



Interim report January-June 2021

STRONG GROWTH DURING THE QUARTER AND HISTORICALLY HIGH PROFITABILITY

Second quarter

- **Net sales** of SEK 445 million [400], up 11% of which organic growth accounted for 9%
- **Operating profit** amounted to SEK 40 million [3], yielding an operating margin of 8.9% [0.7]
- **Profit after tax** amounted to SEK 30 million [1]
- **Earnings per share [EPS] after dilution** amounted to SEK 1.69 [0.06]
- **Acquisition of IT company Squeed**

January-June

- **Net sales** of SEK 864 million [892], down -3% of which organic growth accounted for -3%
- **Operating profit** amounted to SEK 86 million [53], yielding an operating margin of 9.9% [5.9]
- **Profit after tax** amounted to SEK 64 million [39]
- **Earnings per share [EPS] after dilution** amounted to SEK 3.65 [2.20]

Comment from CEO Markus Granlund



Strong growth during the quarter and historically high profitability

Our strategic shift continued to be successful during the second quarter. Sales increased both organically and through acquisitions by a total of 11 per cent, at the same time as profitability was historically high, cash flow was stable and net cash was nearly SEK 200 million. The IT company Squeed was consolidated as of May and we are pleased to welcome our new colleagues. Demand is high and we are growing within our priority areas.

Historically high operating margin

Having previously focused on margin-strengthening measures, I can see that we are now on a stable, high level of profitability that provides scope for an increased focus on growth. Operating profit for the second quarter amounted to SEK 40 million and the margin was 8.9 per cent. The improvement compared with the year-earlier period was partly due to restructuring costs, but also the strategic shift and productivity improvements. For the rolling twelve months, the operating margin was an historically high 10.2 per cent, which is in line with the financial objective. Sales for the quarter amounted to SEK 445 million and organic growth was 9 per cent.

Acquisition strengthens EDS

The Squeed acquisition in the quarter strengthens the Engineering & Digital Services [EDS] business area's digital position and adds more than SEK 100 million in annual sales, as well as customers in new industries, such as e-commerce, finance & insurance and media. The business contributes valuable leading-edge expertise in areas that include full-stack development and cloud services, and the integration work is proceeding to plan. During the quarter, growth in life science remained strong [+39 per cent]. We see major potential in several long-term business opportunities in the energy sector and are pleased to have concluded a new framework agreement with Vattenfall for the production of smart and sustainable energy. The framework agreement applies from 2021 to 2024, with the option of a two-year extension.

Trends favour Product Information

The Product Information business area continued to report high profitability and the operating margin for the second quarter was 13.8 per cent. Organic growth was 13 per cent, driven by such factors as high demand for

digital learning. We anticipate that this growth will continue in pace with even higher priority being assigned to sustainable digital aftermarket transactions by our customers. Semcon is one of the market's largest suppliers of digital aftermarket information and there is good potential to grow this business even further. The proportion of long-term managed service contracts remains at a high level and our skills centre in Hungary is successfully contributing to multi-site transactions with high productivity.

Accelerated sustainability work

Sustainability is a natural part of Semcon and through smart products and production solutions, as well as digitalised aftermarket services, we contribute to improvements that yield, for example, reduced climate impact. The increased focus in the world around us on the transition to sustainable innovation generates major opportunities for our business and for a future-proof world.

We have now accelerated our climate action agenda and have committed to several sustainability initiatives, including the Science Based Targets Initiative. I am proud that we are further raising our ambition in relation to these key topics. I look forward to working together with colleagues, customers, suppliers and other partners to do all that we can, both within Semcon and through the development of the market's most sustainable solutions.

Outlook

Semcon's shareholders resolved on 2 July to pay a dividend of SEK 3 per share, corresponding to 53 per cent of the 2020 earnings per share after dilution. Even after the dividend and the acquisition of Squeed, we have a strong balance sheet and good position for further growth, both organically and through strategic acquisitions that strengthen our offering and broaden our industry mix.

There is a high level of energy in the operations and I expect our growth journey to continue during the third quarter. Demand for our services is expected to be high and it will be an inspiring autumn. But first, we have the summer to look forward to.

Göteborg, 16 July 2021
Markus Granlund, President and CEO

Net sales and result

Second quarter

Net sales amounted to SEK 445 million [400], entailing growth of 11 per cent. Organic growth amounted to 9 per cent. Sales to life science customers and the public sector, among others, displayed continued strong growth. The quarter included one extra working day compared with last year.

Operating profit amounted to SEK 40 million [3], yielding an operating margin of 8.9 per cent [0.7]. Both business areas reported improved earnings as a result of a changed industrial mix, high productivity and lower costs. In the preceding year, second-quarter earnings were charged with restructuring costs of SEK -37 million, while the government subsidies received reduced costs by SEK 26 million. Net financial items amounted to SEK -1 million [-1], yielding profit before tax of SEK 39 million [1]. Tax expense for the quarter amounted to SEK -9 million [-]. Profit after tax was SEK 30 million [1] and earnings per share after dilution totalled SEK 1.69 [0.06].

