

## Quarter affected by seasonality and weaker performance in Norway and Finland where margin-enhancing improvement measures are ongoing

### First quarter

- Net sales increased 9.3 per cent to MSEK 684 (626), with organic growth of -0.8 per cent.
- Adjusted EBITA amounted to MSEK 11 (28), with an adjusted EBITA margin of 1.6 per cent (4.5).
- EBITA amounted to MSEK -3 (22), with an EBITA margin of -0.4 per cent (3.6).
- Operating profit (EBIT) amounted to MSEK -4 (22), with an operating margin of -0.6 per cent (3.4).
- Profit/loss for the period amounted to MSEK -9 (15).
- Earnings per share before and after dilution amounted to SEK -0.18 (0.33).
- Cash flow from operating activities amounted to MSEK 8 (-85).
- Net debt amounted to MSEK 789 (557) and net debt/adjusted EBITDA to 3.2 (2.4).
- The order backlog increased to MSEK 3,750 (3,401).

### Significant events during and after the first quarter

- Growth and profitability were affected by seasonality during the quarter.
- Margin-enhancing improvement measures due to a weaker performance in Norway and Finland are ongoing.
- The ongoing termination of operations for fibre roll-out in Sweden is progressing as planned. Adjusted for fibre roll-out in Sweden, the Group's organic growth was 3.6 per cent in the quarter.
- Record high order backlog of SEK 3.75 billion.
- The initiatives to reduce tied-up capital have led to improved cash flow of MSEK 8 (-85).
- In April, the arbitration with a fiber customer was settled in Netel's favor and Netel has requested execution of the payment of approximately MSEK 80. The arbitration ruling has been appealed by the counterparty, which does not impact the execution of the payment of approximately MSEK 80. The previously communicated positive one-off effect on EBITA of approximately MSEK 5 and on profit before tax of approximately MSEK 15 are included in earnings for the first quarter of 2023.
- Netel is expanding into power projects for railways and defence with the acquisition of Elektrotjänst i Katrineholm.
- Changes to reporting of business areas from first quarter 2023.

SEK millions	Jan-Mar		R12 Apr-Mar	Full-year
	2023	2022	2022/2023	2022
Net sales	684	626	3,199	3,141
Net sales growth (%)	9.3%	45.0%	29.5%	29.9%
Adjusted EBITA	11	28	183	200
Adjusted EBITA margin (%)	1.6%	4.5%	5.7%	6.4%
EBITA	-3	22	154	179
EBITA margin (%)	-0.4%	3.6%	4.8%	5.7%
EBIT	-4	22	151	176
EBIT margin (%)	-0.6%	3.4%	4.7%	5.6%
Net debt	789	557	789	722
Net debt/Adjusted EBITDA R12 (Ratio)	3.2	2.4	3.2	2.8

Adjusted EBITA is adjusted for acquisition costs and other costs, including restructuring costs in Finland in the first quarter 2023. During 2022, adjustments were made for acquisition-related costs.

**CEO's comments**

# With margin-enhancing measures, we are building a more efficient Netel to meet the strong market trends in infrastructure

**The first quarter was affected by seasonal variations and a weaker performance in Norway and Finland, which impacted sales and profitability. The measures we are taking in Norway and Finland to adapt operations to the market situation have impacted profitability during the quarter and will continue to have a negative impact on future quarter. In parallel, operations in Sweden, Germany and the UK continued to perform well. Our initiatives to reduce tied-up capital are now having an effect and cash flow improved in the quarter. The order backlog rose to a new record high, driven by the strong market trends in infrastructure.**

Organic growth was negative in the quarter at -0.8 per cent, which reflects seasonality whereby a large share of projects are at a standstill during the winter months. Adjusted for the fibre roll-out in Sweden, which is being discontinued, the Group's organic growth was 3.6 per cent. Our weather-dependent projects are underway again as planned after the Easter weekend.

Operations in Sweden performed well overall with very healthy demand in Power. Germany reported strong growth and favourable demand. Operations in the UK, which began in the second half of 2022, progressed according to plan. We are now building an organisation in the UK for growth in response to the high demand we can see from existing and new customers.

