amounts to SEK 180 (154) million and is attributable to both financial liabilities measured at amortised cost and financial liabilities measured at fair value through profit or loss.

	Group		Parent company	
	2024	2023	2024	2023
Other interest income and similar items				
Interest income and similar items	2	5	0	0
Interest income from Group companies	-	-	17	14
Exchange rate differences	-	-	28	-
Other items	2	2	-	-
Total financial income	4	6	45	14
Interest expenses and similar items				
Interest expense from credit institutions	-180	-154	-54	-18
Discount rate for lease liabilities	-16	-13	-	-
Interest rate component revaluation of contingent considerations at fair value	-50	-39	-	-
Exchange rate differences	-8	-14	-	-0
Other items	-10	-5	-3	-
Total financial costs	-264	-225	-57	-19
Net financial items	-260	-219	-12	-4

Note 10 Taxes

Accounting policies

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences and tax losses can be utilised. Within the Group, it is mainly the parent company that holds significant deferred tax assets.

Tax expenses for the year

	Group		Parent company	
	2024	2023	2024	2023
Current tax				
Current tax expenses	-220	-183	-	-2
Deferred tax	21	18	-	-
Other taxes	-1	-	-	-
Total	-200	-165	-	-2

Reconciliation of effective tax

The Group's average effective tax rate, based on the current geographical distribution, stands at around 24 per cent (23.4). The relationship between the average tax rate and the tax recognised for the Group is shown in the table below.

	Group		Parent company	
	2024	2023	2024	2023
Profit before tax	635	615	7	8
Weighted average tax expense based on national tax rates for the Group 24 per cent (23.4), parent company 20.6 per cent (20.6)	-152	-143	-1	-2
Tax effects of:				
Non-deductible interest expense on present value of contingent considerations	-12	-9	-	-
Non-deductible transaction costs on acquisition	-4	-2	-	-
Non-taxable revaluation of contingent considerations	-1	4	-	-
Non-taxable capital gain on disposal	3	-	-	-
Other non-deductible expenses / non-taxable income	-28	-4	-2	0
Losses where deductions have not been capitalised	-7	-	-	-
Utilisation of loss carry-forwards where tax was not previously recognised	3	-	3	-
Adjustment of previous years' current tax	-2	-11	-	-
Total actual tax recognised	-200	-165	-0	-2

Sdipitech AB's capital assets in the form of shares in subsidiaries and associates are classified as business interests according to the definition in Chapter 24 (13) to (16) of the Income Tax Act. The main rule is that capital gains on the disposal of such shares are tax-free, while capital losses are not deductible. Tax losses are recognised as deferred tax assets in the balance sheet. The Group has capitalised tax losses equivalent to approximately SEK 25 million before tax. Most of these deficits relate to the parent company and are partially subject to Group contribution restrictions, which affects the timeframe for utilisation. It is estimated that the deficits can be utilised within a period of one to five years.

Deferred tax

The deferred tax item in the consolidated balance sheet includes tax expenses related to untaxed reserves, acquired intangible assets, leases and tax losses.

Net deferred tax at year-end, Group

	Intangible assets	Right-of-use assets	Untaxed reserves	Other items	Total tax
2024					
Opening book value	-212	2	-6	-23	-239
Deferred tax in the income statement	21	1	-	-1	21
Deferred tax attributable to acquisitions	-63	-	-	-	-63
Exchange rate differences	-20	-	-	3	-17
Closing book value	-274	3	-6	-21	-298
As of 31 Dec 2024					
BR deferred tax assets	-	41	-	5	46
BR Deferred tax liability	-274	-38	-6	-26	-344
Deferred tax, net	-274	3	-6	-21	-298

	Intangible assets	Right-of-use assets	Untaxed reserves	Other items	Total tax
2023					
Opening book value	-199	1	-4	-12	-214
Deferred tax in the income statement	18	1	-1	-12	5
Deferred tax attributable to acquisitions	-31	-	-0	0	-31
Exchange rate differences	1	-	-	0	1
Closing book value	-212	2	-6	-24	-239
As of 31 Dec 2023					
BR deferred tax assets	-	40	-	5	45
BR Deferred tax liability	-212	-38	-6	-29	-285
Deferred tax, net	-212	2	-6	-24	-240

Note 11 Discontinued operations

A decision was made during the third quarter to initiate a sales process for the Group's specialised lift manufacturing, installation and servicing unit in Central Europe. The unit was previously part of the Special Infrastructure Solutions business area but is recognised separately as of the third quarter of 2024. For all comparable periods, it will be recognised under the item "Discontinued operations" in accordance with IFRS 5.

Profit for the year for discontinued operations

	2024	2023
Net sales	206	236
Operating profit	-68	2
Profit before tax	-76	-3
Tax	-2	-1
Profit for the year	-79	-4

Assets and liabilities of discontinued operations

	2024	2023
Intangible assets	27	55
Tangible fixed assets	18	19
Right-of-use assets	7	8
Financial assets	1	0
Inventories	14	11
Accounts receivable	34	42
Other current receivables	13	29
Cash and cash equivalents	11	7
Total assets	125	171
Non-current interest-bearing liabilities	16	9
Non-interest-bearing non-current liabilities	3	1
Current interest-bearing liabilities	27	12
Non-interest-bearing current liabilities	38	39
Total liabilities	85	62

Cash flow from discontinued operations

	2024	2023
Cash flow from current operations	-18	-3
Cash flow from investment activities	-1	-3
Cash flow from financing activities	23	7
Total cash flow	4	1

Note 12 Earnings per share

Earnings per ordinary share before and after dilution

(SEK)	2024	2023
Profit for the year attributable to the parent company's shareholders (SEK million)	432	448
Dividend to preference shareholders (SEK million)	-14	-14
Profit for the year attributable to the parent company's ordinary shareholders (SEK million)	418	430
Weighted average number of ordinary shares outstanding during the year before dilution	37,991,938	37,960,086
Weighted average number of ordinary shares outstanding during the year after dilution	37,991,938	37,960,086
Earnings per average number of ordinary shares before dilution	11.00	11.33
Earnings per average number of ordinary shares after dilution	11.00	11.33

The weighted average number of shares totalled 37,991,938 (37,960,086) and remains unchanged since the previous year's balance sheet date.

Earnings per share are calculated as profit after tax attributable to the parent company's shareholders less dividends to preference shareholders, divided by the weighted number of outstanding ordinary shares.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares by the dilutive effect of warrants. These are only included in the calculation if the share price on the balance sheet date exceeds the subscription price.

The preference share is excluded from the calculation as it only entitles the holder to a dividend of SEK 8 per annum (see Note 22). Earnings per share after dilution refers to the incentive programme. For more information on revenue recognition, see Note 7.

Note 13 Goodwill

Accounting policies

Goodwill represents the future economic benefits arising from assets that are not individually identifiable on acquisition. It is calculated as the part of the purchase price that exceeds the fair value of the share of the acquired company's assets that the Group acquires on the acquisition date.

The cash flows from these acquisitions are directly and indirectly affected by the coordination that takes place within the segment under the leadership of the segment manager. Sdiptech's two business areas constitute the lowest level at which goodwill is monitored in the Group's internal governance. The groups of cash-generating units are not larger than the Group's operating segments.

Under IFRS 3, the cost of acquisition is equal to the sum of the consideration paid, the value of the non-controlling interest and the fair value of the previously held interest in the acquired subsidiary. Goodwill arising from the acquisition of foreign entities outside the Eurozone is translated at the exchange rate prevailing on the balance sheet date.

Impairment testing of non-financial assets

Under IFRS, goodwill is not amortised but is tested annually for impairment in accordance with IAS 36. Sdiptech performs at least one annual impairment test by calculating the value in use for each group of cash-generating units.

The future cash flows for each group of cash-generating units are discounted in order to determine a value in use. The cash flow projections are based on the companies' strategic plan for the next three years. A long-term growth rate corresponding to an estimated sustainable GDP growth of 2 per cent is assumed for the period thereafter.

An impairment loss is recognised if the value in use is less than the carrying amount. The assessment also takes into account volatility in order to ensure that no reasonable changes in inputs lead to an unexpected impairment loss.

Basis for forecasts:

- Sales forecasts are based on factors such as order intake, economic conditions and market developments.
- Cost forecasts are based on gross margin trends and key cost items such as premises costs, wage agreements, and historical levels of gross margin and overheads.
- Investments in working capital and fixed assets are based on historical data, with additions for specific tangible investment needs according to the strategic plan.

Lease assets and liabilities under IFRS 16 are included in the impairment assessment. Other significant factors that may affect future outcomes are taken into account in addition to financial projections.

Discount rate:

The estimated cash flows are discounted using a weighted average cost of capital (WACC) of 8.2 per cent (8.7). The cash-generating units operate in several countries, but the same discount rate is applied to all cash-generating units as the operational risk is considered similar.

Result of the impairment test for the year:

The calculation for the year shows that the value in use exceeds the carrying amount. A sensitivity analysis indicates that the goodwill value would remain sustainable even with a 2 percentage point increase in the discount rate, as well as a significant reduction in growth compared to current projections. No impairment was recognised during the financial year (0). The corporate executive believes that no reasonable changes in the assumptions used in the test would cause the total recoverable amount to be less than the carrying amount.

On disposal of subsidiaries, goodwill attributable to the unit sold is included in the calculation of any gain or loss. If the Group's share of the net fair value of the investment exceeds its cost after revaluation, the difference is recognised directly in the income statement.

Group goodwill amounts to SEK 5,357 (4,583) million and relates to the core business.

Group goodwill

	2024	2023
Opening acquisition cost	4,583	4,299
Investments	535	295
Adjustment of preliminary acquisition analysis*	-	22
Units sold	-4	-
Translation difference for the year	243	10
Closing acquisition cost	5,357	4,626
Operations for divestment	-	43

*See Note 3 Business combinations for a specification

Allocation of goodwill between segments

	2024	2023
Resource Efficiency	1,961	1,507
Special Infrastructure Solutions	3,396	2,792

Note 14 Other intangible assets

Accounting principles

Intangible assets include capitalised development costs, IT software, patents, trademarks, licences and other rights. These assets are divided into acquired and internally generated intangible assets.

Development costs

The Group carries out certain development activities, including the development and patenting of products and technologies. Development expenditure is expensed in the income statement as incurred unless it meets the criteria for capitalisation in accordance with IAS 38.

For development expenditure to be classified as an internally generated intangible asset, the following are required:

- The asset is identifiable, unique and controlled by the Group. It is technically possible to complete the asset.
- The intention is to use or sell the asset.
- It is likely that the asset will generate future economic benefits.
- The cost of the asset can be calculated reliably.

If these requirements are met, the development costs are capitalised and recognised as part of Other intangible assets in the balance sheet.

Other intangible assets

Acquired intangible assets are recognised separately from goodwill if they meet the definition of an asset, if they are either separable or arise from contracts or other legal rights and if their fair value can be measured reliably.

The Group identifies and measures intangible assets in major acquisitions on the basis of customer-related, brand and technology-based intangible assets and assesses the useful life of the asset. A simplified approach is used for smaller acquisitions whereby the most significant intangible asset is identified.

Intangible assets

Acquisition value	Note	Group							Parent company	
		Acquired intangible assets			Internally generated intangible assets					Other intangible assets
		IPR, patents and licences	Brands and trademarks	Customer relations	Capitalised expenditure for R&D	Patents and licences	Other	Total		
									Software	
As of 1 January 2023		254	304	518	159	8	89	1,332	1	
Investments		-	-	-	52	-	12	63	-	
Via business combinations	3	26	42	68	16	10	0	162	-	
Reclassification		-	-	-	24	-	-12	12	-	
Translation difference		2	2	4	2	-	-0	10	-	
As of 1 January 2024		282	349	590	252	18	89	1,580	1	
Investments		-	-	-	65	2	23	90	-	
Via business combinations	3	34	81	153	-	-	2	270	-	
Retirements		-	-	-	-2	-	-	-2	-	
Reclassification		-	-	-	1	-	-	1	-	
Translation difference		17	20	36	15	-	3	91	-	
As of 31 December 2024		333	450	779	331	20	117	2,030	1	
Accumulated depreciation										
As of 1 January 2023		-53	-30	-40	-72	-4	-41	-240	-1	
Depreciation/amortisation for the year		-25	-22	-38	-32	-2	-7	-125	-0	
Reclassification		-	-	-	-6	-	-0	-6	-	
Translation difference		0	0	2	0	0	0	3	-	
As of 1 January 2024		-78	-52	-76	-109	-5	-48	-368	-1	
Depreciation/amortisation for the year		-27	-25	-49	-37	-3	-9	-150	-0	
Retirements		-	-	-	2	-	-	2	-	
Reclassification		-	-	-	3	-	-0	3	-	
Translation difference		-5	-4	-6	-7	0	-2	-24	-	
As of 31 December 2024		-110	-81	-131	-148	-8	-59	-537	-1	
Book value										
2023-12-31		204	297	515	143	12	41	1,211	0	
2024-12-31		223	369	649	184	11	58	1,493	0	

Note 14, cont.

Typical customer-related and brand-related assets are:

- Trade names, service marks, certification marks
- Customer records, order or production backlogs
- Long-term customer contracts and related customer relationships

The valuation of contracts with customers and related customer relationships at fair value is based on the proportion of these which is expected to be retained and the expected remaining cash flow from the customer.

Trademarks are valued using a discounted cash flow analysis according to the relief from royalty method.

Technology-based intangible assets normally consist of patented technology and software.

Other intangible assets are recognised if it is probable that the future economic benefits attributable to the asset will flow to the Group and that the cost of the asset can be measured reliably.

Intangible assets normally have a limited useful life. These assets are recognised at cost less accumulated depreciation and any accumulated impairment losses.

Amortisation of intangible assets

Amortisation is provided on a straight-line basis over the estimated useful lives of the assets at cost less accumulated amortisation and any accumulated impairment losses. Goodwill is not amortised.

The following amortisation periods are applied:

- IPR, patents and licences: 5–15 years
- Trademarks: 5–25 years
- Customer relations: 3–15 years
- R&D: 5–20 years
- Software: 5–10 years

Impairment testing of intangible assets

Intangible assets are tested for impairment whenever there is an indication that the carrying amount may exceed the recoverable amount. The impairment made corresponds to the amount by which the book value of the asset exceeds its recovery value. The recovery value is the highest of asset's fair value minus sales costs and value in use. For intangible assets, the testing period was the remaining expected economic life of the asset.

An assessment is made at each balance sheet date to determine whether a reversal of previous impairment losses should be recognised. An impairment loss is reversed only if the carrying amount after reversal does not exceed the carrying amount that would have been determined had no impairment loss been recognised. This takes into account the amortisation that would have occurred.

Intangible assets have increased during the year, mainly due to acquired intangible assets (see Note 3 – Business combinations). Further growth has been achieved due to the capitalisation of research and development for proprietary products and services. Other intangible assets consist mainly of software.

Note 15 Fixed assets

Accounting policies

Tangible assets acquired by Group companies are recognised at cost. Assets acquired by the Group through the acquisition of new subsidiaries are recognised at fair value at the date of acquisition. Depreciation is calculated using the straight-line method over the estimated useful life, adjusted for any impairment in value and disposal costs.