January-June

Net sales amounted to SEK 864 million [892], entailing growth of -3 per cent. Organic growth amounted to -3 per cent. It was primarily sales to automotive customers that decreased during the first quarter due to the strategic restructuring that was implemented in the preceding year. Sales to life science

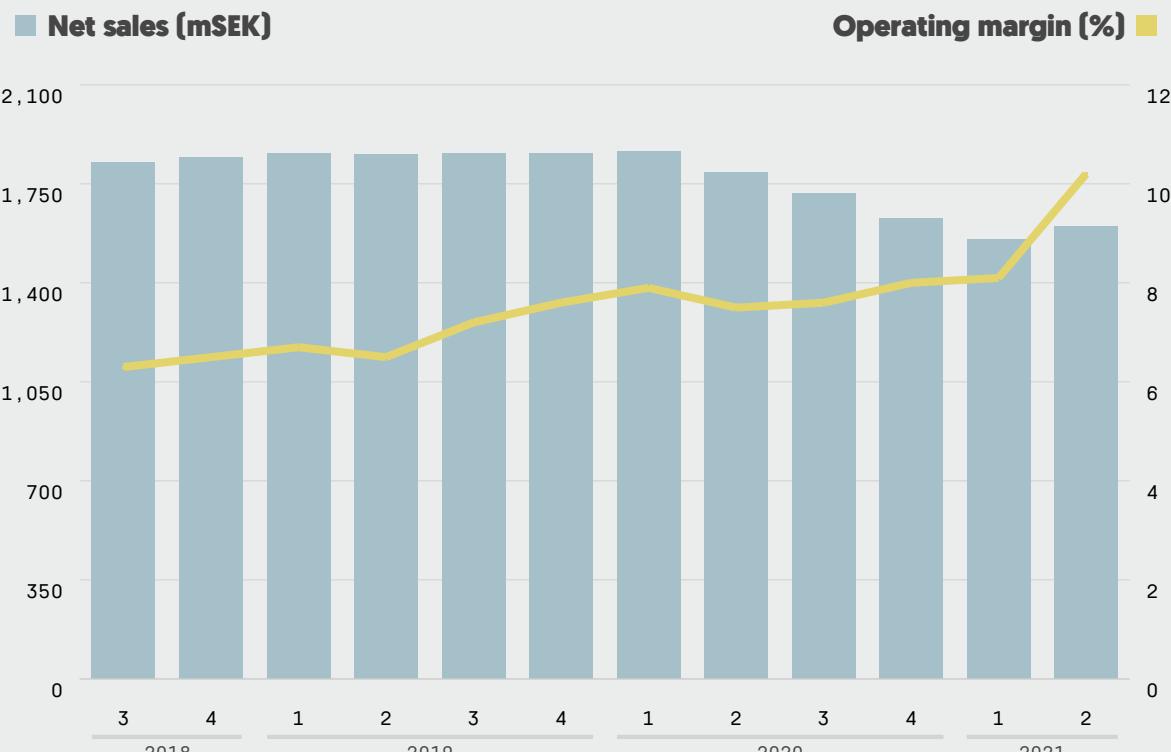
customers increased by 37 per cent during the period and to the public sector/other by 54 per cent. The period included the same number of working days as last year.

Operating profit amounted to SEK 86 million [53], yielding an operating margin of 9.9 per cent [5.9]. In the preceding year, the period's earnings were charged with restructuring costs of SEK -37 million, while the government subsidies received reduced costs by SEK 26 million. Net financial items amounted to SEK -2 million [-3], yielding profit before tax of SEK 83 million [50]. Tax expense for the period amounted to SEK -19 million [-12]. Profit after tax amounted to SEK 64 million [39] and earnings per share after dilution totalled SEK 3.65 [2.20].

Financial position

Cash flow from current activities was SEK 95 million [168]. Investments in hardware, licences, office supplies and equipment amounted to SEK 4 million [4]. The Group's cash and cash equivalents, after the acquisition of Squeed, amounted to SEK 230 million [158]. In addition, the Group had non-utilised credit of SEK 250 million [250] as of 30 June. Shareholders' equity amounted to SEK 775 million [643] and the equity/assets ratio was 59 per cent [55]. The Group's net cash, excluding lease liabilities, amounted to SEK 198 million [158].

Rolling 12 months, per quarter



Important events during the period

Second quarter

- Semcon acquired the IT company Squeed, with 95 employees and SEK 105 million in sales [2020]. Squeed's strong position in software development and agile change management complements Semcon's digital offering, adds new sectors and broadens the Group's customer portfolio.
- Sandvik's Stationary Crushing & Screening division selected Semcon to conduct a feasibility study on the possibility of digitalisation of product information and training courses. The goal is to enhance the efficiency of the service chain.
- Semcon signed a new framework agreement with Vattenfall to continue support for the company's production of reliable, smart and sustainable energy for the future. The framework agreement applies from 2021 to 2024, with the option of a two-year extension, and applies to the purchase of technical consulting for Vattenfall's operations.
- Semcon has accelerated its climate action agenda and has committed to several sustainability initiatives, as well as the ambition, in line with the Paris Agreement, to limit global warming to 1.5 °C. The initiatives are the Exponential Roadmap Initiative, Science Based Targets [SBTi], the UN Race to Zero, and the UN Global Compact. For SBTi, Semcon has committed to the highest level of ambition, 1.5 °C.

First quarter

- Semcon and Biometria, a key stakeholder in Swedish forestry, have embarked upon a new

partnership to make digital training courses in the forest industry more effective. Semcon's contribution to the project includes a new learning platform and cutting-edge expertise in the fields of system integration and pedagogy.