## Measures in Finland and Norway

In Finland, negotiations have begun with a major customer in Power since the global cost increases have significantly impacted our profitability. We aim to arrive at an agreement that is positive for both parties. We are reviewing our project portfolio, our organisation and ways of working in Power, which resulted in a restructuring cost of MSEK 10 in the quarter. We cannot rule out that additional restructuring costs may be necessary in the second quarter of 2023, partly depending on the outcome of the negotiations with the major customer in Power. During the second quarter of 2023, we will start the new, larger fibre projects, which have good potential to contribute to improved profitability.

In Norway, we were affected by Power's weaker performance due to the national regulations for grid operators that led to a reduction in investments by our most important customer. We are adapting the organisation to lower volumes while reviewing project management to improve profitability. There is still a need to increase grid capacity in Norway and our view of the market remains positive in the longer term.

In recent years, we have invested in Norway to grow our business in telecom service. However, telecom operators have for some time been more restrictive and our volumes in the major service agreements have not achieved the promised levels. Here too, we are adapting our organisation to lower volumes to improve profitability, which will continue in the second quarter of 2023.

## Challenge to arbitration decision

In April, the arbitration with a fibre customer was settled in Netel's favor and Netel has requested execution of the payment of approximately MSEK 80. The arbitration ruling has been appealed by the counterparty, which does not impact the execution of the payment of approximately MSEK 80. The previously communicated positive one-off effect on EBITA of approximately MSEK 5 and on profit before tax of approximately MSEK 15 are included in earnings for the first quarter of 2023.

## Improved operating cash flow in the quarter

During 2022, we implemented initiatives to improve operating cash flow, which began to deliver results during the quarter. Operating cash flow amounted to MSEK 8 (-85), due to a reduction in tied-up capital. We still see a potential to reduce tied-up capital and improve cash flow.

As of this quarter, we are reporting a partly new breakdown of our business areas. We can offer greater transparency by separating the Swedish operations in our new Infraservices growth market, meaning district heating, water and sewage with associated civil engineering works, from the fibre operations.

I am delighted to welcome our new colleagues at Elektrotjänst i Katrineholm to Netel. We acquired the company in February 2023 and Elektrotjänst provides us with new, attractive customer segments in railways,

underground rail and defence. The acquisition also means a geographical expansion in Power.

### **Outlook**

We operate in markets driven by powerful megatrends. The electrification of society, digitalisation and the general need to modernise infrastructure are driving demand. In the UK and Germany, we are leveraging our long experience of fibre roll-out in the Nordic region and our ambition is to gain significant positions in both of these growth markets. In the short term, we can see a risk that rising interest rates may make customers more restrictive. We can now see that telecom operators are more restrictive in their investments, which has a

negative impact on us. However, we have low exposure to the residential market, which is normally more sensitive to interest rates than the industrial sector and the municipal and state customer segments.

During the quarter, markets overall remained strong and we grew our order backlog to the new record of SEK 3.75 billion. However, we are still facing short-term challenges in Norway and Finland, where we are responding with measures to enhance margins. Through these measures, we are building a more efficient Netel to meet the strong market trends in infrastructure.

*Ove Bergkvist*  
*President and CEO*

## Condensed consolidated financial performance

### First quarter

#### Net sales

Net sales grew 9.3 per cent in the first quarter to MSEK 684 (626), with organic growth of -0.8 per cent. Adjusted for the fibre roll-out in Sweden, which is being discontinued, the Group's organic growth was 3.6 per cent. Acquisitions and positive exchange rate effects contributed 10.1 per cent. Sales were negatively affected by seasonality with a normally weak first quarter due to winter conditions when a large share of the projects are at a standstill. Sales were also impacted by lower volumes in Norway and Finland. Sweden performed well and growth in Germany was strong. Operations in the UK, which began in the second half of 2022, progressed according to plan.

Order bookings were good during the quarter and the order backlog increased during the period by MSEK 50 to the record level of MSEK 3,750.

#### Earnings

EBITDA decreased by 61.1 per cent to MSEK 14 (36), with an EBITDA margin of 2.1 per cent (5.8). EBITA fell to MSEK -3 (22), with an EBITA margin of -0.4 per cent (3.6). Profitability was affected by measures in Norway and Finland initiated to adapt operations to the lower volumes. Profitability was also affected by a restructuring cost in Power in Finland of MSEK 10. Profitability was positively impacted through a one-off effect of MSEK 5 from the dispute with a major fibre customer.