In the consolidated statement of financial position, the value of assets is recognised at cost less grants and subsidies received, and adjusted for accumulated depreciation and any impairment losses. Interest costs on loans financing the construction of such assets are capitalised as part of the cost until the facility is completed.

Land is considered to have an indefinite useful life and is therefore not amortised. Instead, its value is tested for impairment at least annually.

Depreciation of other property, plant and equipment is based on the following expected useful lives

Equipment, tools and installations: 3–15 years
Offices and industrial buildings: 25–50 years

The cost of property, plant and equipment is allocated over its estimated useful life by systematic depreciation.

Impairment and reversal of impairment of tangible assets

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the recoverable amount. If such an indication exists, an impairment test is performed and any impairment loss is recognised in accordance with the applicable accounting policy.

Acquisition value	Note	Group			Parent company
		Offices and industrial buildings	Equipment, tools, fixtures and fittings	Total	Equipment, tools, fixtures and fittings
As of 1 January 2023		118	421	538	3
Investments		0	121	121	0
Via business combinations	3	2	10	12	-
Sales/retirements		-	-25	-25	-
Reclassification		-	-17	-17	-
Translation difference		-	3	3	-
As of 1 January 2024		120	512	632	3
Investments		14	103	117	0
Via business combinations	3	21	12	33	-
Sales/retirements		-1	-18	-18	-
Reclassification		2	6	8	-
Translation difference		8	35	43	-
As of 31 December 2024		164	651	815	4
Accumulated depreciation					
As of 1 January 2023		-16	-147	-163	-2
Depreciation/amortisation for the year		-9	-72	-81	-1
Sales/retirements		-	24	24	-
Reclassification		-	-1	-1	-
Translation difference		-	-0	-0	-
As of 1 January 2024		-24	-196	-221	-2
Depreciation/amortisation for the year		-10	-84	-94	-1
Sales/retirements		-	22	22	-
Reclassification		5	-3	2	-
Translation difference		-3	-18	-21	-
As of 31 December 2024		-32	-279	-312	-3
Book value					
2023-12-31		96	316	412	1
2024-12-31		131	372	504	1

Note 16 Leases

Accounting policies

When a contract is signed, the Group assesses whether the contract is, or contains, a lease. A contract is classified as a lease if it transfers the right to control the use of a specific asset for a specified period of time in exchange for payment. The assessment also includes whether a substantive right of substitution exists (see Note 24 in respect of lease liability).

At the inception of the lease, or on reassessment of a lease that contains both lease and non-lease components, the consideration in the contract is allocated between the components based on their stand-alone prices. Costs related to non-lease components are recognised as accrued expenses. If the components cannot be separated, they are recognised as a single lease component. Lease terms are negotiated on an individual basis and include a variety of factors depending on commercial circumstances.

The Group applies two lease accounting relief rules:

Leases with a term of 12 months or less; and,
Leases of low-value assets.

No right-of-use asset or lease liability is recognised for these contracts. Instead, lease payments are expensed on a straight-line basis over the lease term. For impairment testing, please see the section entitled Impairment and reversal of impairment in Note 15.

Note 16 Cont.

Leases where the Group is the lessee

The Group consists of many small and medium-sized subsidiaries operating in different countries and locations, resulting in a large number of leases with varying terms. No individual leases are considered material to the Group's financial position.

Premises

Sciptech has around 75 leases for warehouse and office premises. Lease terms typically vary between 3 and 20 years, with differences depending on both the type of premises and the geographical location. Some contracts contain extension options, either as contractual terms or as part of statutory security of tenure in some jurisdictions.

The assessment of whether an extension option will be exercised is made at the balance sheet date. This assessment is based on a holistic analysis of several factors, such as the individual company's development and growth, as well as investments made in the premises.

The Group's leases include variable lease payments for aspects such as property tax, VAT and other variable costs such as maintenance, electricity, heating and water. These costs are excluded from the lease liability calculation insofar as they can be easily separated from the fixed rental cost. None of the leases include significant variable lease payments.

Vehicles

The Group leases vehicles with a normal lease term of 3–5 years. Most leases run until the agreed expiry date with no changes, and there are only limited extension options. Some contracts include residual value guarantees, which are recognised as part of the asset and liability if it is deemed likely that they will be utilised.

Other agreements

In addition to premises and vehicles, the Group has lease agreements for machinery and IT equipment, with lease terms ranging from 2 to 10 years.

Leases where the Group is the lessor

A few units within the Group offer product hire in addition to their sales activities. Rental income is recognised on a straight-line basis over the lease term.

Right-of-use assets

Acquisition value	Group				
	Premises	Vehicles	Machinery	Other	Total
As of 1 January 2023	282	89	130	5	506
New acquisitions	97	22	11	1	131
Acquisition of business	52	1	0	0	53
Disposals and retirements	0	-1	-37	-4	-42
Translation differences for the year	2	0	0	0	2
As of 1 January 2024	432	112	103	2	649
New acquisitions	93	55	0	1	149
Acquisition of business	25	7	0	0	32
Disposals and retirements	-10	-8	0	0	-18
Translation differences for the year	13	3	3	0	19
As of 31 December 2024	553	169	106	3	831
Accumulated depreciation					
As of 1 January 2023	-96	-34	-6	-4	-138
Depreciation and amortisation for the year	-53	-24	-11	-2	-90
Disposals and retirements	13	-6	0	5	12
Translation differences for the year	0	0	0	0	1
As of 1 January 2024	-136	-63	-16	-1	-216
Depreciation and amortisation for the year	-64	-28	-11	-1	-104
Disposals and retirements	0	0	-2	0	-2
Translation differences for the year	-5	-2	0	0	-7
As of 31 December 2024	-205	-93	-29	-2	-329
Book value					
2023-12-31	296	49	87	1	432
2024-12-31	348	76	78	1	503

Contractual maturities of lease liabilities

	2024	2023
Maturity date within 1 year	124	97
Maturity date within 1–2 years	97	83
Maturity date within 2–5 years	156	131
Maturity date over 5 years	140	133
Total contractual cash flows	517	444

Amounts recognised in the consolidated income statement

	2024	2023
Amortisation of leases	-104	-95
Interest expense on lease liabilities	-16	-13
Expenses for short-term leases	-1	-2
Total	-121	-109

Parent company

The parent company applies the exemption in RFR2, whereby the company's rental contracts are recognised as operating leases: these contracts include rental contracts for head office and vehicles.

Non-cancellable lease payments amount to

	2024	2023
Within 1 year	4	4
2–5 years	10	3
Total payment commitments	14	7
2024		
The cost of operating leases of assets for the year amounts to:	4	4
Of which rental of premises	4	4
Of which vehicles	1	1

Note 17 Shares in Group companies

Specification of the parent company's direct holdings of shares in Group companies

	Parent company	
	2024	2023
At the beginning of the year	44	44
Shareholders' contributions	50	0
Total value of acquisitions	94	44
Impairments		
At the beginning of the year	-44	-44
Accumulated impairments	-44	-44
Carrying amount at year-end	50	0

Specification of the parent company's direct holdings of shares in Group companies

Name, registered office	Town/city	Company registration number	Capital share		Number of shares		Carrying amount in the parent company	
			2024-12-31	2023-12-31	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Sdip A AB	Stockholm	559142-5110	100%	100%	500	500	0	0
Sdip Holdings AB	Stockholm	559185-5696	100%	100%	50,000	50,000	50	0
Sdip Crescent d.o.o.	Zagreb	06502018711	100%	100%	1	1	0	0

Specification of the parent company's indirect holdings of shares in Group companies

Name, registered office	Company registration number	2024-12-31	2023-12-31
Sweden			
Castella Entreprenad AB	556614-4043	100%	100%
Centralbyggarna i Åkersberga AB	556642-7984	100%	100%
Centralmontage i Nyköping AB	556709-3413	100%	100%
Cliff Models AB	556587-9193	100%	100%
Cryptify AB	556896-9090	100%	100%
Eurotech Sire System AB	556342-1071	100%	100%
Frigotech AB	556448-7121	0%	100%
Hansa Vibrations- och Omgivningskontroll AB	559076-6092	100%	100%
Heatwork Sweden AB	556720-9571	100%	100%
Hydrostandard Mätteknik Nordic AB	559002-9947	100%	100%
KSS Klimat- & Styrssystem Aktiebolag	556522-1255	100%	100%
KSS Klimat & Styrssystem AB Uppsala	556890-3172	100%	100%
KSS Klimat och Styrssystem Syd AB	559298-6656	100%	100%
Medicvent AB	556867-2249	100%	100%
One Stop Europe AB	559332-1341	100%	100%
Polyproject Environment AB	556908-6282	100%	100%
Pure Water Scandinavia AB	556613-8037	100%	100%
Rolec Services AB	559451-2823	100%	100%
Sdip Aguapura AB	559182-0542	100%	100%
Sdip Dinamito AB	559076-0996	100%	100%
Sdip Glacio AB	559074-5963	100%	100%

Note 17, cont.

Name, registered office	Company registration number	2024-12-31	2023-12-31	Name, registered office	Company registration number	2024-12-31	2023-12-31
Sweden, cont.				United Kingdom			
Sdip Modelo AB	559066-5641	100%	100%	Alerter Group Ltd	04078512	100%	100%
Sdip Monto AB	559131-0874	0%	100%	Auger Site Investigations Ltd	03088958	100%	100%
Sdip Purigado AB	559086-4343	100%	100%	Eagle Automation System Ltd	03307848	100%	0%
Sdip Sinuso AB	559084-7868	100%	100%	Elasta Ltd	06314494	100%	100%
Sdip Stucco AB	559022-1452	100%	100%	G.A.H. (Refrigeration Products) Ltd	04710309	100%	100%
Storadio Aero AB	556569-9419	100%	100%	G.A.H. (Refrigeration) Ltd	02778816	100%	100%
Strömsfors 1:3 Norrköping AB	556959-5449	100%	100%	Gwindy Ltd	07974643	100%	0%
Thors Trading AB	556277-0320	100%	100%	IDE Rental Ltd	09188454	100%	100%
Topas Vatten AB	556400-0247	100%	100%	IDE Systems Ltd	04973527	100%	100%
Topas Vatten Service AB	556819-9920	100%	100%	IDE Systems (Holdings) Ltd	09197148	100%	100%
Torslanda Maskin AB	556871-8737	100%	100%	Ingelby Ltd	12104532	100%	100%
Torslanda Personaluthyrning AB	556839-3994	100%	100%	JR Industries Ltd	00987946	100%	0%
Unipower AB	556390-7491	100%	100%	Multitech Site Holdings Ltd	08949049	100%	100%
Vera Klippan AB	556198-1746	100%	100%	Multitech Site Services Ltd	3595923	100%	100%
WaterTech of Sweden AB	556551-7298	100%	0%	One Stop Europe Ltd	09374556	100%	100%
Finland				Optyma Holding Ltd			
Ficon Oy	3147471-9	100%	100%	Optyma Security Systems Ltd	3151296	100%	100%
Heatwork Oy	555	100%	100%	Patol Holdings Ltd	14398047	100%	100%
Oy Hilltip Ab	3108511-5	100%	100%	Patol Ltd	1341651	100%	100%
Norway				Linesense Fire Detection Ltd			
Agder Industri-Automasjon AS	976853970	51%	51%	RedSpeed International Ltd	5152563	100%	100%
Heatwork A/S	555	100%	100%	RedSpeed UK Ltd	10027452	100%	100%
Rogaland Industri Automasjon AS	920325637	100%	100%	Resource Data Management Group Ltd	SC472830	100%	100%
Sdip Atlanta AS	820839412	100%	100%	Resource Data Management Ltd	SC208148	100%	100%
Denmark				Rolec Services Ltd			
ELM Kragelund AS	11477607	100%	100%	Sdip Aliro Ltd	11102789	100%	100%
Kemitech ApS	555	100%	100%	SdipCharge Ltd	13182326	100%	100%
Kemitech A/S	555	100%	100%	Sdip Holdings UK Ltd	12631252	100%	100%
Wintex Agro ApS	10014786	100%	0%	Sdip Kimra Ltd	11726181	100%	100%
Netherlands				Sdip Movebla Ltd			
CERTUS Technologies Holding B.V.	73261955	100%	100%	Sdip RoadSpeed Ltd	11722499	100%	100%
CERTUS Port Automation B.V.	58796762	100%	100%	Temperature Electronics Holdings Ltd	13891420	100%	100%
Sdip Orange B.V.	84091398	100%	100%	Temperature Electronics Ltd	00968772	100%	100%
				TEL UK Ltd	05096645	100%	100%
				Wake Power Distribution Ltd	11463510	100%	100%
				Water Treatment Products Holding Ltd	10485079	100%	100%
				Water Treatment Products Ltd	3896797	100%	100%

Note 17, cont.

Name, registered office	Company registration number	2024-12-31	2023-12-31
Italy			
Agrosistemi S.R.L.	1439280338	100%	100%
Amaltea S.A.R.L.S	1718160334	100%	100%
DadoLab Srl	08356080963	100%	0%
Mecno Services Srl	03876500277	100%	100%
Sdip Italia S.r.l.	12025040960	100%	100%
Croatia			
Metus doo dizala	24690129373	100%	100%
Miconic doo	555	100%	100%
Bosnia			
Metus Bosnia	4272175160005	100%	100%
Serbia			
Metus Serbia	21228796	100%	100%
Germany			
GAH Europe GmbH	HRB 128370	100%	100%
Hilltip GmbH	HRB 26891	100%	100%
JR Industries GmbH	HRB 9862	100%	0%
JR Property GmbH	HRB 11488	100%	0%
US			
Hilltip Inc	7772738	100%	100%
Resouce Data Management-USA Inc	480422400022	100%	100%
Israel			
Certus Imaging Technologies Ltd	515940559	100%	100%
Taiwan			
Resouce Data Management Taiwan CO Ltd		100%	100%
Malaysia			
Resource Data Management Asia Sdn Bhd	897998-H	100%	100%
New Zealand			
RedSpeed NZ Ltd	8423242	100%	100%
France			
JR Industries Sarl	410 542 138	100%	0%
Brazil			
Wintex Agro	26.749.789/0001-71	100%	0%

Note 18 Financial risks and risk management

Financial instruments

The Group's financial instruments recognised in the balance sheet comprise:

Assets: trade receivables, short-term investments and cash and cash equivalents.

Liabilities: borrowings, contingent considerations, other current liabilities and trade payables.

Transaction costs related to financial assets and liabilities recognised at fair value in the income statement are expensed directly in the income statement. Trade receivables without a significant financing component are valued at the transaction price.

Classification and valuation

Financial instruments are classified into different categories based on the Group's business model for managing them and the characteristics of the contractual cash flows. The classification determines the measurement principle.

If the maturity or expected holding period of an asset exceeds one year, it is classified as a financial fixed asset.

Financial assets measured at amortised cost

This category mainly comprises trade receivables, other current receivables and cash and cash equivalents. Assets are stated at amortised cost less any impairment losses. Discounting is only applied if the effect is material. It also includes financial investments and long-term receivables held on a hold-to-maturity basis, where the intention is to collect the contractual cash flows. These cash flows represent only payments of principal and interest on outstanding capital.

A loss allowance is calculated for financial assets measured at amortised cost; for all financial assets, except for trade receivables, the loss allowance is assessed on the basis of 12 months' expected credit losses. If the credit risk has increased significantly since initial recognition, the allowance is calculated on the basis of the expected credit losses for the remaining maturity.