- Semcon's CEO Markus Granlund has assumed responsibility for the Engineering & Digital Services [EDS] business area, while former Business Area President Daniel Rundgren is focusing on growth and acquisitions in EDS. Markus will continue in his role as President and CEO of Semcon.
- Semcon is developing new training solutions for the public transport operator Stagecoach in the UK. This is in line with Semcon's aim to grow its business within product information solutions for the rail industry.
- The Board has resolved on new financial objectives for Semcon. Read more on page 6.
- Semcon is a partner in a new research project funded by Vinnova that aims to devise analysis methods and processes for continuous development of safe connected and automated vehicles.
- Semcon is a partner to Eezer Initiativet, which develops unique motorcycle ambulances to reduce maternal mortality in East and Central Africa. Semcon's contribution to the project is part of the Group's CSR programme.

Parent company

Net sales for the Parent Company amounted to SEK 18 million [20] and relate to payment for intra-Group services. Profit/loss before tax amounted to SEK -6 million [38].

Total sales growth [%]

	Jan-Jun 2021	Jan-Dec 2020
Acquisition and divestment	1.6	2.2
Currency effects	-2.2	-1.9
Organic growth	-2.6	-12.7
Total	-3.2	-12.4

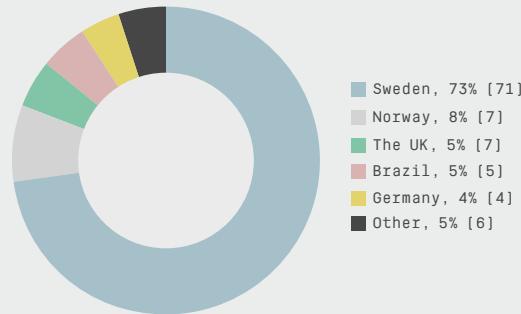
No. of working days in Sweden

	2019	2020	2021	2022
Q1	63	63	62	63
Q2	58	58	59	59
Q3	66	66	66	66
Q4	62	63	64	64
Total	249	250	251	252

The change in one working day represents around SEK 7 million in net sales and impacts operating profit by about SEK 6 million.

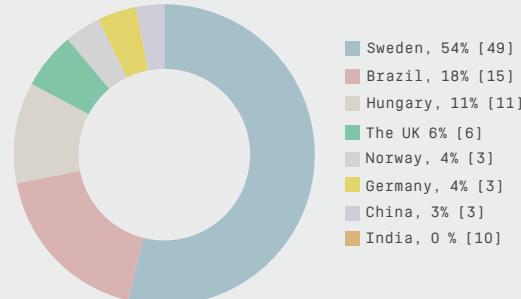
Net sales per market

Jan-Jun 2021



Employees per country

30 Jun, 2021



Employees

The number of employees on 30 June was 2,016 [2,060] and the number of employees in active service was 1,949 [1,989]. In the respective business areas the head count is as follows: Engineering & Digital Services 1,213 [1,296] and Product Information 803 [764]. The reduction in Engineering & Digital Services compared to last year was primarily attributable to the divestment of the Indian operations in the fourth quarter 2020.

Accounting principles

Semcon follows the IFRS standards adopted by the EU and its interpretations of these [IFRIC]. This interim report has been drawn up in accordance with IAS 34. The new standards that came into force as of 1 January 2021 have had no material effect on the Group's accounts during the year. In general, the same accounting policies and methods of calculation have been used in this interim report as in the latest Annual Report.

Acquisitions

During the period, Semcon has acquired Squeed AB with operations in Göteborg, Stockholm and Oslo. Squeed has 95 employees and 2020 net sales amounted to SEK 105 million. Semcon expects the acquisition to have a positive impact on earnings per share in 2021. For further information, see Note 2.

Risks and uncertainties

The Group and parent company's significant risks and uncertainties include business risks in the form of high exposure towards a single industry or customer. An economic downturn or disruptions to financial markets can have a negative effect on the Group's services. In general terms acquisitions and divestments incur increased risks. This also includes financial risks mainly concerning currency

risks. Semcon's Annual Report 2020, pages 46-47 and 65-67, include a detailed description of the Group and parent company's risk exposure and risk management. The global outbreak of COVID-19 has resulted in greater uncertainty in terms of the above risks and uncertainties.

Ownership structure

As of June 30, JCE Group owned 25.9% [25.9] of Semcon's shares, Nordea Investment Funds 11.7% [11.3], Northern Trust Company 7.7 [7.0], BNY Mellon 4.2% [5.0] and Avanza Pension 2.7% [3.4]. Foreign ownership was 44.6% [42.1] and the number of shareholders was 4,835 [5,001]. The number of ordinary shares at the end of the period was 18,112,534 [18,112,534], all with the quotient value of SEK 1 and equal voting rights. Semcon owned 636,071 [754,416] of the company's shares on June 30. The change in holding is attributable to the allocation of shares within the framework of the Performance-based share savings scheme 2017 and part-payment of the Squeed acquisition using own shares. For more information about this scheme, see note 9 in Semcon's 2020 Annual Report and for more information about the acquisition of Squeed, see note 2 in this report. Semcon is listed on Nasdaq Stockholm, small cap under the SEMC ticker. For more information about Semcon's ownership structure and share price development visit www.semcon.com.

Events after the end of the period

After the end of the period, Semcon's shareholders resolved at an Extraordinary General Meeting on 2 July on payment of a dividend of SEK 3 per share, corresponding to 53 per cent of the earnings per share after dilution for 2020. The dividend amount totalled SEK 52.4 million.