Adjusted EBITDA decreased by 33.3 per cent to MSEK 28 (42) during the quarter, with an adjusted EBITDA margin of 4.1 per cent (6.8). Adjusted EBITA decreased by 60.7 per cent to MSEK 11 (28), with an adjusted EBITA margin of 1.6 per cent (4.5). Adjustments were made for restructuring costs in Finland of MSEK 10 and acquisition costs of MSEK 4 (6).

Depreciation/amortisation and impairment amounted to MSEK -18 (-15).

Net financial items amounted to MSEK -6 (1) for the quarter. Interest expenses amounted to MSEK -13 (-4), of which MSEK -1 (-1) are attributable to lease liabilities.

Profit/loss before tax declined to MSEK -10 (22) during the quarter. Earnings were positively impacted by a one-off effect of MSEK 15 from the dispute with a major fibre customer.

Profit/loss after tax declined to MSEK -9 (15). Tax amounted to MSEK 1 (-7), leading to an effective tax rate of 10 per cent (31).

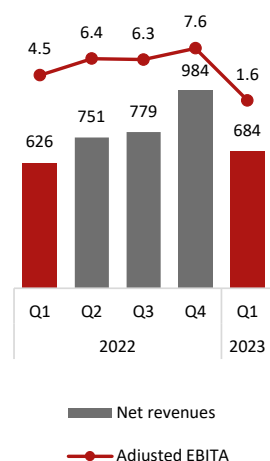
#### Cash flow and financial position

Cash flow from operating activities amounted to MSEK 8 (-85), positively affected by reduced tied-up capital.

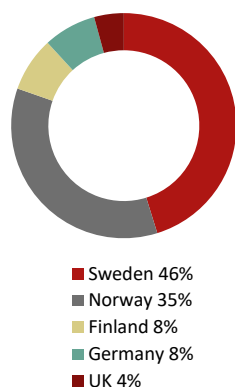
During the quarter, cash flow from investing activities was MSEK -54 (-112), mainly attributable to acquisitions.

Cash flow from financing activities amounted to MSEK 28 (101), mainly attributable to borrowings in conjunction with acquisitions completed.

Net sales  
and adjusted EBITA margin



Net sales by segment



Cash flow for the period amounted to MSEK -17 (-95).

Cash and cash equivalents at the end of the period amounted to MSEK 349, compared to MSEK 369 at the start of the quarter. Unutilised credit facilities totalled MSEK 252 compared with MSEK 295 at the start of the period, which together with cash and cash equivalents means a total of MSEK 601 in available funds compared with MSEK 664 at the start of the period.

Net debt, which is defined as current and non-current interest-bearing liabilities from credit institutions less cash and cash equivalents and current investments, amounted to MSEK 789 at the end of the quarter compared with MSEK 722 at the start of the quarter. This is equivalent to net debt in relation to adjusted EBITDA R12M of a multiple of 3.2. The leverage ratio calculated in accordance with the Group's financial target was a multiple of 2.7 at the end of the period, which is above the capital structure target in the medium term.

Other current and non-current interest-bearing liabilities primarily comprise bank financing and lease liabilities. These commitments amounted to MSEK 1,139 at the end of the quarter compared with MSEK 1,090 at the start of the quarter. The increase is mainly attributable to utilised credit facilities in conjunction with acquisitions.

Total assets amounted to MSEK 3,112, compared with MSEK 3,119 at the start of the quarter, and equity of MSEK 1,091, compared with MSEK 1,106 at the start of the quarter.

## Changes to reporting of business areas

Netel reports five segments: Sweden, Norway, Finland, Germany and the UK. To date, the company has also reported three business areas: Fixed Networks, Power and Mobile. To increase transparency, Netel has from the first quarter of 2023 introduced changes to the reporting of the business areas: Fibre operations in the Fixed Networks business area has been transferred to the Mobile business area and the remaining operations in Fixed Networks has been renamed Infraservices. Infraservices mainly comprises services in district heating, water and sewage and associated civil engineering works. The Mobile business area has been renamed Telecom.

Currently, Netel only conducts Infraservices in Sweden. Power operations are conducted in Sweden, Norway and Finland. Telecom operations are conducted in all five segments. Telecom only encompasses fibre roll-out and service in the UK and Germany. In Sweden, Norway and Finland, Telecom also encompasses roll-out and service of mobile networks.