For trade receivables, a simplified method is applied whereby a loss allowance is recognised corresponding to the expected credit losses over the remaining term of the contract.

Companies estimate and assess credit risk based on historical credit events, current conditions and future projections. Impairment losses are recognised separately in the income statement.

Financial assets measured at fair value through other comprehensive income Sdiptech currently has no assets classified in this category.

Financial liabilities measured at fair value through profit or loss

- Contingent considerations in business combinations.
- Put options whereby Group companies commit to purchase their own equity instruments at fair value.

These liabilities belong to valuation level 3, where the valuation is based on management's assessment of the future financial performance of the acquired businesses.

To manage currency and interest rate exposure, Sdiptech has agreements on:

- Currency futures in GBP and EUR
- Currency interest rate futures in GBP, EUR and NOK
- Interest rate futures in SEK and EUR

The fair value of forward contracts is determined on the basis of the forward exchange rate on the balance sheet date. Derivatives are recognised at fair value through the income statement under financial income and expenses.

Financial liabilities measured at amortised cost

This category includes other financial liabilities, including loans to credit institutions and bonds, trade payables and other operating liabilities. Liabilities are stated at amortised cost, with the difference between the borrowing amount (net of transaction costs) and the repayment amount being amortised over the period of the loan using the effective interest method. Trade payables have short maturities and are measured at nominal value without discounting.

Risks and uncertainty factors

The Sdiptech Group is exposed to several financial risks:

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

Financial policy

Sdiptech's Board of Directors has established a financial policy that regulates the financial strategy and division of responsibilities within the Group, funding and liquidity management, foreign exchange risk management and counterparty restrictions.

Overview of the Group's Financial Assets and Liabilities

Sdiptech uses generally accepted methods to calculate the fair value of financial instruments as of 31 December 2024 and 2023.

Promissory notes and contingent considerations refer to different types of obligations to selling parties and are linked to the performance of the acquired companies over a certain period. These liabilities are recognised at the present value of the expected outflows, and revaluations are recognised in profit or loss. See Note 3 for more information.

For other financial assets and liabilities, such as cash and cash equivalents, trade receivables and trade payables, the carrying amount is considered to be a reliable approximation of amortised cost.

Assets in the statement of financial position

	Financial assets valued at accrued acquisition cost		Financial assets measured at fair value through the income statement	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Shares and other securities	-	-	3	5
Non-current receivables	4	3	-	-
Accounts receivable	981	785	-	-
Other receivables	55	56	-	-
Cash and cash equivalents	435	549	-	-
Total	1,475	1,393	3	5

Liabilities in the statement of financial position

	Financial liabilities measured at amortised cost		Financial liabilities measured at fair value through profit or loss	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Current liabilities to credit institutions	131	103	-	-
Non-current liabilities to credit institutions	3,113	2,749	-	-
Accounts payable	364	316	-	-
Liabilities related to contingent considerations	-	-	1,320	1,193
Other current liabilities	175	132	-	-
Total	3,783	3,301	1,320	1,193

Note 18, cont.

Contingent considerations

Contingent considerations refers to various types of obligations to the selling party, which are linked to the fulfilment of financial performance targets for the acquired companies during a defined period after the acquisition. These liabilities are recognised at the present value of the expected future payments. See Note 3 for details on valuation techniques for contingent considerations.

All obligations at the balance sheet date fall due within 1–6 years.

	2024	2023
Opening book value	1,193	1,266
Liabilities incurred during the year	281	85
Purchase prices paid	-288	-186
Revaluation through operating result	5	-16
Interest costs (discounting effect)	50	39
Exchange rate differences	73	6
Closing book value	1,316	1,193

Credit risk in respect of receivables

Credit risks in trade receivables.

The Group performs an ongoing assessment of credit risks associated with trade receivables. The client base is diversified and includes both private and public sector organisations, which contributes to a good spread of risk. Exposure to individual customers is limited. At the balance sheet date, total trade receivables amounted to SEK 981 (785) million, an increase of 25 per cent, of which about half from comparable units. Provisions for future credit losses amounted to SEK 6 (10) million.

Receivables older than 60 days past due totalled SEK 72 (44) million. Provisions and utilisation of allowances for doubtful debts have been recognised in the income statement. See Note 20 for a detailed age analysis of trade receivables and provisions for expected credit losses.

A credit risk assessment of trade and other receivables is performed at each balance sheet date in accordance with IFRS 9. The assessment is based on a combination of age analysis, credit reports, the customer's historical payment patterns and other available information, such as lost contracts, changes in management functions and other company-specific data. A macroeconomic analysis of sectoral and country-specific risks is also conducted.

No allowance for losses has been recognised for other receivables as the credit risk is deemed to be immaterial.

Credit risk in financial management primarily arises when investing liquid assets. No surplus liquidity was invested during the financial year, and therefore there is no credit risk.

Liquidity risk and financing risk

Liquidity risk refers to the risk that the Group is unable to meet its payment obligations as they fall due, while funding risk refers to the risk that the Group's capital requirements cannot be met on favourable terms.

In order to diversify funding sources, in August 2023 Sdipotech issued SEK 600 million of senior secured sustainability-linked bonds under a SEK 1,000 million framework. A further SEK 200 million was issued under the same framework in November 2024. The bonds mature in August 2027, and the final redemption amount at maturity may be affected by the Group's sustainability targets.

As of 31 December 2024, the total utilized credit volume amounted to approximately SEK 1,870 million, within a total credit facility of SEK 2,600 million. All loans mature in May 2026 and carry variable interest rates with intervals of 3 to 6 months. Refinancing negotiations are ongoing and are expected to be completed during the second quarter of 2025.

The Group endeavours to achieve a balanced capital structure through a combination of equity, debt financing and liquidity to ensure funding at a competitive cost of capital. At year-end, interest-bearing liabilities amounted to 43.7 per cent (44.4 per cent) of the balance sheet total.

Interest-bearing liabilities also include contingent considerations, which are classified as financial liabilities in the consolidated financial statements and are discounted, even though the underlying liabilities are interest-free.

Ränterisk

Ränterisk definieras som risken för att förändringar i räntenivåer påverkar koncernens finansnetto och resultat negativt.

Ränterisker påverkar koncernen på två huvudsakliga sätt; genom värdeförändringar i räntebärande tillgångar eller förändringar i upplåningskostnader.

To manage this risk, the Group regularly evaluates the possibility of fixing the interest rate on all or part of its loans. At year-end, all bank loans were at floating rates in 3–6 month intervals.

To reduce interest rate exposure, the Group has entered into interest rate swap agreements covering approximately 40% of the utilized credit volume, including bond debt, with a maturity of 2–4 years. For detailed information on interest-bearing liabilities and their maturity, see Note 23.

Some of the Group's credit agreements are linked to sustainability targets, which means that the contracted interest rate margin can be adjusted upwards or downwards depending on the outcome.

Sdipotech has no long-term surplus liquidity and normally invests funds only in short-term bank deposits. As a result, there is no significant interest rate risk associated with the Group's cash and cash equivalents. Changes in interest rates mainly affect the company's borrowing costs, therefore.

The Group measures interest rate risk by calculating the effect of a 1 per cent increase in interest rates on liabilities to credit institutions at year-end. According to this model, interest costs would increase by approximately SEK 12.8 million (SEK 12.8 million), including the effect of forward rate agreements.

Currency risk

Currency risk refers to the risk that exchange rate fluctuations will have a negative impact on the Group's earnings and equity expressed in SEK. The Group's primary currency risks are linked to its foreign subsidiaries and arise from:

- Transaction exposure – when income and expenses are denominated in currencies other than the functional currency of the individual company.
- Translation exposure – when the assets and liabilities of foreign subsidiaries are translated into the functional currency of the parent company.

Note 18, cont.

The Group's earnings are particularly sensitive to changes in the GBP/SEK exchange rate. A 10 per cent change in the average exchange rate of all currencies against the Swedish krona (SEK) would impact:

- Operating profit by approximately SEK 85 million (SEK 75 million).
- Profit before tax of approximately SEK 51 million (SEK 46 million), excluding unrealised currency effects from internal and external loans and forward exchange contracts.

Sdipotech has entered into currency futures in GBP and EUR in order to reduce its currency exposure. These volumes totalled the equivalent of around SEK 651 million and SEK 471 million respectively at the end of the period. Derivatives are recognised at fair value under financial income and expenses in the income statement.

Currency exposure in operating result

	2024	2023
GBP	49	43
EUR	16	16
NOK	4	3
DKK	13	8
Other currencies	2	5

In an internationally operating group like Sdipotech, it is essential to offer customers and suppliers payment options in their local currency. This means that the Group continuously manages currency risks related to accounts receivable and accounts payable in foreign currencies. However, the risk exposure is limited, as the majority of sales of infrastructure-related products and services take place locally within the countries where Sdipotech operates.

The total currency exposure of the Group is shown in the following table showing the Group's gross exposure. Assets and liabilities are shown for each underlying accounting currency, of which the Group's central debt is included in the SEK item below.

A 10 per cent strengthening of SEK against EUR would affect equity by around SEK -9 (-13) million. A 10 per cent strengthening of SEK against GBP would affect equity by SEK -140 (-102) million when translating the currency exposure of net investments in foreign subsidiaries.

Gross exposure in foreign currency

	Gross assets		Gross liabilities	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
GBP	6,317	4,607	4,927	3,568
EUR	2,217	1,864	2,013	1,701
SEK	10,332	9,978	7,615	7,323
Other currencies	944	769	699	668
Total	19,810	17,219	15,254	13,259

Foreign currency loans and swaps presented in SEK

Currency	Gross liabilities	
	2024-12-31	2023-12-31
GBP	1,579	1,493
EUR	1,195	865
NOK	170	173
Total	2,943	2,531

Translation exposure in the statement of financial position

A single subsidiary should not normally have any translation risk in its own balance sheet. This means that the subsidiary's foreign currency assets and liabilities should be balanced. As a rule, subsidiaries finance their borrowings in their own currency. In practice, however, this becomes relevant mainly in the case of loans taken out in connection with acquisitions, or in the case of loans between subsidiaries and parent companies.

As a large part of the Group's assets in the form of equity are held in foreign subsidiaries, some currency hedging takes place by partially distributing the Group's loans in foreign currency. This corresponds to part of the loans taken out in connection with the acquisition of foreign Group companies.

The translation exposure in the group's equity can be significant during periods of substantial exchange rate fluctuations, with the largest exposures in GBP and EUR.

The table below shows the distribution of currency exposure in equity for the most significant currencies, expressed in local currency.

Currency exposure in equity

	2024-12-31	2023-12-31
GBP million	165	128
EUR million	44	32
NOK million	118	117
DKK million	84	94

The impact of the year's translation differences is shown in other comprehensive income.

Note 19 Inventories

Accounting policies

Inventories are valued at the lower of cost or net realisable value. The acquisition value is determined on a first-in, first-out (FIFO) basis; or by a weighted average value, if this is assumed to be close to the FIFO value. The cost of finished goods and work in progress includes raw materials, direct labour costs, depreciation, other direct costs and overheads related to the goods, but excludes interest costs.

Net realisable value is defined as the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Deductions are made for finished goods and spare parts that are old, obsolete or have a low turnover rate. This deduction is based on the book value of the inventory and is recognised in the consolidated statement of financial position.

	Group	
	2024	2023
Commodities and consumables	517	449
Finished products and finished stocks	216	185
Total inventories	733	635

Inventories increased by 15 per cent during the financial year, with units acquired during the year contributing to the increase, while comparable units decreased. SEK 6 (5) million was written off for obsolescence during the year.

Note 20 Trade receivables

Accounting policies

Trade receivables are initially recognised at fair value and subsequently adjusted to the amount expected to be received following an assessment of provisions for expected credit losses. This valuation is based on a forward-looking and objective review of all outstanding amounts at the end of the period. A simplified procedure has been introduced for trade receivables in accordance with IFRS 9, whereby provisions are recognised under other external costs in the consolidated income statement and based on expected credit losses over the remaining life of the receivables. Recoveries of amounts previously written off are credited to other external charges in the income statement.

As the Group consists of approximately 60 operating companies, the item trade receivables contains many smaller amounts. The Group's trade receivables normally have a remaining life of less than 6 months and are therefore classified as current assets.

The cost recognised in the income statement for bad debts and doubtful debts amounts to SEK 7 (6) million.

The Group normally has no collateral for trade receivables. The customer base consists of a good mix, ranging from private operators to major corporations, municipalities and public authorities, resulting in low credit risk for the Group. This is reflected in the historical credit quality, where outstanding trade receivables are assessed as very good. There are no significant credit concentrations. Provisions for doubtful trade receivables are made individually in accordance with internal regulations, normally when receivables are more than 60 days past due. The provision for doubtful trade receivables and actual bad debt losses is included in Other external costs.

	Group	
	2024	2023
Accounts receivable not due for payment	679	541
Accounts receivable less than 30 days past due	192	174
Accounts receivable less than 31–60 days past due	44	37
Accounts receivable less than 61–90 days past due	21	12
Trade receivables more than 90 days past due	51	31
Subtotal, trade receivables	987	795
Provisions for doubtful debts		
Opening balance reserve for doubtful debts	-10	-6
Provision for doubtful debts through profit or loss	-1	-3
Recognised losses	5	-1
Closing balance reserve for doubtful debts	-6	-10
Total trade receivables	981	785

Note 21 Prepaid expenses and accrued income

	Group		Parent company	
	2024	2023	2024	2023
Prepaid rent/leasing	13	11	1	1
Prepaid insurance	13	11	0	0
Accrued income	101	160	-	-
Advance payments	18	8	-	-
Prepaid credit fees	13	14	12	11
Other items	38	26	2	2
Total	196	230	15	14

Not 22 Supplementary information on the cash flow statement and cash and cash equivalents

Cash and cash equivalents

Cash and cash equivalents in the balance sheet include cash in banks and available cash.

Cash and cash equivalents in the balance sheet and cash flow statement include cash and bank balances as shown in the table below.

	Group		Parent company	
	2024	2023	2024	2023
Cash and bank balances	435	550	13	7
Total	435	550	13	7

Interest paid and received

	Group		Parent company	
	2024	2023	2024	2023
Interest received	2	5	17	14
Interest paid	-196	-171	-54	-18
Total	-194	-166	-36	-4

Adjustments for items not included in cash flow

	Group		Parent company	
	2024	2023	2024	2023
Depreciation and write-down of assets	344	302	1	1
Unrealised exchange-rate differences	-52	-30	-	-
Other provisions	8	1	-	-
Interest and revaluation of contingent considerations	56	23	-	-
Other	3	10	-2	-
Total	359	306	-1	1

Note 23 Share capital and other paid-in capital

Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are recognised in equity as a deduction from the issue proceeds.

Preference shares are classified as equity. Sdipotech has the option of deciding on the redemption of preference shares. Dividends on preference shares require a resolution of the general meeting. Holders of preference shares have no right to call for redemption or claim dividends.

Earnings per share

Earnings per share are calculated on the basis of the profit for the year attributable to equity holders of the parent, divided by the weighted average number of shares outstanding during the year.