Key figures

	2021	2020	Jan-Dec 2020
Total sales growth [%]	-3.2	-7.0	-12.4
Organic sales growth [%]	-2.6	-6.5	-12.7
EBITDA margin [%]	12.6	8.8	11.2
EBITA margin [%]	10.1	6.1	8.2
Operating margin [%]	9.9	5.9	8.0
Profit margin [%]	9.6	5.6	7.7
Return on shareholders' equity [%]	17.8	16.4	15.2
Return on operating capital [%]	26.4	20.0	20.0
Return on capital employed [%]	19.8	17.9	16.7
Equity/assets ratio [%]	58.7	55.2	59.9
Number of employees at the end of the period	2,016	2,060	1,821

	2021	2020	Jan-Dec 2020
Key figures for the Semcon share			
Earnings per share before dilution [SEK]	3.68	2.23	5.75
Earnings per share after dilution [SEK]	3.65	2.20	5.70
Shareholders' equity per share before dilution [SEK]	44.36	37.03	40.15
Shareholders' equity per share after dilution [SEK]	42.80	35.48	38.53
Share price/Shareholders' equity per share [times]	2.79	1.41	2.05
Cash flow per share [SEK]	5.22	9.29	13.69
Share price at the end of the period [SEK]	119.60	50.00	79.00
Market cap at the end of the period [mSEK]	2,166	906	1,431
Number of shares at the end of the period with the quotient value of SEK 1 [000]	18,113	18,113	18,113
Number of own shares at the end of the period [000]	636	754	731
Average number of shares [000]	18,113	18,113	18,113

Financial objectives

- Net sales growth including acquisitions of at least 10 per cent/year.
 - EBITA margin of at least 10 per cent.
- The Board also adopted a new dividend policy and guideline for the net debt/EBITDA ratio.
- Approximately half of profit after tax over time is to be distributed to shareholders.
 - Based on the premise of a strong balance sheet and financial flexibility, the net debt/EBITDA ratio should not exceed approximately 1.5x.

BUSINESS AREAS

Engineering & Digital Services

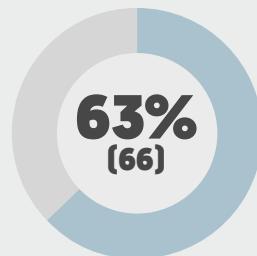
- Strong growth in priority areas, such as life science and digital services
- The acquisition of Squeed adds digital excellence and customers in new industries
- Positive margin trend continues

Financial development

	Apr-Jun		Jan-Jun		Jan-Dec 2020
	2021	2020	2021	2020	
Net sales [mSEK]	285.6	256.7	545.8	594.0	1,051.7
Total sales growth [%]	11.3	-24.5	-8.1	-13.8	-20.4
Organic growth [%]	6.7	-21.8	-7.3	-10.4	-18.5
Operating result [mSEK]	25.5	-15.7	51.5	15.3	55.9
Operating margin [%]	8.9	-6.1	9.4	2.6	5.3
No. of employees	1,213	1,296	1,213	1,296	1,039

The business area's net sales amounted to SEK 546 million [594], entailing growth of -8 per cent for the period January-June, while growth for the second quarter amounted to 11 per cent. Organic growth for the period January-June amounted to -7 per cent. Sales to life science customers demonstrated continued highly favourable growth, amounting to 39 per cent in the second quarter and 35 per cent for the period. It was primarily sales to automotive and industrial customers that decreased during the first quarter due to the strategic restructuring that was implemented in the preceding year.

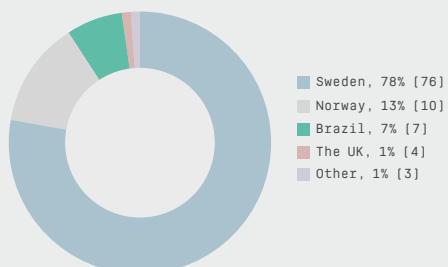
Share of Group Net sales Jan-Jun 2021



Operating profit amounted to SEK 52 million [15], yielding an operating margin of 9.4 per cent [2.6]. A changed industrial mix, higher productivity and lower costs contributed to the earnings improvement. The acquisition of Squeed also contributed to the improvement in earnings. In the preceding year, second-quarter earnings were charged with restructuring costs of SEK -35 million, while the government subsidies received reduced costs by SEK 16 million. Work is continuing with full focus on industry diversification and growth in prioritised areas.

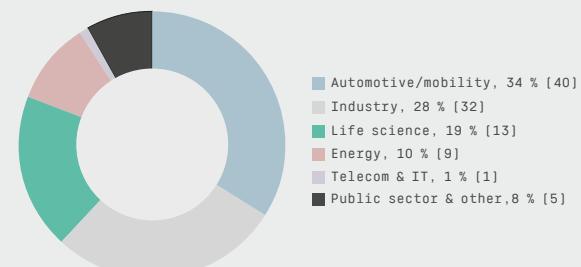
Net sales per market

Jan-Jun 2021



Net sales per industry

Jan-Jun 2021



About Engineering & Digital Services

The business area's approximately 1,200 employees combine digital excellence with advanced engineering skills to develop products, services and production processes. We take responsibility for the whole product development cycle and create user experiences that make a difference – for people and our planet. Our main offerings are: Digital Services, Product Development, Production Development, Strategic Design & Innovation, Project Management, Quality and Validation.

Engineering & Digital Services has offices in Sweden, Norway, the UK and Brazil. Operations mainly focus on the automotive/mobility, industry, energy, and life science sectors. Customers include ABB, AB Volvo, Alstom, AstraZeneca, Autoliv, CEVT, Fortum, Geely, Getinge, Husqvarna, MAN, Metso, Powercell, Rolls-Royce Marine, Saab, Scania, Siemens, Swedish Transport Administration [Trafikverket], Vattenfall and Volvo Cars.