Recalculated figures for all quarters and the full-year 2022 can be found on pages 18–20 of this report.

## Segments

### Sweden

	First quarter					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	311	262	+18.7%	1,482	1,433	+3.4%
<i>of which</i>						
<i>Infraservices</i>	137	114	+20.7%		687	
<i>Power</i>	112	58	+92.9%		330	
<i>Telecom</i>	57	86	-33.5%		393	
EBITA	19	12	+58.3%	125	117	+6.8%
EBITA margin	6.2%	4.5%	1.7	8.4%	8.2%	0.2

Net sales increased by 18.7 per cent to MSEK 311 (262), primarily due to acquisitions and organic growth in Infraservices and Power.

Infraservices was affected slightly during the quarter by some restraint among clients that are related to the residential market. Most of the operations are, however, focused on municipal and state clients where the level of activity remained positive.

Power noted strong growth during the quarter due to acquisitions and organic growth. The market is strong with many customer inquiries primarily about power station assignments. In January, Netel announced orders for four transformer stations from E.ON in Sweden for a total of MSEK 93. In February 2023, operations were reinforced with the acquisition of Elektrotjänst i Katrineholm with its primary operations in power projects for railway, underground rail and defence. The acquisition means that Netel is entering new, attractive customer segments and expanding its geographic presence within the power market.

In Telecom, mobile operations grew but total sales declined due to the planned lower fibre roll-out. The ongoing termination of operations for fibre roll-out is progressing as planned.

EBITA increased 58.3 per cent to MSEK 19 (12), with an EBITA margin of 6.2 per cent (4.5). EBITA was impacted through a positive, one-off effect of MSEK 5 from the dispute with a major fibre customer. Excluding the one-off effect, EBITA increased 16.7 per cent to MSEK 14, with an EBITA margin of 4.5 per cent.

### Norway

	First quarter					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	242	273	-11.3%	1,149	1,179	-2.5%
<i>of which</i>						
<i>Power</i>	77	92	-16.7%			
<i>Telecom</i>	165	180	-8.6%			
EBITA	-11	16		33	60	-45.0%
EBITA margin	-4.5%	5.9%	-10.4	2.9%	5.1%	2.2

Net sales decreased 11.3 per cent to MSEK 242 (273) in the quarter, due to a weaker performance in Power and Telecom.

The performance within Power was affected by the national regulations for grid operators that led to a reduction in investments by the most important customer. Measures were initiated during the quarter to adapt the organisation to the lower volumes while in parallel a review is taking place of project management to improve profitability.

Telecom was impacted by seasonality during the first quarter with low fibre roll-out due to winter conditions. Profitability was also impacted by lower volumes than expected in the long service contracts. Measures were initiated to adapt the organisation to the lower volumes. In April, a new framework agreement was signed with Eidsiva for fibre roll-out during 2023–2024. The contract may be valued at MNOK 30 to 40 annually. Earlier in the year, Netel announced a renewed, more comprehensive framework agreement with Viken Fiber that could have a total value of up to MNOK 300 and an agreement with Ice for 5G expansion.

EBITA declined to MSEK -11 (16) during the quarter. Profitability was affected by the measures to adapt operating volume and improve margins.

## Finland

	First quarter					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	54	58	-6.6%	287	291	-1.4%
<i>of which</i>						
<i>Power</i>	41	44	-5.7%			
<i>Telecom</i>	13	14	-10.5%			
EBITA	-16	-3		-26	-12	
EBITA margin	-29.5%	-4.5%	-25.0	-8.9%	-4.2%	-4.7

Net sales decreased 6.6 per cent to MSEK 54 (58), due to seasonality in both Power and Telecom.

The underlying, long-term market in Power is good, driven by the need to increase access to renewable energy sources such as wind power.

Also in Telecom, the underlying market is strong, in both fibre and mobile roll-out.

EBITA declined to MSEK -16 (-3), mainly due to a lack of price compensation for global cost increases from a major customer in Power. Negotiations are in progress with the customer. Concurrently, a review has started of the project portfolio, the organisation and ways of working in Power, which resulted in a restructuring cost of MSEK 10 in the quarter. Further restructuring costs for the Finnish Power operations cannot be ruled out in the second quarter of 2023. During the second quarter of 2023, the new, larger fibre projects will be started, that have good potential to contribute to improved profitability.