In calculating diluted earnings per share, the average number of shares is adjusted to take into account the effect of potentially dilutive ordinary shares through share-based payment programmes for employees, for example. Dilution occurs only if the exercise price is lower than the market price and increases in scope as the difference increases.

Group

The shares have a quota value of SEK 0.025 per share. Class B ordinary shares carry one vote per share, while Class A ordinary shares carry ten votes per share.

Equities

Sdipotech's shares have been issued in accordance with Swedish law and are registered with Euroclear Sweden AB, "Euroclear", in electronic form. Euroclear also maintains the company's share register. All shares are denominated in Swedish kronor (SEK) and are fully paid up.

According to the Articles of Association, the company's share capital must amount to a minimum of SEK 500,000 and a maximum of SEK 2,000,000, divided into a minimum of 20,000,000 and a maximum of 80,000,000 shares. According to the Articles of Association, the company can issue three classes of shares: ordinary shares, class B ordinary shares and preference shares.

A total of 1,424,000 Class A ordinary shares (ISIN: SE0003756741), 36,567,938 class B ordinary shares (ISIN: SE0003756758) and 1,750,000 preference shares were issued on 31 December 2024. As of 31 December 2024, the share capital in Sdipotech amounted to SEK 993,548 divided into 39,741,938 shares, each with a quota value of SEK 0.025.

Number of ordinary shares

	Group		Parent company	
	2024	2023	2024	2023
Opening balance at 1 January	37,991,938	37,801,348	37,991,938	37,801,348
New share issue	-	190,590	-	190,590
Closing balance at 31 December	37,991,938	37,991,938	37,991,938	37,991,938

Number of preference shares

	Group		Parent company	
	2024	2023	2024	2023
Opening balance at 1 January	1,750,000	1,750,000	1,750,000	1,750,000
Closing balance at 31 December	1,750,000	1,750,000	1,750,000	1,750,000

Management of capital

Sdipotech is a technology group that acquires and develops companies in the infrastructure sector. The business has enjoyed continuous growth and good profitability over the past decade. The company is organised into two business areas: Resource Efficiency and Special Infrastructure Solutions.

Sdipotech's success is based on a combination of in-depth market insight, technical expertise and business development, together with a long-term ownership perspective. This strategy has enabled both organic growth and expansion through the acquisition of entrepreneurial and industry-leading companies within the Group's business areas.

Note 23, cont.

To strengthen the company's financial readiness to carry out strategic acquisitions, Sdiptech has raised capital and issued new shares on a number of occasions:

On 11 February 2015, the Company's Board of Directors decided to offer institutional investors and the general public in Sweden the opportunity to subscribe for preference shares corresponding to SEK 100 million with deviation from shareholders' preferential rights. This offer was extended on 19 February 2015 to include 1,750,000 preference shares corresponding to SEK 175 million. The offer was directed to the general public and institutional investors and expired on 20 February 2015. Around 1,800 private individuals and institutional investors were allocated preference shares in Sdiptech within the framework of the offer. Sdiptech received SEK 175 million in total before issue costs.

In February 2016, additional raising of capital was carried out in the form of a directed share issue to key personnel at Sdiptech and shareholders in the related company Serendipity Ixora AB. A total of 1,076,924 Series B ordinary shares were issued at a price of SEK 65 per share, whereby the company received SEK 70,000,060 and the share capital increased by SEK 26,923.1.

Sdiptech's Series B ordinary share was listed on First North Premier on 12 May 2017 and at the same time a new share issue of SEK 500 million (before expenses) was carried out in order to finance future acquisitions.

On 9 June 2020, a directed cash issue of 3,364,182 class B shares took place at a subscription price of SEK 105.00 per share. The Directed New Share Issue provided the company with proceeds of around SEK 353 million before deduction of issue costs.

On 3 March 2021, 222,100 class B shares were subscribed for through a new issue attributable to the exercise of warrants in the first of the three series introduced as a long-term incentive programme for Sdiptech managers and senior executives, and adopted in accordance with the extraordinary general meeting on 5 March 2018 (see also Note 7). This issue provided the company with SEK 13.3 million in equity.

On 9 March 2021, a directed cash issue of 1,500,000 class B shares took place at a subscription price of SEK 315 per share. The Directed New Share Issue provided the company with proceeds of around SEK 473 million before deduction of issue costs.

On 8 March 2022, 216,100 class B shares were subscribed for through a new issue attributable to the exercise of warrants in the second of the three series introduced as a long-term incentive programme for Sdiptech managers and senior executives, and adopted in accordance with the extraordinary general meeting on 5 March 2018 (see also Note 7). This issue provided the company with SEK 14.5 million in equity.

On 5 July 2022, a share issue in kind of 21,321 class B shares took place. This issue took place as part of the purchase price for the acquisition of Resource Data Management Ltd (see Note 3). The value of the shares was calculated at GBP 500,000, which at the time of acquisition corresponded to SEK 6,170,510.61 or SEK 289.41 per share. Payment has been made through the contribution of shares at an equivalent value.

On 16 November 2022, a directed cash issue of 2,200,000 class B shares took place at a subscription price of SEK 230 per share. The directed share issue took place with deviation from the existing owners' preferential rights following a decision made by the Board of Directors based on the authorisation from the Annual General Meeting on 18 May 2022. The Directed New Share Issue provides the company with proceeds of around SEK 506 million before deduction of issue costs.

On 3 March 2023, 190,590 class B shares were subscribed for through a new issue attributable to the exercise of warrants in the third of the three series introduced as a long-term incentive programme for Sdiptech managers and senior executives, and adopted in accordance with the extraordinary general meeting on 5 March 2018 (see also Note 7). This issue provided the company with SEK 14.4 million in equity.

Terms of preference share

In March 2015, 1,750,000 preference shares were issued at an issue price of SEK 100 per share. Dividends amount to SEK 8 per year, divided into quarterly payments. The redemption price is SEK 120 for 0–24 months after issue, SEK 110 for months 25–48, and SEK 105 thereafter. Dividends on preference shares require a resolution of the general meeting. Holders of preference shares have no right to call for redemption or claim dividends.

Dividends

After the balance sheet date, the Board of Directors has submitted the following proposal for the appropriation of profits.

The Annual General Meeting has at its disposal (SEK):

Share premium reserve	2,094,236,582
Retained earnings	212,135,480
Profit for the year	6,964,893
Total	2,313,336,955

The Board of Directors proposes the following appropriation of profits:

Dividend to preference shares*	14,000,000
Profit/loss carried forward**	2,299,336,955
Total	2,313,336,955

*Dividends on preference shares are regulated by 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.

**Of which SEK 2,094,236,582 is transferred to the share premium reserve.

Note 24 Interest-bearing liabilities

Group interest-bearing liabilities

Non-current liabilities	2024	2023
Liabilities to credit institutions	1,910	1,803
Bond liabilities	811	600
Leasing liabilities	393	344
Contingent considerations *	910	932
Other liabilities**	4	2
Total	4,027	3,681

Current liabilities	2024	2023
Liabilities to credit institutions	10	8
Leasing liabilities	120	94
Contingent considerations *	406	261
Other liabilities**	1	1
Total	537	365

* Present value of expected payment

** Includes non-interest bearing loans that are classified as interest bearing, as they are by their nature part of the Group's debt financing

Repayment periods, contractual values

As of 31 December 2024	2025	2026	2027–2029	2030 –
Liabilities to credit institutions*	10	-	2,992	-
Leasing liabilities	124	97	156	140
Contingent considerations	411	384	467	87
Accounts payable	364	-	-	-
Other interest-bearing liabilities	1	4	-	-
Total	910	485	3,615	227

*The Group's liabilities to credit institutions essentially consist of the Group's credit facility via Nordea, which at the balance sheet date is divided into SEK, EUR and GBP. An average interest rate on debt to credit institutions is estimated to be 6.4 per cent, excluding the effect of interest rate futures.

As of 31 December 2023	2024	2025	2026–2028	2029 –
Liabilities to credit institutions*	8	-	2,664	-
Leasing liabilities	97	78	125	133
Contingent considerations	268	327	606	112
Accounts payable	316	-	-	-
Other interest-bearing liabilities	1	2	-	-
Total	690	407	3,395	245

*Group liabilities to credit institutions consist of several contracts with different maturities. An average interest rate on debt to credit institutions is estimated to be 6.0 per cent, excluding the effect of interest rate futures.

Loan agreements

The Group's long-term credit line totals SEK 2,600 million. The total volume of credit drawn down under the framework as at 31 December 2024 amounted to SEK 1,870 million. These contracts carry variable interest rates at 3–6 month intervals.

The interest on the credit facilities is variable and based on IBOR according to the lending currency, plus a variable margin that is adjusted in relation to the Group's net debt in proportion to EBITDA. IBOR can amount to a minimum of 0, which means that negative interest rates do not take effect. As a complement, the Group has agreements on interest rate swaps, corresponding to approximately 40 per cent of the utilised credit volume, including bond debt, with a maturity of 2–4 years in order to reduce interest rate exposure.

The loan agreement includes financial covenants that the Group must fulfil. Additionally, part of the agreed credit volume is linked to the Group's sustainability targets, where target fulfilment can affect the interest margin. The credit facilities may be cancelled for repayment if the conditions are not met.

The variable interest margin on the loan agreement varies between 2.4 per cent and 4.5 per cent, and the average interest rate for the financial year 2024 was 6.4 per cent (6.0) excluding the effect of forward rate agreements. The loans are recognised under Long-term loans to credit institutions and Current liabilities to credit institutions. In addition to the Group's central credit facility, loans raised by the Group's subsidiaries outside the central facility are also included, which as at 31 December 2024 amounted to SEK 45 (51) million.

In 2023, Sdiptech issued SEK 600 million senior secured sustainability-linked bonds under a SEK 1,000 million framework, with the aim of diversifying the company's funding. In November 2024, additional sustainability-linked bonds of SEK 200 million were issued under the same framework. The bonds mature in August 2027 and carry a floating interest rate of 3m Stibor +4.90 per cent. The link to the Group's sustainability goals affects the final redemption amount at maturity, depending on the outcome.

The amounts recognised, by currency, for the Group's borrowings are as follows:

	Group	
	2024	2023
GBP	575	574
SEK	2,111	1,900
Total	2,686	2,474

*Refers to the Group's central facility only. EUR and GBP have been converted to SEK in the table.

Group's change in cash flow affecting items in financing activities

	Of which affecting cash flow			
	Bank loans	Bond	Other liabilities	Leases
Opening balance, 01/01/2023	1,933	-	2	363
Cash flow	-189	600	1	-77
New lease agreements	-	-	-	96
<i>Items not affecting cash flow</i>				
Acquisitions	18	-	-	53
Exchange differences	48	-	-0	3
Closing balance, 31/12/2023	1,810	600	3	438
Cash flow	30	211	2	-106
New lease agreements	-	-	-	136
<i>Items not affecting cash flow</i>				
Acquisitions	31	-	-	32
Exchange differences	50	-	-0	13
Closing balance, 31/12/2024	1,920	811	5	513

Note 25 Accrued expenses and deferred income

	Group		Parent company	
	2024	2023	2024	2023
Accrued salaries and holiday pay	90	81	11	10
Accrued social security charges	16	18	4	3
Prepaid income	118	91	-	-
Accrued pension costs	4	4	-	-
Accrued interest expense	27	20	5	5
Short-term guarantees	19	9	-	-
Accrued discounts	12	16	-	-
Accrued costs, subcontractors	3	3	-	-
Provisioning for credits	7	-	-	-
Other accrued expenses	59	34	4	3
Total	355	275	24	21

Other accrued expenses refer mainly to accrued expenses.

Note 26 Pledged assets and contingent liabilities

	Group	
	2024	2023
Corporate mortgages	50	38
Other contingent liabilities	1	3
Total	51	40

Pledged assets refers mainly to collateral linked to the Group's central credit facility.

Note 27 Transactions with associates

Purchases and sales between business units within the Group have occurred only to a limited extent. Investments with and borrowings from Group companies have been made on market terms.

There are transactions with related parties at the respective subsidiaries within the Group, mainly concerning the renting of premises. All contracts have been concluded under normal commercial and market conditions.

There are no other transactions with related parties.

Transactions with key senior executives

Apart from what is stated in Note 7 Remuneration to the Board of Directors and senior executives, there have been no significant transactions with related natural persons.

Note 28 Receivables from group companies and other non-current receivables

Receivables from Group companies

	Parent company	
	2024	2023
Opening acquisition cost	2,578	2,062
Additional intra-Group loan receivables	561	676
Repayments	-225	-53
Reclassification from non-current to current	-117	-66
Accrued and capitalised interest	14	10
Revaluation of foreign currency receivables	97	-51
Closing acquisition cost	2,908	2,578

No credit loss reserve has been recognised for consolidated receivables, as future credit losses have been deemed immaterial for the parent company.

Note 29 Information about the parent company

Information about the parent company, Sdipotech AB (publ.), corporate identity number 556672-4893, is the parent company of the Group. The company has its registered office in Stockholm in the County of Stockholm, and is a limited liability company under Swedish law.

Address of head office:
Sdipotech AB (publ.), Nybrogatan 39, 114 39 Stockholm, Sweden

Note 30 Significant events after the balance sheet date

Acquisitions

Sdipotech AB (publ.) acquired all shares in the British company Phase 3 Connectors Ltd on 10 February 2025. The company is a leading supplier of robust and reliable high-current connectors, designing, manufacturing and supplying high-quality single-pole power connectors for the industrial and events sectors, meeting the highest standards of safety and performance both in the UK and internationally. Phase 3 was founded in 2004 and its head office is in Liverpool in England. Phase 3 has a wide range of applications, such as live events, data centre backup power and other industrial power settings, making them an important partner for industries that need high-current power solutions. The company has an annual EBIT of around GBP 3 million.

Phase 3 will become part of the Energy & Electrification business area as of February 2025. Sdipotech will pay GBP 18 million on the closing date, which will be financed from its own funds and an existing credit facility. The final purchase price, which will be settled at the end of a four-year earn-out period, is dependent on the company's performance.

Signatures

The Board of Directors and Chief Executive Officer certify that the annual accounts have been prepared in accordance with generally accepted accounting policies in Sweden, and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and the consolidated accounts provide a true and fair view of the position and earnings of the parent company and the Group. Nothing of material importance has been omitted that would affect the view of the company created by the annual report. The Directors' report for the parent company and the Group provides a true and fair view of the development of the operations, financial position and earnings of the parent company and the Group and describes significant risks and uncertainties to which the parent company and Group companies are exposed.

As stated above, the annual accounts and consolidated accounts were approved for issue by the Board of Directors and the Chief Executive Officer on 11 April 2025. The consolidated statements of income and other comprehensive income and the statement of financial position and the parent company's income statement and balance sheet will be subject to approval by the Annual General Meeting on 19 May 2025.

Stockholm, 11 April 2025

Bengt Lejdström
Chief Executive Officer

Kristina Schauman
Board member

Johnny Alvarsson
Board member

Jan Samuelson
Chairman

Joakim Landholm
Board member

Birgitta Henriksson
Board member

Our Auditors' Report was presented on 11 April 2025
Öhrlings PricewaterhouseCoopers AB

Anna Rosendal
Authorised Public Accountant Principal
Accountant

Andreas Skogh
Authorised Public Accountant, co-signatory

Definitions of key figures and explanations

Definitions, alternative key figures

EBITDA

Operating result before depreciation and amortisation.