BUSINESS AREAS CONT.

Product Information

- High demand for digital aftermarket solutions, organic growth of 13 per cent
- Continued high level of profitability, successful multi-site operations
- Functional sourcing and solution-based deliveries account for more than 75 per cent of sales

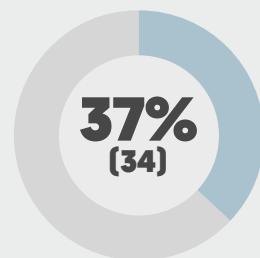
Financial development

	Apr-Jun		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Net sales [mSEK]	160.2	144.8	319.7	300.0	578.5
Total sales growth [%]	10.6	6.5	6.6	10.9	8.0
Organic growth [%]	12.8	-2.5	6.5	4.3	1.6
Operating result [mSEK]	22.1	22.2	48.5	46.8	88.8
Operating margin [%]	13.8	15.3	15.2	15.6	15.4
No. of employees	803	764	803	764	782

The business area's net sales amounted to SEK 320 million [300] and sales growth was 7 per cent for the period January-June. Growth was favourable in Sweden, among other countries, while sales in the UK declined during the first quarter. A few major projects of a non-recurring nature contributed to high sales in the preceding year in the first quarter. Organic growth for the business area amounted to 13 per cent during the second quarter, driven by such factors as high demand for digital learning.

Operating profit amounted to SEK 49 million [47], yielding an operating margin of 15.2 per cent [15.6]. Increased sales and continued high

Share of Group Net sales Jan-Jun 2021

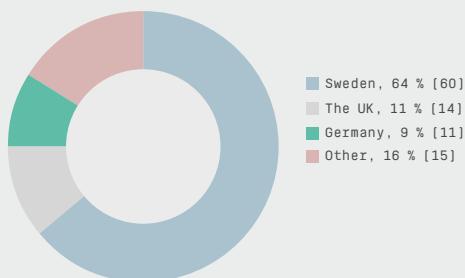


productivity contributed to the earnings improvement. In the preceding year, the period's earnings were charged with restructuring costs of SEK -2 million, while government subsidies received reduced costs by SEK 8 million.

Part of the business area's strategy is focused on a high proportion of functional sourcing and a high level of resource efficiency through deliveries involving networking teams from several countries.

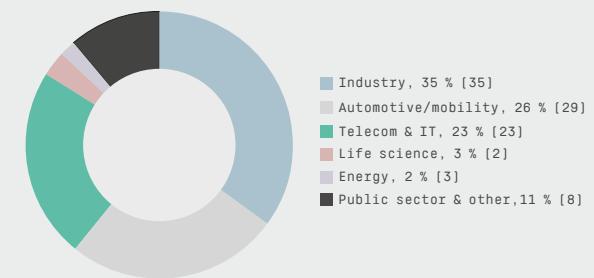
Net sales per market

Jan-Jun 2021



Net sales per industry

Jan-Jun 2021



About Product Information

The business area's approximately 800 employees provide complete product information solutions, with the primary focus on customers' aftermarket business. The business area's offerings supports the use and management of products and systems throughout the product life cycle: from sales and marketing to installation, maintenance, diagnostics, repairs, as well as training service staff.

Product Information has offices in Sweden, the UK, Hungary, Germany and China. Operations mainly focus on the engineering, automotive/mobility, telecom & IT, energy and medtech sectors. Customers include ABB, AGCO, Alstom, Baxter, Lynk & Co, ESAB, Jaguar Land Rover, Saab, Siemens, London Electric Vehicle Company, Logisnext and Volvo Cars.

Group

CONDENSED FINANCIAL STATEMENTS

Income statement

mSEK	Note	Apr-Jun		Jan-Jun		Jan-Dec
		2021	2020	2021	2020	2020
Net sales	1	445.2	400.1	863.6	891.7	1,627.0
Purchase of goods and services		-65.3	-57.5	-127.6	-144.1	-265.1
Other external operating expenses		-24.5	-21.6	-45.1	-46.9	-93.2
Staff costs		-304.1	-305.6	-581.7	-621.8	-1,087.2
Operating profit before depreciation/amortisation		51.3	15.7	109.2	78.9	181.5
Amortisation of intangible assets		-0.8	-0.8	-1.6	-1.6	-3.3
Depreciation of tangible fixed assets		-2.4	-2.4	-4.6	-4.7	-9.1
Depreciation of right-of-use assets		-8.4	-9.7	-17.4	-19.6	-39.1
Operating profit		39.7	2.8	85.6	53.0	130.0
Net financial items		-1.2	-1.4	-2.4	-2.8	-5.2
Profit before tax		38.5	1.4	83.2	50.2	124.8
Tax		-8.8	-0.3	-19.1	-11.5	-25.0
Profit after tax		29.7	1.1	64.1	38.7	99.8
Profit attributable to:						
Parent company's shareholders		29.7	1.1	64.1	38.7	99.8
Earnings per share before dilution [SEK]		1.70	0.06	3.68	2.23	5.75
Earnings per share after dilution [SEK]		1.69	0.06	3.65	2.20	5.70
No. of working days in period		59	58	121	121	250

Statement of comprehensive income

mSEK		Apr-Jun		Jan-Jun		Jan-Dec
		2021	2020	2021	2020	2020
Profit after tax		29.7	1.1	64.1	38.7	99.8
Items that can be reclassified as profit or loss						
Translation differences for the period		2.1	-9.5	7.2	-16.6	-23.2
Total other comprehensive income		2.1	-9.5	7.2	-16.6	-23.2
Total comprehensive income for the period		31.8	-8.4	71.3	22.1	76.6