Stefan Ljunglin was appointed new Country Manager for Netel in Finland and CEO of Netel OY, taking on the new position as of 1 February 2023. He is also a member of Group management.

## Germany

	First quarter					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	52	37	+42.0%	229	213	+7.5%
<i>of which</i>						
<i>Telecom</i>	52	37	+42.0%			
EBITA	5	3	+66.7%	26	24	+8.3%
EBITA margin	9.6%	8.9%	+0.7	11.4%	11.5%	-0.1

Net sales rose 42.0 per cent to MSEK 52 (37) driven by the large national need to modernise and expand the fixed networks. In January 2023, a turnkey agreement began with a new large customer that includes the roll-out of about 80 kilometres of fibre network. During the quarter, a new office opened in Neuenhagen and additional staff were employed.

EBITA improved to MSEK 5 (3) and the EBITA margin increased to 9.6 per cent (8.9). Profitability was positively impacted by higher volumes and internal efficiency enhancements.

## UK

Netel expanded into the UK in the second half of 2022 through acquisitions that include the companies Border Civils & Utilities and Doocey North East. The companies were consolidated from July 2022 and August 2022 respectively, which is why the comparative figures for the first quarter of last year are missing.

	First quarter					
MSEK	2023	2022	Change	R12M	2022	Change
Net sales	29	-	-	-	47	-
<i>of which</i>						
<i>Telecom</i>	29	-	-			
EBITA	3	-	-	-	6	-
EBITA margin	9.7%	-	-	-	13.5%	-

Sales and profitability developed as planned for the quarter. During the quarter, the customer portfolio was broadened and new customers include the Scottish GoFibre. The order from GoFibre was announced in January 2023 and includes the installation of fibre networks in northern England and the Scottish borders. The three-year agreement has an initial value of MGBP 10 and the project began in the first quarter. The merger of the acquired companies is in progress and will create synergies in, among other areas, administration, marketing and purchasing.

## Acquisitions

Elektrotjänst i Katrineholm was consolidated as of February 2023. The acquisition means that Netel is entering new, attractive customer segments and expanding its geographic presence within the power market. The company's primary operations are power projects for railway, underground rail and defence. The acquired operations had sales of approximately MSEK 69 for the September 2021 – August 2022 financial year. The company has 34 employees and a strong order backlog for the coming year. Elektrotjänst has historically had a higher EBITA margin than



the Netel Group. The acquisition was for all shares. The consideration was paid in cash and through an offset issue of 303,294 shares in Netel Holding. Elektrotjänst is included in the Sweden segment, Power business area.

## Other information

### Significant events after the end of the reporting period

On 6 April 2023, Netel announced that the arbitration tribunal had settled Netel's dispute with a large fibre customer and ruled in Netel's favour. The arbitration was initiated in 2021 when Netel claimed compensation for outstanding payment of invoices for work performed. The arbitration tribunal has now determined that Netel was entitled to payment and Netel has requested execution of the payment of approximately MSEK 80. The arbitration ruling has been appealed by the counterparty, which does not impact the execution of the payment of approximately MSEK 80. The previously communicated positive one-off effect on EBITA of approximately MSEK 5 and on profit before tax of approximately MSEK 15 are included in earnings for the first quarter of 2023.

### Employees

The number of employees at the end of the period was 876 (737). The average number of employees for the period was 854 (719). The increase was mainly attributable to acquisitions.

### Financial targets

#### *Revenue growth*

Annual growth objective of 10 per cent, including inorganic growth.

#### *Margin target*

Adjusted EBITA margin above 7 per cent in the medium term.

#### *Capital structure*

Net debt (excluding lease liabilities) in relation to adjusted EBITDA R12M of a multiple below 2.5. The leverage ratio can temporarily be exceeded in connection with acquisitions.

### Dividend policy

Pay-out ratio of 40 per cent of the Group's net profit, considering other factors such as acquisition opportunities, financial position, cash flow and organic growth opportunities.

### Parent Company

The Parent Company's net sales amounted to MSEK 6 (7) for the quarter. The Parent Company was charged with personnel costs and certain financial expenses.