Adjusted EBITDA

Adjusted EBITDA is calculated as EBITDA before acquisition costs and divestment costs and before results from revaluation of contingent considerations and capital gains/losses from divestments, items affecting comparability regarding non-material corrections of previous years in the subsidiaries.

EBITA

Operating profit after depreciation of tangible assets before impairment.

The key figure enables profitability to be compared over time regardless of amortisation and impairment of acquisition-related intangible assets and independently of the corporate tax rate and the company's financing structure. However, depreciation of tangible assets is included, which is a measure of the consumption of resources necessary to generate the profit.

Adjusted EBITA

Adjusted EBITA is the Group's operational performance measure and is calculated as EBITA before acquisition costs and divestment costs and before results from revaluation of contingent considerations and capital gains/losses from divestments, items affecting comparability relating to non-material corrections of previous years in the subsidiaries, and less depreciation, amortisation and impairment losses that are not related to acquisitions but originate from the operational units' intangible assets.

This 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 internal monitoring and constitutes a central financial target for the organisation.

Adjusted EBITA margin

Adjusted EBITA in relation to net sales.

Net debt/adjusted EBITDA

Net debt at the balance sheet date, in relation to adjusted EBITDA for the last four quarters. Net debt includes current and non-current interest-bearing liabilities less cash and cash equivalents. Parts of the interest-bearing liabilities are related to the contingent consideration for acquisitions, which is settled at the end of the vesting periods depending on performance during these periods. Payment of the debt at the full current book value requires a higher level of earnings than the current level.

Net financial debt/EBITDA

Calculated as net financial debt on the balance sheet date to credit institutions and other financial liabilities, e.g. outstanding bonds, as well as lease liabilities, which for the Group are largely made up of discounted rental contracts in respect of premises, in relation to adjusted EBITDA for the last four quarters. Net financial debt includes current and non-current interest-bearing liabilities less cash and cash equivalents, but excludes interest-bearing liabilities related to the contingent considerations for acquisitions.

Capital employed

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

Return on capital employed (ROCE)

Calculated as EBITA for the last four quarters at the relevant closing date, in relation to the average capital employed for the last four quarters at the closing date.

Return on equity

Calculated as the average profit after tax attributable to shareholders, adjusted for dividends to preference shares, for the last four quarters, in relation to the average equity attributable to shareholders adjusted for preference capital for the last four quarters at the balance sheet date.

Cash flow generation

Calculated as cash flow from operating activities against profit before tax adjusted for non-cash items.

Earnings per ordinary share

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

Definitions: sustainability

ESG

Environmental, Social and Governance covers environmental, social responsibility and corporate governance.

Physical climate risks

Physical climate risks arise as a consequence of global warming due to increased greenhouse gas emissions. They involve an increased incidence of extreme weather but also rising sea levels, soil erosion and other similar events.

GHG Protocol

"GHG Protocol" stands for the GREENHOUSE GAS PROTOCOL and is the most widely used standard for calculating and reporting a corporate greenhouse gas emissions.

Definitions of key figures and explanations, cont.

Sustainable Development Goals

The Sustainable Development Goals are part of the 2030 Agenda. Each of the 17 Sustainable Development Goals has 169 targets. With the Sustainable Development Goals, world leaders have committed to ending extreme poverty, reducing inequalities and injustices in the world and resolving the climate crisis by 2030.

GRI

GRI stands for GLOBAL REPORTING INITIATIVE, which is an international sustainability reporting standard.

Green finance

Environmental finance with a view to contributing to a more sustainable society through green loans and green bonds, for example.

Transition risks

Transition risks, also known as transformation risks, refer to risks arising from the transition towards a more sustainable society. Transition risks are risks arising from changes in legislation, changes in demand for products and services, changes in customer behaviour or other structural changes that occur in order to make the switch to a climate-neutral economy in order to counteract global warming.

SBTi

The Science Based Targets initiative provides a clearly defined route for companies to reduce greenhouse gas emissions. Targets are regarded as being science-based if they are in line with what the latest climate science considers necessary to fulfil the goals of the Paris Agreement: to limit global warming to 1.5 °C above pre-industrial levels. Science-based targets come from the Science-Based Targets initiative.

SDG

The Sustainable Development Goals (SDGs) were adopted by UN member states in 2015 as part of the 2030 Agenda. These goals represent a universal call for action to eradicate poverty, protect the planet and ensure that all people experience peace and prosperity by 2030. The 17 goals are integrated, meaning that progress in one area affects outcomes in others, and they are designed to leave no one behind.

CSRD

The Corporate Sustainability Reporting Directive (CSRD) is an EU initiative aimed at improving and standardising companies' reporting on social and environmental issues. The Directive, which came into force in January 2023, expands the scope of companies that have to report on sustainability issues, including large companies, listed SMEs and certain non-EU companies operating in the EU. The CSRD introduces the concept of "dual materiality", which means that companies have to report both how sustainability issues affect their operations and how their operations in turn affect society and the environment.

Scope (1, 2 and 3)

Scope 1 – All direct emissions from an organisation's activities or under their control. Including on-site fuel combustion such as petrol boilers, vehicle fleet and air conditioning leakage.

Scope 2 – Indirect emissions from electricity purchased and used by the organisation. Emissions are created during energy production and gradually used by the organisation.

Scope 3 – All other indirect emissions from the organisation's activities, from sources it does not own or control. These are usually the largest share of the carbon footprint and cover emissions related to business travel, procurement, waste and water.

TCFD

TCFD stands for Taskforce on Climate-related Financial Disclosures. This is a framework for identifying companies' climate-related financial risks and opportunities.

Whistleblower

When other channels are not appropriate, an employee who discovers or suspects irregularities or other misconduct in the Group may use Handelsbanken's special whistleblower system, where identity protection is guaranteed as far as legally possible.

Audit report

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail. Unofficial translation

To the general meeting of Sdiptech AB, co. reg. no. 556672-4893

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sdiptech AB (publ) for the year 2024 except for the corporate governance statement on pages 59-62.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 59-62. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Sdiptech AB is a technology Group that acquires and develops companies in the infrastructure sector with the vision to create more sustainable, effective and safe societies. Sweden and the United Kingdom are Sdiptech's main markets but the company also has operations in Finland, Norway, Denmark, the Netherlands, Croatia and Italy. The Group's operations have during 2024 been organised into two Business Areas – Resource Efficiency and Special Infrastructure Solutions, which make up the Group's segments.

In order to tailor our overall audit approach, we have updated our understanding of how the Group's business is organized, about important systems and processes as well as the internal controls put in place to provide comfort to management and the directors with respect to precision of the financial reporting.

For this purpose, we have held interviews with management at various levels of the Group, including management on Group level and obtained and read governing documents, reports, risk and control matrices and other relevant documentation. With all of this as a starting point and for the purpose of expressing an opinion on the consolidated accounts, we decided that approximately 25 operating units were the most important and should be in scope for the Group audit. Most subsidiaries of the Group are also subject to statutory audit requirements. Our audit is carried out continuously during the year. In 2024, with respect to the closings for the third quarter and year-end, we reported our observations to Group management and the Audit Committee. At year-end, we also reported our main observations to the entire Board of Directors. For the third quarter 2024, we issued a limited review report.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Measurement of goodwill and intangible assets with an indefinite life including acquired intangible assets

The majority of Sdipotech's intangible assets have been acquired externally, mostly through acquiring businesses and represent significant amounts. Assets with indefinite useful life such as goodwill are not subject to yearly depreciation. Instead, an annual test will show whether the carrying amount for the cash generating unit can still be supported.

Sdipotech has acquired several businesses containing intangible assets during 2024. There are a number of instances where management's judgment is decisive for the intangible assets' potential to generate future cash flows and other assumptions are also decisive when preparing the annual impairment tests.

Notes 13 and 14 contains additional information on the Group's intangible assets and the significant assumptions applied in the annual impairment tests. In note 3 there is additional information about business combinations, accounting principles and acquired intangible assets.

Measurement of earn-out liabilities

With respect to acquisitions made by Sdipotech, there is usually an arrangement where part of the purchase price is linked to the acquired company's financial performance over a fixed period after the acquisition. Earn-out liabilities are reported as financial liabilities at fair value at the time of acquisition and constitute significant amounts. The liability is revalued at each reporting date and the change is reported in profit for the year. Measurement of earn-out liabilities is based on calculations and assumptions that are associated with inherent complexity.

In note 3 there are disclosures linked to earn-out liabilities and underlying valuation methodology

How our audit addressed the Key Audit Matter

Our audit included but was not limited to the following activities:

- Assessed the model used by the Group for impairment testing and evaluated the significant assumptions for establishing forecasted cash flows and discount interest rates used for calculating the value-in-use of the cash generating units. In our evaluation, we have compared with the historic business performance and the Group's forecasts and strategic planning as well as with external data sources when possible and relevant.
- Evaluated whether the purchase price allocations of the significant acquisitions made during the year meet the requirements of IFRS and have been prepared according to generally accepted practices. Assessed that significant Management's estimates of the assumptions used to measure values of acquired assets are reasonable.
- Traced disclosure information to accounting records and other supporting documentation.

Our audit included but was not limited to the following activities:

- Assessed the Group's valuation model of earn-out liabilities including key assumptions used when calculating fair value.
- Assessed management's judgements with respect to significant earn-out liabilities considering for instance updated forecasts.
- Traced disclosure information to accounting records and other supporting documentation.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-5, 7-17, 19-27, 46, 55-58, 106-112 and 123-126 as well as the statutory sustainability report on pages 28-45 and 113-126. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and statutory requirements**The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss****Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Sdiptech AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report**Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Sdiptech AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements. In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sdiptech AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls.

The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor’s examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 59-62 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR’s auditing standard RevR 16 The auditor’s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97, was appointed auditor of Sdiptech AB (publ) by the general meeting of the shareholders on 22 May 2024 and has been the company’s auditor since 18 May 2020.

Stockholm 14 April 2025
 Öhrlings PricewaterhouseCoopers AB

Anna Rosendal

Authorized Public Accountant
 Auditor in charge

Andreas Skogh

Authorised Public Accountant
 Co-signing auditor



Sustainability notes

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EU's Green Taxonomy

In 2019, the European Commission presented a new growth strategy, the European Green Deal, which seeks to make Europe climate neutral by 2050 and promote economic growth by maximising the efficient and sustainable use of natural resources. Regulation (EU) 2020/852 of the European Parliament and of the Council (EU Green Taxonomy Regulation) was established to create a common classification system for environmentally sustainable economic activities. The aim is to scale up sustainable investments and reallocate capital flows to technologies and activities that are considered sustainable.

Sdiptech supports the ambitious goals set by the EU taxonomy. The current regulation focuses on economic activities with a high impact on combating and mitigating climate change. Sdiptech's services and goods are covered by the taxonomy criteria to some extent. However, the EU taxonomy is still under development, and it is important to recognise that current legislation does not cover all sustainable activities in the market. For the transition to zero carbon emissions, the Regulation focuses on the most carbon-intensive industries, as well as on green energy and innovation.

Sdiptech is not the main target group of the current Regulation, as our business units exposed to these industries are profoundly niche and mainly fall under the activities enabling green energy and innovation, which is currently a very limited segment in the Regulation. In addition, a large part of Sdiptech's activities are focused on social sustainability, primarily safety, which is not covered at all by the Taxonomy. Consequently, Sdiptech has only a few relevant activity categories to report, which means that the key performance indicators covered by the taxonomy for 2024 are relatively low. Sdiptech's 2024 annual report describes the Group's sustainability goals and current position, including data on greenhouse gas emissions and climate impact beyond the requirements of the EU taxonomy in general. We will regularly update our taxonomy reporting accordingly in the future as the Regulation is still under development and is expected to be extended to other areas more relevant to our products and activities.

Accounting policies Article 10 of the European Commission Regulation supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council (published on 6 July 2021) states that non-financial corporations shall only disclose the share of economic activities covered by the taxonomy and not covered by the taxonomy in their total turnover and total capital and operating expenditure, as well as relevant qualitative information in the reporting. One of the main goals of the EU taxonomy is to prevent greenwashing. Sdiptech has adopted a cautious approach in reporting taxonomy-eligible figures so that no items not specifically mentioned in the taxonomy are included.

Disclosures for 2024

Activities

Sdiptech has identified eight taxonomy-eligible activities in 2024, which refer to the activities covered by the Taxonomy Regulation in 2024.

Additionally, Sdiptech reports the percentage of taxonomy-aligned activities that describe whether an economic activity fulfils the technical screening criteria determining whether the activity is defined as sustainable. The "substantial contribution" criteria determine whether the economic activity has either a significant positive impact on the environment, or a significant reduction of negative impacts on the environment. The "no significant harm" criteria determine whether the economic activity does not prevent the attainment of the other environmental goals, i.e. has no significant negative impact on them.

As mentioned above, Sdiptech has identified parts of eight activities as aligned with the taxonomy. However, for activity 3.6. *Manufacture of other low-carbon technologies*, we need to conduct robust life cycle assessments (LCAs) to determine whether these activities are also taxonomy-aligned. Similarly, a more thorough analysis of some of the activities falling under 5.1 and 5.2, which deal with energy efficiency related to water systems, needs to be performed to ensure that the turnover from these activities is aligned with the taxonomy.

Sdiptech has conducted the assessments for taxonomy eligibility and alignment to the best of its ability based on existing available guidance from the European Commission. In 2021, Sdiptech set up an internal working group for the EU taxonomy, consisting of Sdiptech's business area managers, sustainability manager and group controller. Sdiptech has relied on the support of external experts in the process to provide a second opinion, as well as the assessments of data. An assessment of "substantial contribution" and "no significant harm" criteria was carried out for each economic activity to determine taxonomy eligibility. Activities within the category "no significant harm" that have ensured for the units with significant positive contributions are, for example, to ensure that measures to increase energy efficiency does not include materials or processes that are harmful to the environment or human health, that activities aimed at efficient water use do not impair water quality or damage water ecosystems, and that recycling and reuse of materials do not lead to increased pollution or unsustainable use of resources.

Minimum safeguards

Minimum safeguards were assessed at Group level. In order to comply with the minimum safeguards referred to in Article 18, companies must comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as the principles and rights set out in the eight fundamental conventions indicated in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Convention for the Protection of Human Rights and Fundamental Freedoms. Sdiptech has worked on the basis of this to set up a two-pronged strategy that includes a human rights due diligence process, and ensuring that Sdiptech is able to confirm that the company has not been involved in any activities or incidents related to non-compliance from an OECD National Contact Point.