Balance sheet

mSEK	30 Jun		31 Dec
	2021	2020	2020
Assets			
Intangible assets, goodwill	451.1	369.1	367.3
Other intangible assets	6.7	9.0	8.0
Tangible fixed assets	23.2	26.8	23.6
Right-of-use assets	99.8	129.2	115.5
Financial assets	6.2	2.8	10.2
Accounts receivable	291.1	271.6	273.9
Accrued non-invoiced income	169.9	160.7	124.1
Other current assets	42.3	37.6	42.4
Cash and cash equivalents	229.7	157.6	199.1
Total assets	1,320.0	1,164.4	1,164.1
Shareholders' equity and liabilities			
Shareholders' equity	775.3	642.7	697.8
Non-current lease liabilities	68.5	94.2	82.8
Non-current contingent considerations	18.8	-	-
Deferred tax liabilities	70.5	55.0	51.0
Accounts payable	48.1	40.4	49.0
Current lease liabilities	31.3	33.2	31.8
Current contingent considerations	12.9	-	-
Non-accrued invoiced income	14.2	19.0	24.2
Other non interest-bearing current liabilities	280.4	279.9	227.5
Total shareholders' equity and liabilities	1,320.0	1,164.4	1,164.1

Change in shareholders' equity

mSEK	30 Jun		31 Dec
	2021	2020	2020
Shareholders' equity at the start of the period	697.8	620.1	620.1
Total comprehensive income	71.3	22.1	76.6
Acquisition consideration own shares	5.0	-	-
Share-based remuneration	1.2	0.5	1.1
Shareholders' equity at the end of the period	775.3	642.7	697.8

Net cash

mSEK	30 Jun		31 Dec
	2021	2020	2020
Cash and cash equivalents	229.7	157.6	199.1
Contingent considerations	-31.7	-	-
Net cash	198.0	157.6	199.1

Capital employed

mSEK	30 Jun		31 Dec
	2021	2020	2020
Total assets	1,320.0	1,164.4	1,164.1
Deferred tax liabilities	-70.5	-55.0	-51.0
Accounts payable	-48.1	-40.4	-49.0
Other non interest-bearing liabilities	-294.6	-298.9	-251.7
Total capital employed	906.8	770.1	812.4
Average capital employed	822.8	747.3	783.3

Cash flow statement

mSEK	Note	Apr-Jun		Jan-Jun		Jan-Dec	
		2021	2020	2021	2020	2020	
Cash flow from current activities							
before change in working capital		47.3	16.8	96.1	57.2	146.0	
Change in working capital		-21.7	88.5	-1.6	111.0	101.9	
Cash flow from current activities		25.6	105.3	94.5	168.2	247.9	
Investments		-1.8	-1.4	-3.5	-3.7	-6.8	
Acquisition of subsidiaries	2	-47.2	-1.1	-47.2	-43.1	-48.1	
Investment in associated companies		-	-	-	-	-11.3	
Divestment of subsidiaries		-	-	-	-	3.1	
Divestment of fixed assets		-	0.1	-	0.1	0.2	
Cash flow from investment activities		-49.0	-2.4	-50.7	-46.7	-62.9	
Repayment of lease liabilities		-8.1	-9.2	-16.5	-18.4	-37.3	
Cash flow from financing activities		-8.1	-9.2	-16.5	-18.4	-37.3	
Cash flow for the period		-31.5	93.7	27.3	103.1	147.7	
Cash and cash equivalents at the start of the period		259.1	65.1	199.1	63.0	63.0	
Translation differences		2.1	-1.2	3.3	-8.5	-11.6	
Cash and cash equivalents at the end of the period		229.7	157.6	229.7	157.6	199.1	

Change in net cash

mSEK		Apr-Jun		Jan-Jun		Jan-Dec	
		2021	2020	2021	2020	2020	
Opening balance		259.1	65.1	199.1	63.0	63.0	
Cash flow from current activities		25.6	105.3	94.5	168.2	247.9	
Net investments		-1.8	-1.3	-3.5	-3.6	-6.6	
Acquisition of subsidiaries		-47.2	-1.1	-47.2	-43.1	-48.1	
Contingent considerations		-31.7	-	-31.7	-	-	
Investment in associated companies		-	-	-	-	-11.3	
Divestment of subsidiaries		-	-	-	-	3.1	
Repayment of lease liabilities		-8.1	-9.2	-16.5	-18.4	-37.3	
Translation differences		2.1	-1.2	3.3	-8.5	-11.6	
Closing balance		198.0	157.6	198.0	157.6	199.1	