### Risks and uncertainties

There are several strategic, operational and financial risks and uncertainties that could impact the Group's financial results and position. Most of these can be managed by internal procedures, although some are governed by external factors to a greater extent. Risks and uncertainties are related to IT and control systems, suppliers, disputes related to projects, seasonal and weather variations and currencies, but could also arise in the event of new competition, changed market conditions and macroeconomic factors or changed customer

behaviour. Interest rate risk also exists for the Group. A weaker macroeconomic situation, higher interest rates and inflation pressure could have a negative impact on demand from customers and entail project delays. Netel cannot currently assess the scope of any potential recession, the level of inflation or expected interest rates. It is thus also difficult to assess the effects on the Group's operations. Netel's business model is based on a low level of the Group's assets being tied-up in own operations, for example, in machines, which makes the Group more financially agile during recessions. During 2022, the Group experienced delays in some projects due to material delays, which were in turn due to interruptions in global supply chains. Netel is monitoring trends in global supply chains and managing risks for delays in projects by, for example, shifting resources between projects. The Netel Group is also affected by weather factors. An early or late winter with lower temperatures has a negative impact on excavation projects, while autumn storms can lead to more assignments to secure power lines. For a more detailed description of the risks and uncertainties for the Group and the Parent Company, refer to the 2022 Annual Report.

Netel works actively to monitor and continuously evaluate sustainability-related risk and their impact on the Group's operations and earnings. As part of this governance, Group management has started to monitor and evaluate the Group's climate impact and how the Group is affected by climate-related risks. Group management is also following up compliance among subsidiaries regarding, for example, the Code of Conduct, work-related injuries and legal disputes.

Netel is monitoring developments regarding the war in Ukraine and is currently unable to assess the effects of sanctions against Russia and the consequences that the war could have on the economic situation in Netel's markets. Netel did not have any sales, direct expenses or purchases to or from Russia or Ukraine in the first quarter of 2023 or the 2022 and 2021 financial years. The war in Ukraine and continued increases in commodity prices mean that Netel is working even more intensively on price compensation to match the timing of higher costs with revenue. The uncertainty in the world also entails a risk that customers will temporarily wait with placing orders and starting projects.

In April 2023, the arbitration tribunal ruled on Netel's dispute with a large fibre customer and judged in favour of Netel. On 24 April 2023, the opposing party challenged the decision award to the Svea Court of Appeal. The Svea Court of Appeal announced on 27 April 2023 that the judgment must be enforced, but has not yet made a decision on whether the complaint is accepted or not. If the complaint is successful, the decision will no longer be valid and must be restarted.

## Owners

On 31 March 2023, Netel Holding AB (publ) had 1,817 shareholders. The five largest shareholders were IK VII fund via Cinnamon International S.à.r.l (48.04 per cent), Nordnet Pensionsförsäkring (8.12 per cent), Swedbank Robur Fonder (4.27 per cent), AP2 (4.27 per cent) and Carnegie Fonder (4.08 per cent).

There were a total of 48,511,873 shares and votes in Netel on 31 March 2023. All shares are ordinary shares.

## Financial statements

### Condensed consolidated statement of profit or loss

SEK millions	Jan-Mar		R12 Apr-Mar	Full-year
	2023	2022	2022/2023	2022
<b>Operating income</b>				
Net sales	684	626	3,199	3,141
Other operating income	2	6	22	25
<b>Total revenue</b>	<b>686</b>	<b>632</b>	<b>3,220</b>	<b>3,166</b>
<b>Operating expenses</b>				
Material and purchased services	-415	-384	-2,013	-1,981
Other external expenses	-78	-53	-315	-291
Personnel costs	-178	-158	-673	-653
Depreciation and amortisation	-18	-15	-68	-65
<b>Operating profit/loss (EBIT)</b>	<b>-4</b>	<b>22</b>	<b>151</b>	<b>176</b>
<b>Profit/loss from financial items</b>				
Net financial items	-6	1	-22	-15
<b>Earnings before tax</b>	<b>-10</b>	<b>22</b>	<b>129</b>	<b>161</b>
Taxes	1	-7	-30	-38
<b>Earnings for the period</b>	<b>-9</b>	<b>15</b>	<b>99</b>	<b>123</b>
<b>Earnings for the period is attributable to</b>				
Parent company's shareholders	-9	15	99	123
Non-controlling interests	-	-	-	-
<b>Earnings per share</b>				
Earnings per share before and after diltution (SEK)	-0.18	0.33	2.07	2.59
Average number of shares before and after dilution (thousands)	48,384	47,315	47,990	47,726

An offset issue was carried out in the first quarter in connection with a previously announced acquisition. The number of ordinary shares outstanding increased 303,294 during the period to 48,511,873 shares at the end of the period.