Human Rights Due Diligence (HRDD) is a process that seeks to identify, assess, prevent and mitigate adverse human rights impacts that the company's operations may cause or contribute to. To summarise, the HRDD process involves the following steps:

- 1) **Policies:** Implement corporate responsibility by means of policies, guidelines and management systems
- 2) **Identification:** Identify areas of the organisation where there are risks of negative impacts on human rights
- 3) **Assessment:** Analyse and assess the extent, nature and context of the potential risks
- 4) **Actions:** Develop and implement strategies and measures to prevent, minimise or entirely eliminate identified risks
- 5) **Communication:** Report openly and transparently on how negative impacts are dealt with, both internally and to relevant external parties

The risk-based due diligence process is prescribed by both the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Although this is a dynamic and cyclical process that is constantly evolving, the policy step has been regarded as the first step for Sdiptech, where we describe our approach and commitments in respect of human rights. This is then followed by ongoing surveying of the areas in which there may be risks of negative impacts on human rights. This is followed by analyses and assessments of the situation, which also includes continuous monitoring and evaluation of the effectiveness of the measures implemented. Strategies and measures are developed in order to prevent, minimise or eliminate risks for Sdiptech in cases where risks arise. This has included in-depth analyses of customers and suppliers in certain countries, audit controls, additional guidelines and requirements or termination of a partnership. The final step involves reporting on the risks identified and indicating what we have done to address them.

There are also certain risks related to countries in which we initially perform an assessment of the risks at a high level before examining them in greater depth. We use indices as a tool and guide to survey country and sectoral risks in order to help us better understand where the risks may lie in our operations. For example:

- Rule of Law Index
- World Press Freedom Index
- Transparency International's Corruption Perceptions Index
- International Trade Union Confederation's Global Rights Index
- Freedom House's index
- US State Department's High Risk List

Capital investments

Affected investments relate to taxonomy-eligible assets and economic activities that generate revenue, or activities that combat or prevent climate change by reducing greenhouse gas emissions. The denominator is the Group's total investments for 2024 as recognised in the notes, excluding additions for goodwill, in Note 14 Intangible assets, Note 15 Tangible assets and Note 16 Right-of-use assets. The percentage of taxonomy-eligible capital investments (numerator) is the capital investments directly attributable to the taxonomy-eligible activities and that drives turnover.

Turnover

Turnover includes external turnover in taxonomy-eligible activities, presented separately: see Taxonomy-eligible activities. The denominator is Sdiptech's total turnover for 2024 (see Note 4 Segment reporting), including income according to IFRS 15 and 16 respectively, in accordance with the definition of turnover in the EU taxonomy.

Operating expenditure

Relevant running costs relate to taxonomy-eligible assets and economic activities that generate revenue, and include all direct development costs to operate the asset that can be distinguished from others. The amount in the denominator includes the Group's total short-term leases (according to IFRS 16), research and development costs expensed, materials and services related to the maintenance of fixed assets and property of others. The allocation of taxonomy-eligible operating expenditure (numerator) is determined on the basis of the external turnover generated. There is also taxonomy-aligned CapEx for investments that are not directly linked to revenue-generating activities; for the financial year, this relates to vehicles and is included in item **6.5 Transport using motorcycles, cars and light motor vehicles**. Seventeen business units have purchased or leased a total of 43 new electric vehicles in 2024, generating almost 4 per cent taxonomy-aligned operating expenditure. In terms of ensuring DNSH for this activity, it is particularly important to consider circular economy and recycling aspects; ensuring, for example, that batteries are handled according to best practices, that resources are used sustainably, and that environmental impact is minimised during production and operation. We always endeavour to adapt procurement requirements when selecting leasing partners and to include taxonomy-related criteria in the agreements.

Taxonomy-eligible activities

The Group's economic activities have been evaluated, and the following taxonomy-eligible economic activities that generate external turnover have been identified and included in the numerators:

3.1. Manufacture of renewable energy technologies: Power quality problems can occur with weak grids and fluctuating generation, such as renewable electricity. Continuous monitoring of the electricity supply plays a crucial part as the world moves towards renewable electricity generation. Unipower offers automated systems for uninterrupted control and metering of the electricity supply, enabling the uninterrupted use and development of renewable energy. The percentage of turnover and OpEx identified as taxonomy-eligible is 24.5%. Unipower meets the taxonomy's screening criteria, and 24.5 per cent of the company's turnover is classified as taxonomy-aligned.

3.6. Manufacture of other low carbon technologies: The percentage of turnover identified as taxonomy-eligible is derived from: 0 per cent of these activities are classified as taxonomy-aligned as no life cycle analyses have been performed on these products.

- IDE's Erica product, a proprietary suite of energy monitoring and management tools that enable energy use and hence carbon emissions to be reduced. The percentage of turnover and OpEx identified as taxonomy-eligible from the company's product is 3.1 per cent.
- RDM's products that help to reduce energy use, and hence carbon emissions. The percentage of turnover and OpEx identified as taxonomy-eligible from the company's product is 100 per cent.
- TEL helps to increase energy efficiency by means of its advanced airflow control systems. These systems optimise airflow in laboratories and industrial environments, which reduces the need for unnecessary ventilation and energy consumption. Adapting airflow to actual needs allows TEL products to reduce energy consumption by up to 85 per cent. The percentage of turnover that is taxonomy-eligible is 97 per cent.
- GaH's product eFridge, which is specifically designed to manage cooling systems for electric vehicles. This otherwise poses a number of challenges, mainly due to electric vehicles' energy requirements as cooling systems require a significant amount of energy to operate. This makes it possible for electric vehicles to be used for last-mile deliveries, which is a growing and necessary solution if we are to make the transition to more sustainable transport systems and societies. The percentage of turnover and OpEx identified as taxonomy-eligible from the company's eFridge product is 4.9%.
- HeatWork delivers a unique and environmentally sound alternative by means of 100% hydronic heating that is more efficient than competing technologies, with low energy use and high recovery efficiency. The percentage of turnover and OpEx identified as taxonomy-eligible from the company's product is 100%.

4.1. Provision of data-driven IT and OT solutions in order to reduce leakage: Hydrostandard ensures that water use is measured correctly, thereby optimising water consumption and identifying any water leaks.

Hydrostandard is part of the chain for the rollout of modern and intelligent water meters that can help reduce water leakage, which represents 30 per cent of turnover. Hydrostandard meets the taxonomy's screening criteria, and 30 per cent of the company's turnover is classified as taxonomy-aligned.

5.1. Construction, extension and operation of water collection, treatment and supply systems Polyproject plays an important role in several water treatment processes by commissioning and servicing pure water plants. That part of the turnover and OpEx identified as taxonomy-eligible is derived from the company's business from water treatment installations and components in industry and municipalities. Sdiptech needs to perform a more thorough analysis of this activity to ensure that the turnover is taxonomy-aligned.

5.2. Renewal of water collection and treatment systems and water supply systems Auger provides efficient case management of insurance claims relating to underground infrastructure such as pipes and water mains. The percentage of turnover and OpEx identified as taxonomy-eligible is derived from the company's percentage accounting for the renewal of water supply systems, which is 26.9 per cent. Auger meets the taxonomy's screening criteria, and 26.9 per cent of the company's turnover is classified as taxonomy-aligned.

6.15. Infrastructure enabling low-carbon road transport and public transport:

- Rolec develops, manufactures and installs charging equipment and systems for electric vehicles. More vehicles have to be powered by electricity for the transport industry to meet its transition goals. An attractive and functioning electric vehicle infrastructure, such as the availability of charging equipment, is an important building block in accelerating the transition. The percentage of turnover and OpEx identified as taxonomy-eligible from EV chargers is 80 per cent. Rolec meets the taxonomy's screening criteria, and 80 per cent of the company's turnover is classified as green (aligned).
- IDE provides temporary electricity distribution, but also custom EV charging stations in places where quick and temporary access to electricity is needed, such as at events or construction sites, in order to facilitate the use of electric vehicles. 3 per cent of IDE's turnover comes from its electric vehicle charging stations and is classified as taxonomy-aligned.

7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings KSS helps property owners to optimise energy and power use based on a building's systems and operations. This can reduce both energy consumption and environmental impact. The percentage of turnover and OpEx identified as taxonomy-eligible is 100%. KSS also meets the taxonomy's screening criteria and 100 per cent of the company's turnover is classified as taxonomy-aligned.

EU Taxonomy Regulation – turnover

Portion of **turnover** from products or services related to economic activities that are compatible with taxonomy requirements – information covering 2024.

Economic activities (1)	Code (2)	Turnover (3)	Percentage of turnover (4)	Substantial contribution criteria						Do no significant harm (DNSH) criteria						Minimum safeguards (17)	Taxonomy-aligned portion (A.1.) or portion covered by the taxonomy (A.2.) of turnover, year N-1 (18)	Category (enabling activities) (19)	Category (transitional activities) (21)	
				Climate change mitigation (5)	Adaptation to climate change (6)	(7) Water	(8) Pollution	(9) Circular economy	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	(14) Pollution	(15) Circular economy	(16) Biodiversity					
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	M	O
A. ACTIVITIES COVERED BY THE TAXONOMY			19%																	
A.1. Environmentally sustainable (taxonomy-compatible) activities																				
Manufacture of renewable energy technologies	CCM31	12.0	0.2%	Y							-	Y	Y	Y	Y	Y	Y	0.2%	M	-
Construction, extension and operation of water collection, treatment and supply systems	CCM5.1	11.5	0.2%	Y							-	Y	Y	-	-	Y	Y	0.0%	-	-
Renewal of water collection and treatment systems and water supply systems	CCM5.2	82.3	1.6%	Y							-	Y	Y	-	-	Y	Y	1.4%	-	-
Infrastructure enabling low carbon road transport and public transport	CCM6.15	275.7	5.3%	Y							-	Y	Y	Y	Y	Y	Y	61%	M	-
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM7.5	83.5	1.6%	Y							-	Y	-	-	-	-	Y	21%	M	-
Provision of data-driven IT and OT solutions in order to reduce leakage	WTR4.1	37.9	0.7%	Y							-	Y	-	Y	Y	-	Y	31%	M	-
Turnover of environmentally sustainable (taxonomy-aligned) activities (A.1)		502.9	10%	10%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	13%		
Of which enabling activities		371.3	8%	8%	0%	0%	0%	0%	0%	0%								12.9%	M	
Of which transitional activities		0.00	0%	0%	0%	0%	0%	0%	0%	0%								0.0%		O
A.2. Activities that are covered by the taxonomy but are not environmentally sustainable (not taxonomy-aligned)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								%		
Manufacture of other low carbon technologies	CCM3.6	501.5	10%	Y														4.9%		
Turnover of activities that are covered by the taxonomy but are not environmentally sustainable (not taxonomy-aligned) (A.2)		501.5	10%																	
Total (A.1+A.2)		1,004.4	19%																	
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																				
Turnover of activities not covered by the taxonomy (B)		4,193.1	81%																	
Total		5,197.5	100%																	

The EU Taxonomy Regulation – CAPEX

Portion of capital expenditure from products or services related to economic activities that are compatible with taxonomy requirements – information covering 2024.

Economic activities (1)	Code (2)	Turnover (3)	Percentage of turnover (4)	Substantial contribution criteria						Do no significant harm (DNSH) criteria						Minimum safeguards (17)	Taxonomy-aligned portion (A.1.) or portion covered by the taxonomy (A.2.) of turnover, year N-1 (18)	Category (enabling activities) (19)	Category (transitional activities) (21)
				Climate change mitigation (5)	Adaptation to climate change (6)	(7) Water	(8) Pollution	(9) Circular economy	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	(14) Pollution	(15) Circular economy	(16) Biodiversity				
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	M	O
A. ACTIVITIES COVERED BY THE TAXONOMY			6%																
A.1. Environmentally sustainable (taxonomy-compatible) activities																			
Construction, extension and operation of water collection, treatment and supply systems	CCM5.1	1.1	0.2%	Y						-	Y	Y	-	-	Y	Y	0.0%	-	-
Renewal of water collection and treatment systems and water supply systems	CCM5.2	3.6	0.5%	Y						-	Y	Y	-	-	Y	Y	1.0%	-	-
Infrastructure enabling low carbon road transport and public transport	CCM6.15	12.2	1.8%	Y						-	Y	Y	Y	Y	Y	Y	2.0%	M	-
Transport using motorcycles, cars and light motor vehicles	CCM6.5	26.2	3.8%	Y						-	Y	-	Y	Y	-	Y	1.7%	-	O
Turnover of environmentally sustainable (taxonomy-aligned) activities (A.1)		43.1	6%	6%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	5%		
Of which enabling activities		12.2	2%	2%	0%	0%	0%	0%	0%								2.1%	M	
Of which transitional activities		26.2	4%	4%	0%	0%	0%	0%	0%								1.7%		O
A.2. Activities that are covered by the taxonomy but are not environmentally sustainable (not taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								%		
Manufacture of other low carbon technologies	CCM3.6	1.3	0%	Y													3%		
Turnover of activities that are covered by the taxonomy but are not environmentally sustainable (not taxonomy-aligned) (A.2)		1.3	0%																
Total (A.1+A.2)		44.5	6%																
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																			
Turnover of activities not covered by the taxonomy (B)		646.7	94%																
Total		691.2	100%																

The EU Taxonomy Regulation – OPEX

Portion of operating expenditure from products or services related to economic activities that are compatible with taxonomy requirements – information covering 2024.

Economic activities (1)	Code (2)	Turnover (3)	Percentage of turnover (4)	Substantial contribution criteria						Do no significant harm (DNSH) criteria						Minimum safeguards (17)	Taxonomy-aligned portion (A.1.) or portion covered by the taxonomy (A.2.) of turnover, year N-1 (18)	Category (enabling activities) (19)	Category (transitional activities) (21)
				Climate change mitigation (5)	Adaptation to climate change (6)	(7) Water	(8) Pollution	(9) Circular economy	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	(14) Pollution	(15) Circular economy	(16) Biodiversity (16)				
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	M	O
A. ACTIVITIES COVERED BY THE TAXONOMY			24%																
A.1. Environmentally sustainable (taxonomy-compatible) activities																			
Construction, extension and operation of water collection, treatment and supply systems	CCM5.1	1.2	1.9%	Y						-	Y	Y	-	-	Y	Y	0.0%	-	-
Renewal of water collection and treatment systems and water supply systems	CCM5.2	5.4	8.5%	Y						-	Y	Y	-	-	Y	Y	6.3%	-	-
Infrastructure enabling low carbon road transport and public transport	CCM6.15	0.6	0.9%	Y						-	Y	Y	Y	Y	Y	Y	1.8%	M	-
Provision of data-driven IT and OT solutions in order to reduce leakage	WTR4.1	0.1	0.2%	Y						-	Y	-	Y	Y	-	Y	0.0%	M	-
Turnover of environmentally sustainable (taxonomy-aligned) activities (A.1)		7.3	12%	12%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	8%		
Of which enabling activities		0.0	0.0%	1%	0%	0%	0%	0%	0%								1.8%	M	
Of which transitional activities		0.0	0%	0%	0%	0%	0%	0%	0%								0.2%		O
A.2. Activities that are covered by the taxonomy but are not environmentally sustainable (not taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								%		
Manufacture of other low carbon technologies	CCM3.6	8.1	12.7%	Y													11.6%		
Turnover of activities that are covered by the taxonomy but are not environmentally sustainable (not taxonomy-aligned) (A.2)		8.1	13%																
Total (A.1+A.2)		15.4	24%																
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																			
Turnover of activities not covered by the taxonomy (B)		48.2	76%																
Total		63.6	100%																

Sdipotech's contribution to the UN Sustainable Development Goals, broken down by business unit

The UN Sustainable Development Goals are the most ambitious sustainable development agenda ever adopted by the countries of the world and are designed to combat extreme poverty, reduce inequalities and injustices, promote peace and combat the climate crisis. Infrastructure has an obvious part to play in several of the UN Sustainable Development Goals and is a unifying issue across political boundaries. All companies that have become part of Sdipotech since 2017 contribute, and 76 per cent of Sdipotech's total turnover contributed to the targets in 2024. A list of Sdipotech's main contributors is presented below. Sdipotech has removed any double counting for companies that contribute to multiple targets: a company cannot have more than 100 per cent SDG contribution from its turnover.