Quarterly information by Business Area

	2019				2019	2020				2021		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	2020	Q1	Q2
Revenue [mSEK]												
Engineering & Digital Services	348.8	340.1	287.4	350.2	1,326.5	337.3	256.7	207.1	250.6	1,051.7	260.2	285.6
Product Information	134.5	136.0	124.1	141.2	535.8	155.2	144.8	127.2	151.3	578.5	159.5	160.2
Group items/eliminations	-0.1	-0.1	-1.3	-2.6	-4.1	-1.2	-1.1	0.2	-1.1	-3.2	-1.3	-0.6
Total	483.2	476.0	410.2	488.8	1,858.2	491.3	400.4	334.5	400.8	1,627.0	418.4	445.2
Operating profit [mSEK]												
Engineering & Digital Services	34.1	12.5	22.6	38.1	107.3	31.0	-15.7	10.0	30.6	55.9	26.0	25.5
Product Information	13.0	9.1	13.4	14.9	50.4	24.6	22.2	19.5	22.5	88.8	26.4	22.1
Group items/eliminations	-3.2	-4.5	-4.2	-4.0	-15.9	-5.4	-3.7	-1.1	-4.5	-14.7	-6.5	-7.9
Total	43.9	17.1	31.8	49.0	141.8	50.2	2.8	28.4	48.6	130.0	45.9	39.7
Operating margin [%]												
Engineering & Digital Services	9.8	3.7	7.9	10.9	8.1	9.2	-6.1	4.8	12.2	5.3	10.0	8.9
Product Information	9.7	6.7	10.8	10.6	9.4	15.9	15.3	15.3	14.9	15.4	16.6	13.8
Total	9.1	3.6	7.8	10.0	7.6	10.2	0.7	8.5	12.1	8.0	11.0	8.9
Number of employees												
Engineering & Digital Services	1,421	1,440	1,498	1,528	1,528	1,489	1,296	1,253	1,039	1,039	1,108	1,213
Product Information	722	728	737	734	734	778	764	763	782	782	790	803
Total	2,143	2,168	2,235	2,262	2,262	2,267	2,060	2,016	1,821	1,821	1,898	2,016
Number of working days	63	58	66	62	249	63	58	66	63	250	62	59

Definitions

Return on shareholders' equity

Profit for the period after tax (RTM) divided by the average shareholders' equity.

Return on operating capital

Operating profit (RTM) divided by the average operating capital.

Return on capital employed

Profit before tax plus financial costs (RTM) divided by the average capital employed.

EBITA margin

Operating profit before amortisation as a percentage of net sales.

EBITDA margin

Operating profit before amortisation/depreciation as a percentage of net sales.

Shareholders' equity per share before dilution

Shareholders' equity divided by the number of shares at end of the period excluding shares held as own shares by the parent company.

Shareholders' equity per share after dilution

Shareholders' equity divided by the number of shares at end of the period adjusted for the dilution effect on potential shares.

Cash flow per share

Cash flow from current activities divided

by the weighted average number of outstanding shares adjusted for the dilution effect on potential shares.

RTM

Rolling twelve months.

Operating margin [EBIT]

Operating result as a percentage of net sales.

Operating result before amortisation [EBITA]

Operating result plus amortisation of intangible assets.

Operating result before amortisation/ depreciation [EBITDA]

Operating result plus amortisation/ depreciation of intangible assets, tangible assets and right-of-use assets.

Net debt/EBITDA ratio

Net debt divided by EBITDA (RTM). Excluding impact of IFRS 16, meaning net debt excluding lease liability and EBITDA adjusted so the total lease cost is charged to EBITDA.

Equity/assets ratio

Shareholders' equity as a percentage of the balance sheet total.

Capital employed

The balance sheet total minus non interest-bearing provisions and liabilities.

Profit margin

Profit before tax as a percentage of net sales.

Parent company

CONDENSED FINANCIAL STATEMENTS

Income statement

mSEK	Apr-Jun		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Net sales	9.0	9.4	17.9	19.9	37.4
Other external operating expenses	-3.0	-3.4	-5.6	-6.2	-10.8
Staff costs	-9.1	-7.1	-17.8	-16.6	-32.1
Operating loss	-3.1	-1.1	-5.5	-2.9	-5.5
Net financial items*	-0.3	40.7	-0.4	41.2	41.7
Profit/loss after net financial items	-3.4	39.6	-5.9	38.3	36.2
Appropriations**	-	-	-	-	-0.2
Profit/loss before tax	-3.4	39.6	-5.9	38.3	36.0
Tax	0.6	0.5	1.2	0.8	0.5
Profit/loss for the period	-2.8	40.1	-4.7	39.1	36.5
* of which translation differences	-0.2	-1.8	-	-1.7	-1.5
of which dividend	-	42.0	-	42.0	42.0
** of which group contribution paid	-	-	-	-	-0.2

Statement of comprehensive income

mSEK	Apr-Jun		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Profit/loss for the period	-2.8	40.1	-4.7	39.1	36.5
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-2.8	40.1	-4.7	39.1	36.5

Balance sheet

mSEK	30 Jun		31 Dec
	2021	2020	2020
Assets			
Financial fixed assets	227.9	235.8	235.5
Current assets	130.2	196.8	157.2
Cash and cash equivalents	163.8	116.9	153.4
Total assets	521.9	549.5	546.1
Shareholders' equity and liabilities			
Shareholders' equity	387.4	389.7	387.1
Untaxed reserves	56.6	56.6	56.6
Non interest-bearing current liabilities	77.9	103.2	102.4
Total shareholders' equity and liabilities	521.9	549.5	546.1