AGROSISTEMI specialises in the treatment and recycling of biological sludge resulting from wastewater treatment. The company's by-product from the sewage sludge is a fertiliser that helps to restore and preserve healthy soil.

Target 2.4 seeks to ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality. Agrosistemi utilises the sludge resulting from the municipal water treatment process. This allows important organic minerals to be returned to the soil, which increases soil fertility and helps to ensure that not only is sludge waste recycled, it also acts as an important carbon sink.

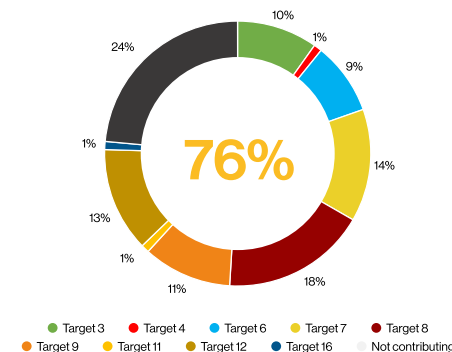
Carbon dioxide in the air is utilised by plants through photosynthesis, and the carbon is sequestered in the plants. When plants decompose, some of that carbon is released back into the atmosphere as carbon dioxide, but 10–20% of the carbon remains in the soil and is converted into humus. Humus makes the soil more fertile while also increasing soil biodiversity. Soil is home to lots of land animals such as springtails and mites, which fulfil important functions for soil and plants. Large areas of all soils in the plains of Europe are in dire need of increased soil fertility. Sequestering carbon in the ground is one of the few methods that removes carbon dioxide from the atmosphere while not causing any harm: instead, it contributes positively to a number of environmental aspects.

Agrosistemi contributes to the target, but with 0 per cent of its turnover as the company currently gives away the biological sludge to farmers free of charge.

Target 12.5 seeks to substantially reduce waste generation through prevention, reduction, recycling, and reuse. Agrosistemi has more than 20 years' experience of treating and recycling biological sludge from municipal wastewater. The company has developed a patented treatment process that is used to remove harmful substances from sludge and convert it into high quality organic fertiliser products. This makes it possible to replace synthetic fertilisers with organic ones, while recovering valuable resources that would otherwise be lost. Using more organic products in soils also helps combat desertification, which is a growing problem in many parts of the world.

100 per cent of Agrosistemi's turnover comes from municipal water treatment plants and contributes to the target.

Share of turnover contributing to UN SDGs



ALERTER GROUP specialises in radio-based fire alarm systems for the deaf, the hearing-impaired and wheelchair users. They also offer radio-based rescue systems for emergencies, as well as other customisable communication systems for what are known as high-risk workplaces. The importance of being able to get out of a building quickly and safely can be crucial in the event of a fire. Everyone has the right to feel safe in the knowledge that reliable and safe warning systems are available in case of fire and evacuation.

Target 4.A seeks to build and enhance learning environments that are adapted for children and people with disabilities, taking into account gender equality aspects as well, thereby providing a safe, inclusive and appropriate learning environment for all. Alerter Group's main customers are schools and universities. The company contributes to education and improves inclusive learning environments thanks to its radio-based communication and fire alarm systems that are specially adapted and designed for people with disabilities, with particular emphasis on wheelchair users and the deaf and hearing-impaired.

79 per cent of Alerter Group's turnover comes from customers in learning environments, and an equal percentage of the company's turnover thereby contributes to the target.

Target 8.8 seeks to protect labour rights and promote safe and secure working environments for all workers. Alerter Group helps to create safe working environments and secure employment for all by means of adaptive communication systems for various workplaces.

Alerter Group's entire turnover promotes a safe and secure working environment for all workers.

AUGER works with case management of insurance claims on pipes and underground infrastructure. The UK has some of the oldest water infrastructure in the world, and major investments are needed in order to address leakage problems and avoid wasting water. The renewal rate of the pipe network has been low, which increases the risk of cracks in pipes, resulting in leakage of drinking water and discharge of sewage. Cracks in pipes are often associated with temperature changes and extreme weather conditions such as drought and heavy rainfall, which have increased in recent years. On average, 23 per cent of fresh water leaks out because of leaking pipes and mains, and the Public Accounts Committee claims that some parts of England will run out of water unless something changes.

Target 6.4 seeks to substantial increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. Auger helps to reduce leaks and water wastage by means of fast and efficient handling of insurance claims relating to pipes and water mains.

100 per cent of Auger's turnover comes from customers who urgently need to repair leaking pipes.

EAGLE Automation is one of the largest providers of Hostile Vehicle Mitigation (HVM) solutions in the UK. Eagle is a full-service physical perimeter security provider, offering a wide range of HVM solutions tailored for high-security environments.

Delmål 16.a: handlar om att stärka relevanta nationella institutioner, bland annat genom internationellt samarbete, för att bygga kapacitet på alla nivåer, särskilt i utvecklingsländer, i syfte att förebygga våld och bekämpa terrorism och brottslighet. Eagle Automation Gate bidrar till målet genom att erbjuda säkerhetssystem som förbättrar åtkomstkontrollen och hjälper till att förhindra obehörig tillgång och minska kriminell aktivitet.

100 per cent of Eagle's turnover helps to achieve the goal.

ELM KRAGELUND manufactures innovative forklift tools aimed at the transport, logistics and warehousing industries. ELM is renowned for high quality, long service life and product innovation that helps to promote safer, more efficient freight handling.

Target 8.8 seeks to protect labour rights and promote safe and secure working environments for all workers. ELM's integrated tool solutions are specially adapted for greater ease of use and safety for forklift operators, designed to create good visibility, high manoeuvrability, higher load capacity and better flexibility, for example, compared to standard tools, thereby increasing the level of safety and improving the working environment.

100 per cent of ELM's turnover helps to bring about a safer working environment.

EUROTECH supplies, installs and maintains UPSs for uninterruptible power supply throughout Sweden to companies, authorities, industries, healthcare and to the majority of Sweden's 290 municipalities.

Target 7.1 seeks to ensure universal access to affordable, reliable and modern energy services. Outages caused by voltage drops in the power grid can cause material and economic harm to businesses and societies every year. Eurotech specialises in safe power supply and prevents problems arising from the power grid in the event of overvoltage or undervoltage.

100 per cent of Eurotech's turnover helps to ensure universal access to reliable energy services.

GAH Refrigeration designs, manufactures and services transport refrigeration solutions for last-mile deliveries. Food waste comes at a high economic and environmental cost, and refrigeration solutions are an important part of the chain when it comes to reducing waste of fresh food and pharmaceutical products that need to be stored at certain temperatures.

Target 12.3 seeks to halve per capita global food waste at the retail and consumer level by 2030, and reduce food losses along production and supply chains including post-harvest losses. Around 100 million tonnes of food waste are discarded in the EU every year, at massive huge economic and environmental cost. GAH's solutions are an important element when it comes to avoiding wastage of fresh food and pharmaceutical products that need to be stored at certain temperatures. Moreover, GAH is one of the few stakeholders on the market – and in fact, the only one that we know of – that can offer refrigeration systems for electric vehicles.

75 per cent of GAH's turnover helps to mitigate the risk of food waste during transport.

Target 12.1 seeks to increase sustainable consumption and production patterns. GaH's product eFridge, which is specifically designed to manage cooling systems for electric vehicles. This otherwise poses a number of challenges, mainly due to electric vehicles' energy requirements as cooling systems require a significant amount of energy to operate. This makes it possible for electric vehicles to be used for last-mile deliveries, which is a growing and necessary solution if we are to make the transition to more sustainable transport systems and societies. The percentage of turnover and OpEx identified as taxonomy-eligible from the company's eFridge product is 4.9%.

4.9 per cent of GAH's turnover comes from its eFridge product, contributing to sustainable consumption and production patterns.

HEATWORK is a leading manufacturer of mobile hydronic heating solutions specially designed for a wide range of applications, such as energy production, agriculture and horticulture, pest control, construction, emergency preparedness and municipal water protection. HeatWork focuses strongly on innovative, sustainable and quality solutions and products, and the technology helps to bring about a significant reduction in energy consumption compared to other options available on the market.

Target 7.3 seeks to double the global rate of improvement in energy efficiency. HeatWork uses liquid-borne technology that is up to 90% more energy efficient than traditional methods such as electricity, gas or oil. They also use recycled waste heat from their machinery to heat other areas or processes. Finally, they use machinery powered by fossil-free energy such as electricity, biogas or hydrogen.

99 per cent of HeatWork's turnover helps to increase energy efficiency.

Target 12.4 seeks to achieve environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment. The most common way to control pests nowadays is to use chemicals. The HeatWork pest control system is a heating solution used to control pests. This system consists of a liquid-borne heater that delivers heated water to an air exchanger that distributes the heat in the infested area. The heat kills pests at all stages, from eggs to adults, without the use of toxic chemicals. The system is environmentally sound, efficient and safe for both humans and animals.

1 per cent of HeatWork's turnover comes from its pest control system.

HILLTIP manufactures road maintenance equipment, especially winter-related, adapted for pickups and smaller trucks and tractors, which are well suited for smaller roads that are more difficult for larger vehicles to maintain.

Target 3.6 seeks to reduce the number of deaths and injuries from road traffic accidents worldwide. There is an increasing need to de-ice minor roads, cycle paths and pavements as greater emphasis is placed on environmentally sound modes of transport, as well as increasing problems with weather transitions during the winter months in Europe. Winter conditions are an important road safety aspect in northern Europe, with poor road conditions being a major factor. Hilltip's equipment focuses mainly on road maintenance and de-icing for smaller roads, cycle paths and pavements that are not managed or maintained by central or local authorities.

100 per cent of Hilltip's turnover helps to improve road safety.

HYDROSTANDARD works with control and auditing of cold water and district heating meters.

Target 6.4 seeks to substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity. Hydrostandard ensures that water use is metered accurately, thereby increasing the efficiency of water consumption and identifying potential water leaks.

30 per cent of Hydrostandard's turnover helps to streamline water use.

Target 7.3 seeks to double the global rate of improvement in energy efficiency. Hydrostandard is a part of the chain for the roll-out of new modern, intelligent electricity meters, thereby helping to increase energy efficiency.

70 per cent of Hydrostandard's turnover comes from the company's electricity meters.

IDE SYSTEMS specialises in designing and manufacturing power distribution solutions for data centres, construction sites, events and other public places, as well as for load testing. The company focuses on supplying temporary electricity distribution equipment, including temporary charging stations for electric vehicles. IDE also offers its proprietary range of energy monitoring and management tools that enable energy usage to be reduced.

Target 7.3 seeks to double the global rate of improvement in energy efficiency. Erica, IDE's proprietary energy monitoring and management tool, is installed in the electrical distribution unit, where it collects power consumption data that is sent directly to the user's computer.

The amount of energy that can be saved and the measures that can be implemented vary from customer to customer, but in many cases can exceed 50 per cent. This could include measures to improve the timing of heating and lighting or to ensure that heaters are properly maintained.

3.1 per cent of IDE's turnover comes from the company's Erica product line, which helps increase energy efficiency.

Target 9.4 seeks to increase sustainable consumption and production patterns. IDE provides temporary electricity distribution, but also custom EV charging stations in places where quick and temporary access to electricity is needed, such as at events or construction sites, in order to facilitate the use of electric vehicles.

3 per cent of IDE's turnover comes from the company's EV charging stations and supports sustainable consumption and production patterns.

KEMI-TECH develops and manufactures special chemicals that optimise the operation of steam boilers, refrigeration systems, process plants and district heating plants, with a view to removing and avoiding corrosion, limescale deposits, grease, coatings, sludge, biofilm and bacterial problems, while reducing the consumption of water, chemicals, gas and energy, for example. Kemi-tech has a unique environmental profile and is self-sufficient in terms of water thanks to an innovative solar-powered evaporation pyramid that recycles 100% of the wastewater from production, which is evaporated and treated. This innovative process means that Kemi-tech has no wastewater emissions from production. The recycled water is complemented by rainwater collection and treatment, which means that all water in the company's products is a mixture of collected and treated rainwater and evaporated wastewater.

Target 7.3 seeks to double the global rate of improvement in energy efficiency. Kemi-tech's products are designed to perform with energy optimisation in mind. This means that the products remove and prevent the formation of deposits and reduce emissions from vapour and cooling processes. The service life of the system is also extended when using this technology.

100 per cent of Kemi-tech's turnover helps to increase energy efficiency.

Target 12.2 seeks to achieve sustainable management and efficient use of natural resources. The food, brewing and animal feed industries produce a range of different products that have been heat-treated in advance in one way or another. These types of companies often use vast amounts of water. Kemi-tech helps its customers to reduce consumption of both water and chemicals. The company's Blue Line product, for instance, saves up to 30 per cent make-up water, 50 per cent drainage and 50 per cent chemical usage in cooling water. The solution also prevents corrosion, deposits and bacterial contamination in order to ensure optimal operation.

KSS offers control systems for climate control, ventilation and energy efficiency. Buildings account for more than a third of Swedish energy use. At the same time, between 30 and 40 per cent of the energy needed to heat buildings escapes.

Target 7.3 seeks to double the global rate of improvement in energy efficiency. KSS helps property owners to optimise energy and power use based on a building's systems and operations through energy analysis using an optimisation tool that identifies the potential for energy savings. KSS has a number of reference projects that present examples of how much energy has been saved in different types of buildings. Exactly how much energy a property is able to save by using KSS solutions is dependent on a number of factors, such as the property's size, age, condition, use and existing installations and can vary between 10 and 50 per cent.

100 per cent of KSS's turnover helps to increase energy efficiency.

MECNO SERVICE designs, manufactures and sells specialised grinding machines for trams and metro lines and provides rail grinding services using a unique proprietary technology. Customers are municipalities, cities and public transport companies worldwide.

Target 9.4 seeks to upgrade infrastructure and retrofit industries to make them sustainable and resilient. The transport sector accounts for about a quarter of global emissions, and rail is one of the most energy-efficient and climate-smart modes of transport. Grinding rails reduces friction and noise between the rail and the wheels, resulting in lower energy consumption and emissions from rail services. Rail grinding also increases railway network capacity, safety and reliability, as well as extending the service life of rails and reducing maintenance costs. Moreover, rail grinding improves comfort for train passengers and reduces noise pollution for residents and businesses along the railway. Mecno's proprietary technology makes it easier to grind difficult railway point switches with high accuracy and reliability.

100 per cent of Mecno's turnover helps to upgrade infrastructure to provide sustainable and resilient industries.

MEDICVENT offers hazardous gas evacuation systems, particularly in hospital environments. It is very important to ensure that medical gas and waste are managed properly in healthcare settings so as to prevent environmental contamination and public health risks.

Target 3.9 seeks to reduce the number of deaths and illnesses from hazardous chemicals and pollution and contamination. The medical risks for healthcare workers due to constant exposure to anaesthetic gas, nitrous oxide and surgical smoke, for instance, are serious and well documented.

Healthcare workers who come into contact with medical fumes at their place of work every day are exposed to health risks. Medicvent's technology improves the working environment and reduces pollution in hospitals by maximising the capture of unhealthy gas emissions occurring during surgeries and other procedures.

100 per cent of Medicvent's turnover helps to reduce emissions of harmful chemicals and pollutants.

MULTITECH provides temporary infrastructure, such as temporary electricity, water, fire protection and lighting, and sets up safety stations at construction sites and other locations.

Target 8.8 seeks to protect labour rights and promote safe and secure working environments for all workers. Multitech provides temporary infrastructure that improves working conditions and safety for workers on construction sites. For instance, temporary electricity and lighting can increase productivity and reduce the risk of accidents, temporary water and fire protection can prevent fire and heatstroke, and safety stations can administer first aid and provide emergency equipment when needed.

60 per cent of Multitech's turnover promotes a safe and secure working environment.

OPTYMA offers integrated security systems, such as access control, surveillance and intrusion detection for public and private environments such as railways, healthcare, higher education and critical national infrastructure.

Target 11.2 seeks to provide access to safe, affordable, accessible and sustainable transport systems for all. This involves improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons. Optyma specialises in security systems for trains and railway stations to ensure safer, more inclusive public transport. Camera surveillance can make public transport safer by deterring potential criminals from committing violence, theft, vandalism or other crimes on public transport. It also increases the ability to quickly detect and deal with accidents, fires, emergencies or other incidents that may place passenger safety at risk.

45 per cent of Optyma's turnover promotes safe and secure public transport.

PATOL designs, manufactures and supplies niche fire safety products and systems with applications in a variety of sectors, including power generation, waste recycling, road infrastructure, food production and data centres.

Target 8.8 seeks to protect labour rights and promote safe and secure working environments for all workers. Patol's products help to achieve a safer environment where early detection of potential fire incidents significantly reduces the risk of property damage and personal injury.

100 per cent of Patol's turnover promotes a safe and secure working environment.

PURE WATER SCANDINAVIA creates installations and components for water treatment in order to produce ultra-pure water. PWS designs, constructs, commissions and services the most reliable clean water systems on the market and provides these solutions to hospitals, heating plants, laboratories, municipalities and industries all over the world.

Target 3.3 seeks to end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases. Pure Water Scandinavia installs, designs and services the market's most efficient clean water systems for hospitals and laboratories. Their products help to fight infectious diseases by providing ultra-pure water.

90 per cent of Polyproject's turnover comes from hospitals and laboratories.

RESOURCE DATA MANAGEMENT provides energy efficiency and indoor climate optimisation solutions for various industries, including temperature control for the entire cold chain and building management systems for heating, ventilation and air conditioning (HVAC). RDM's control system controls and monitors indoor environments and underground agricultural facilities, providing optimal light, heat and humidity conditions, while keeping energy use as low as possible for the prevailing conditions. RDM's advanced cold room controls and monitoring systems also streamline the food storage management and reduce the risk of food waste. Systems ensure that food is stored at the correct temperatures; a critical aspect in extending the shelf life and safety of food. RDM ensures optimal conditions throughout the entire cold chain, from processing and packing to storage and final sale.

Target 7.3 seeks to double the global rate of improvement in energy efficiency. RDM offers a range of energy management control solutions to help organisations reduce their energy consumption: RDM offers intelligent remote monitoring, incident management and energy management, as well as a cloud-based dashboard that displays energy data in a manner that is easy to use.

100 per cent of RDM's products and turnover help to increase energy efficiency.

REDSPEED manufactures digital cameras for measuring speed and promoting road safety.

Target 3.6 seeks to halve the number of deaths and injuries from road traffic accidents worldwide. Speed is a key factor in road safety, and a number of studies have shown clear links between speed and the risk of accidents. RedSpeed offers traffic monitoring systems, including speed cameras and red light cameras in order to improve road safety. By deterring dangerous driving behaviour, RedSpeed helps to reduce traffic offences and potentially reduces the number of accidents, thereby helping to improve road safety and support the goal of reducing traffic-related injuries and deaths.

100 per cent of RedSpeed's turnover comes from the company's traffic cameras designed to improve road safety.

ROGLAND INDUSTRI AUTOMASJON specialises in electronics and automation services, with emphasis on the water and sanitation sector. They offer solutions that include installation, automation, control system design and more

Target 12.2 seeks to achieve sustainable management and efficient use of natural resources. RIA helps to streamline water management and wastewater systems. Their automation services can reduce water losses and improve water quality, which is an important element in ensuring access to clean water. Their energy-efficient control systems also help to improve energy efficiency.

60 per cent of RIA's turnover contributes to sustainable management and efficient use of natural resources.

ROLEC specialises in developing and manufacturing a wide range of charging equipment and systems for electric vehicles.

Target 9.4 seeks to upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. The transport sector in the UK accounted for 24% of the country's total greenhouse gas emissions in 2022, making it the country's biggest sector for emissions. Most (91 per cent) of these emissions came from road vehicles. Rolec has extensive experience in the development and manufacture of a wide range of charging equipment and systems for electric vehicles. More vehicles have to be powered by electricity for the transport industry to meet its transition goals. An attractive and functioning electric vehicle infrastructure, such as the availability of charging equipment, is an important building block in accelerating the transition.

80 per cent of Rolec's turnover comes from its sales of EV chargers.

STORADIO provides a critical communications and operational communications centre for aviation and maritime communications.

Target 8.8 seeks to protect labour rights and promote safe and secure working environments for all workers. Storadio provides reliable communication solutions and promotes a safe and secure working environment for everyone working aviation and shipping. Their technology plays an important part in ensuring effective and safe communication, which can be crucial in order to avoid accidents and dangerous situations in these environments.

100 per cent of Storadio's turnover helps to bring about a safe and secure working environment for aviation and maritime workers.

TEL UK specialises in airflow control and monitoring technology for use in various environments such as laboratories, kitchens and industrial environments. TEL ensures that staff are not exposed to hazardous chemicals and vapours by effectively controlling and monitoring airflow in laboratories and industrial environments. TEL's technology allows this to be done with enormous energy efficiency in mind.

Target 7.3 seeks to double the global rate of improvement in energy efficiency by 2030. TEL helps to increase energy efficiency by means of its advanced airflow control systems. These systems optimise airflow in laboratories and industrial environments, which reduces the need for unnecessary ventilation and energy consumption. Adapting airflow to actual needs allows TEL products to reduce energy consumption by up to 85 per cent.

97 per cent of TEL's turnover helps to increase energy efficiency.

TOPAS works with the installation and servicing of small water and wastewater treatment plants for properties outside the municipal water and sanitation networks. The law requires wastewater to be collected and treated before it can be discharged. Otherwise, the pollutants and contaminants present in the wastewater may adversely affect the environment or human health. Topas also offers water treatment systems that purify wastewater, which can then be used on farms, for example, so as not to cause problems with drinking water in places where water is in short supply.

Target 6.B seeks to support and strengthen the participation of local societies in improving water and sanitation management. Topas has a technical organisation designed to maintain a holistic approach to sanitation infrastructure for smaller societies. The company has participated in a plant that reverses the cycle, from pumping up groundwater, irrigation and ditching, which causes much of the water to flow into the sea, to taking Baltic Sea water, purifying it, using it in households, treating wastewater and using it for

irrigation. Wastewater treatment plants are also dimensioned and designed to take wastewater from industries.

100 per cent of Topa's turnover comes from the sale of treatment plants that are outside the municipal water and sanitation networks.

UNIPOWER offers measurement systems for monitoring power quality. High-quality electricity supply is critical to the functioning of societies, and is becoming more and more important as industries and communities become electrified. Power quality problems can occur with weak grids and fluctuating generation, such as renewable electricity. Continuous monitoring of the electricity supply plays an important part as the world moves towards renewable electricity generation. Unipower is using products, systems and training in power quality measurement to help improve the situation for a number of African countries that have major problems with grid reliability. The uncertainty of the electricity system has hindered the development of industry in countries such as Tanzania. Unipower has arranged and participated in a series of projects and training programmes relating to green cities and sustainable energy solutions.

Target 7.2 seeks to increase substantially the share of renewable energy in the global energy mix. High-quality electricity supply is critical to the functioning of societies, and is becoming more and more important as industries and communities become electrified. Power quality problems can occur with weak grids and fluctuating generation, such as renewable electricity. Continuous monitoring of the electricity supply plays an important part as the world moves towards renewable electricity generation. Unipower provides automated systems for the continuous control and metering of electricity supply – a key element in the safe and sustainable use and development of renewable energy without interruption.

100 per cent of Unipower's turnover is helping to enable and increase the share of renewable energy.

WATER TREATMENT PRODUCTS are experts in water treatment technologies for various sectors, such as water treatment plants, energy companies and other industries that need advanced water treatment solutions. WTP also supplies products and services to sectors requiring disinfection and treatment of water: this may include healthcare, the food industry and municipal waterworks.

Target 3.3 seeks to end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.

WTP produces pesticides against Legionella and other infectious agents, which accounts for 17 per cent of the company's turnover.

Target 6.1 seeks to achieve universal and equitable access to safe and affordable drinking water for all. WTP manufactures and supplies water treatment products used in processes to improve water quality, which is essential to provide safe drinking water. WTP helps to treat and secure drinking water supplies by providing water treatment plants with effective water treatment solutions.

37 per cent of the company's turnover comes from water treatment plants.

WINTEX AGRO is a leading provider of precision soil sampling solutions for sustainable agriculture. As global food security challenges intensify, it is essential to have the most detailed soil data possible to best manage nutrients and optimize crop production. Wintex's innovative products enable farmers worldwide to analyze soil quality, maximize their yields and minimize environmental impact.

Target 12.4 is to achieve environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce emissions to air, water and land to minimize their negative impacts on human health and the environment. Wintex Agro contributes to target 12.4 by providing advanced soil sampling technology that helps monitor and manage soil health, reducing the overuse of chemicals. This precision minimizes emissions of harmful substances and is in line with environmentally sustainable management.

100 per cent of the company's turnover comes from water treatment plants.

GRI index

The information presented in the financial statements covers the most extensive and significant parts of the business. The completed materiality analysis has formed a basis for the selection of GRI disclosures where each material issue has been matched to at least one GRI disclosure.

Exceptions or deviations from the GRI Standards are shown in the presentation of the respective GRI disclosures. The report is not subject to external assurance. As a signatory to the UN Global Compact's ten principles with regard to human rights, labour, environment and corruption, the sustainability report is Sdiptech's Communication on Progress.

Indication of use – Sdiptech AB has provided the information set out in this GRI Content Index for the period January 2024 – December 2024 with reference to the GRI Standards

GRI 1 applied – GRI 1: Base 2021

Applicable GRI Sector Standard(s) – Currently unavailable

GRI Standards: Disclosures			GRI Standards: Disclosures			
	Page	Comments		Page	Comments	
GRI 2: General information			2-15	Conflicts of interest	29, 43	To be dealt with within the framework of instructions and rules of procedure. Sdiptech has had no conflicts of interest in 2023. Find out more about transactions with related parties on pages 43-44
2-1	Details on the organisation	3	2-16	Communication of critical issues	59-63	The Board's description of internal control for the financial year can be found in the corporate governance report
2-2	units included in the organisation's sustainability report	5, 19-26	2-17	Collective expertise within the highest governance body	63	
2-3	Accounting period, regularity and contact person	45, 123	2-18	Evaluation of results for the highest governance body	59-63	
2-4	Explanation of the effect of changes to information provided in previous financial statements and the reasons for such changes	No significant changes have been made	2-19	Remuneration policies	51	
2-5	External assurance	46	2-20	Process for determining remuneration	59-63	
2-6	Operations, value chain and other business relations	3, 9-26, 31	2-21	Annual total compensation ratio	83	
2-7	Employees	125-126	2-22	Statement on sustainable development strategy	9, 10	
2-8	Workers who are not employees	125-126	2-23	Policy obligations	42, 59-62	
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GRI appendix

GRI 2-7

Employees, 2024

Employees by type of employment contract	Permanent employment	Fixed-term employment	Full-time employment	Part-time employment	Total	
Number	2,266	59	2,221	104	2,325	
Gender	Women	395	12	356	51	407
	Men	1871	47	1865	53	1918
	Non-binary	0	0	0	0	0

GRI 2-7, cont.

Number of employees by country, 2024	Number
Total	2 129
Country	
Denmark	108
Finland	99
France	12
Israel	11
Italy	90
Malaysia	25
Netherlands	61
Norway	58
Poland	1
Slovakia	97
United Kingdom	1 127
Sweden	369
Taiwan	28
Germany	14
US	29

GRI 401-1

Appointments, 2024

	Number	%
Total	373	100%
Age groups		
< 30	151	40%
30-50	161	43%
> 50	61	16%
Gender		
Women	74	20%
Men	299	80%
Non-binary	0	0%
Number of appointments by country		Number
Country		
Malaysia	7	
US	6	
Norway	5	
Italy	9	
Netherlands	11	
Finland	9	
Denmark	29	
Slovakia	29	
Sweden	32	
United Kingdom	226	
France	2	
Germany	5	
Israel	2	

GRI 401-1, cont.

Staff turnover, 2024	Number	%
Total	371	100%
Age groups		
< 30	112	30%
30-50	178	48%
> 50	81	22%
Gender		
Women	62	17%
Men	309	83%
Non-binary	0	0%
Staff turnover by country (number of persons)		Number
Total	371	
Country		
Israel	1	
Malaysia	5	
Norway	3	
Italy	9	
US	7	
Netherlands	4	
Finland	7	
Denmark	26	
Slovakia	35	
Sweden	60	
United Kingdom	207	
France	2	
Germany	5	

GRI appendix, cont.

GRI 405-1

Diversity in governing bodies, 2024

	2024	2023	2022	2021	2020
Total number of employees	2129	2254	2127	1673	1499
Of whom women	393	390	369	282	200
% women	18%	17%	17%	17%	13%
% women on Sdiptech Board of Directors	40%	40%	40%	40%	33%
% women in Group executive	33%	17%	17%	0%	0%
% women in senior positions across the Group	30%	33%	30%	24%	31%
% business units with gender-balanced executive teams	35%	44%	38%	32%	30%

Age of Sdiptech Board	2024	2023	2022	2021	2020
<30	0	0	0	0	0
30-50	0	0	0	0	0
>50	100%	100%	100%	100%	100%

Age of Group executive	2024	2023	2022	2021	2020
<30	0	0	0	0	0
30-50	83%	67%	67%	67%	80%
>50	17%	33%	33%	33%	20%

GRI 303-5

Water consumption, 2024

	2024	2023
Total water consumption, sq m	24 051	23 788

GRI 306-3

Waste volumes generated, 2024

Number of tonnes of waste	2024	2023
Total waste	4 185	6 253
Recycled materials	2 833	3 047
Landfill	947	1 654
Combustible waste	274	1 465
Hazardous waste	131	87

GRI 403-9

Number of workplace accidents, 2024

Types of work-related injuries	Number
Work-related deaths	0
Number of accidents leading to sick leave	47
Frequency* of recordable work-related injuries	2.1

*The accident rate is calculated in accordance with GRI 403-09 as the number of recordable work-related injuries per 200,000 hours worked

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