Note 1

DISTRIBUTION OF NET SALES

mSEK	Engineering & Digital Services		Product Information		Group	
Apr-Jun	2021	2020	2021	2020	2021	2020
Distribution per country						
Sweden	224.5	194.8	102.9	92.5	327.4	287.3
Norway	33.7	31.4	0.3	0.1	34.0	31.5
UK	3.9	8.4	16.5	15.9	20.4	24.3
Brazil	21.1	15.4	-	-	21.1	15.4
Germany	0.7	0.6	13.9	15.6	14.6	16.2
Other	1.7	6.1	26.6	20.7	28.3	26.8
Eliminations	-	-	-	-	-0.6	-1.1
Total	285.6	256.7	160.2	144.8	445.2	400.4

mSEK	Engineering & Digital Services		Product Information		Group	
Jan-Jun	2021	2020	2021	2020	2021	2020
Distribution per country						
Sweden	423.0	451.9	203.7	181.4	626.7	633.3
Norway	71.6	61.4	0.7	0.1	72.3	61.5
UK	8.0	22.6	34.1	40.6	42.1	63.2
Brazil	39.7	43.6	-	-	39.7	43.6
Germany	1.5	1.1	29.6	31.9	31.1	33.0
Other	2.0	13.4	51.6	46.0	53.6	59.4
Eliminations	-	-	-	-	-1.9	-2.3
Total	545.8	594.0	319.7	300.0	863.6	891.7
Distribution per industry						
Automotive/mobility	184.3	238.3	84.2	88.3	268.5	326.6
Industry	151.0	188.1	111.5	104.4	262.5	292.5
Life Science	106.7	78.8	9.4	6.1	116.1	84.9
Telecom & IT	8.0	6.6	74.0	70.3	82.0	76.9
Energy	53.2	55.5	7.5	8.3	60.7	63.8
Public sector & other	42.6	26.7	33.1	22.6	75.7	49.3
Eliminations	-	-	-	-	-1.9	-2.3
Total	545.8	594.0	319.7	300.0	863.6	891.7

Note 2

ACQUISITIONS

In May, Semcon acquired 100 per cent of the shares in Squeed AB, with its registered office in Göteborg, Sweden. Squeed has a strong position in software development and agile change management which complements Semcon's digital offering, adds new sectors and broadens the Group's customer portfolio.

Squeed's net sales for the January-June 2021 period amounted to SEK 58.7 million and operating profit to SEK 8.1 million. Consolidation takes place from May and net sales for the holding period amounted to SEK 20.3 million and operating profit to SEK 3.2 million.

The purchase price for 100 per cent of the shares, on a cash and debt-free basis and before adjustment for normalised working capital, initially amounted to SEK 61 million, of

which SEK 56 million was paid in cash and SEK 5 million was paid in the form of 42,585 shares in Semcon. In addition, earn-outs may amount to a maximum of SEK 39 million if the operating profit exceeds certain benchmark levels during 2021-2023. The cash portion of the purchase price was financed using available funds in Semcon. The share portion was met using existing holdings of own shares. The purchase price, including earn-outs, was measured at fair value at the date of transfer.

External acquisition-related costs are recognised in operating profit and total SEK 0.5 million. Semcon expects the acquisition to have a positive impact on earnings per share in 2021.

Acquired net assets on the date of acquisition*

mSEK

Tangible fixed assets	0.3
Financial assets	0.2
Current assets	25.7
Cash and cash equivalents	28.9
Deferred tax liabilities	-0.7
Current liabilities	-23.4
Net assets and liabilities	31.0
Intangible assets, goodwill	82.9
Contingent considerations	-32.8
Consideration own shares	-5.0
Total purchase price	76.1
Less cash and cash equivalents in acquired companies	-28.9
Impact on consolidated cash and cash equivalents	47.2

* based on preliminary acquisition analyses.

The analysis of the acquisition of Squeed found that the purchase price was larger than the carrying amount of net assets, and therefore gave rise to goodwill. In the acquisition of a consultancy firm, the main item acquired consists

of human capital in the form of employee expertise, which is why the acquired companies' intangible assets have been assigned to goodwill.

The Board and the president certify that the Interim report provides an accurate picture of the parent company's and Group's activities, position and earnings and describes the significant risks and uncertainties facing the parent company and Group companies.

Göteborg 16 July, 2021

SEMC CON AB [PUBL]
Co.reg.no. 556539-9549

Markus Granlund
President and CEO

Eva Elmstedt
Chair of the Board

Carl Backman
Board member

Carsten Browall
Board member

Jeanette Reuterskiöld
Board member

Karl Thedéen
Board member

Lars-Ove Jansson
Employee representative

Maria Svedinger Andersson
Employee representative

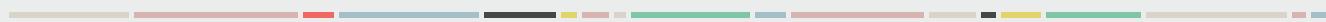
Mats Sällberg
Employee representative

SEMCON'S MISSION



To turn technology into excellent user experiences.

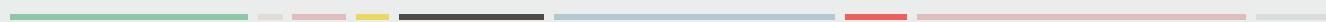
FINANCIAL CALENDAR



Interim report January-September 2021
Year-end report 2021

19 October 2021, at 08.00
9 February 2022, at 08.00

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Göteborg 16 July, 2021
Semcon AB [publ] Co.reg.no 556539-9549
Markus Granlund, President and CEO

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

This is a translation of the Swedish original of the Interim report January-June 2021. In the event of inconsistency or discrepancy, the Swedish version shall prevail.

This information is such information as Semcon AB [publ] is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 a.m. CEST on 16 July 2021.



Semcon is an international technology company. We turn technology into excellent user experiences by combining digital edge and engineering expertise. With diverse multi-disciplinary teams we add new perspectives creating sustainable and competitive businesses. Regardless if you aim to recharge a current product or service, reinvent new technology or reimagine future needs, our focus is always on human needs and behaviour in order to develop solutions with the clearest benefits to people and our planet. By combining our 40 years of advanced engineering, strategic innovation, digital services and product information solutions, we drive transformation in a wide range of industries with more than 2,000 dedicated employees based in seven different countries. Read more on semcon.com.