## Condensed consolidated statement of profit or loss and statement of comprehensive income

SEK millions	Jan-Mar		R12 Apr-Mar	Full-year
	2023	2022	2022/2023	2022
Earnings for the period	-9	15	99	123
<i>Other comprehensive income</i>				
Translation differences for the period	-15	10	-20	5
<b>Other comprehensive income for the period</b>	<b>-15</b>	<b>10</b>	<b>-20</b>	<b>5</b>
<b>Comprehensive income for the period</b>	<b>-24</b>	<b>26</b>	<b>79</b>	<b>129</b>
<b>Comprehensive income for the period is attributable to</b>				
Parent company's shareholders	-24	26	79	129
Non-controlling interests	-	-	-	-

## Condensed consolidated statement of financial position

SEK millions	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	1,247	981	1,179
Intangible assets	199	194	199
Property, plant and equipment	199	168	187
Financial non-current assets	11	8	9
Deferred tax assets	9	14	10
<b>Total non-current assets</b>	<b>1,664</b>	<b>1,364</b>	<b>1,585</b>
<b>Current assets</b>			
Inventories	8	6	8
Current receivables	1,091	786	1,157
Cash and cash equivalents	349	181	369
<b>Total current assets</b>	<b>1,448</b>	<b>974</b>	<b>1,534</b>
<b>Total assets</b>	<b>3,112</b>	<b>2,338</b>	<b>3,119</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to the parent company's shareholders	1,091	974	1,105
Equity attributable to non-controlling interests	-	-	-
<b>Total equity</b>	<b>1,091</b>	<b>974</b>	<b>1,105</b>
Non-current interest-bearing liabilities	1,043	667	1,037
Non-current non-interest-bearing liabilities	265	144	246
<b>Total non-current liabilities</b>	<b>1,308</b>	<b>811</b>	<b>1,283</b>
Current interest-bearing liabilities	96	72	53
Current non-interest-bearing liabilities	617	482	677
<b>Total current liabilities</b>	<b>713</b>	<b>554</b>	<b>731</b>
<b>Total equity and liabilities</b>	<b>3,112</b>	<b>2,338</b>	<b>3,119</b>

## Condensed consolidated statement of changes in equity

SEK thousands	Equity attributable to the parent company's shareholders				Total equity attributable to the parent company's shareholders	Non-controlling interest	Total equity
	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit/loss for the period			
<b>Opening equity 1 Jan 2022</b>	<b>719</b>	<b>1,395,693</b>	<b>-405</b>	<b>-484,812</b>	<b>911,195</b>	<b>-</b>	<b>911,195</b>
Profit/loss for the period	-	-	-	15,401	15,401	-	15,401
Other comprehensive income	-	-	10,193	-	10,193	-	10,193
<b>period</b>	<b>-</b>	<b>-</b>	<b>10,193</b>	<b>15,401</b>	<b>25,594</b>	<b>-</b>	<b>25,594</b>
<i>Transactions with Group owners</i>							
Completed issues	12	36,988	-	-	37,000	-	37,000
<b>Total</b>	<b>12</b>	<b>36,988</b>	<b>-</b>	<b>-</b>	<b>37,000</b>	<b>-</b>	<b>37,000</b>
<b>Closing equity 31 Mar 2022</b>	<b>731</b>	<b>1,432,681</b>	<b>9,788</b>	<b>-469,411</b>	<b>973,788</b>	<b>-</b>	<b>973,788</b>
<b>Opening equity 1 Jan 2023</b>	<b>742</b>	<b>1,460,815</b>	<b>4,737</b>	<b>-361,342</b>	<b>1,104,951</b>	<b>-</b>	<b>1,104,951</b>
Profit/loss for the period	-	-	-	-8,691	-8,691	-	-8,691
Other comprehensive income	-	-	-14,851	-	-14,851	-	-14,851
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-14,851</b>	<b>-8,691</b>	<b>-23,542</b>	<b>-</b>	<b>-23,542</b>
<i>Transactions with Group owners</i>							
Completed issues	5	9,995	-	-	10,000	-	10,000
<b>Total</b>	<b>5</b>	<b>9,995</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>Closing equity 31 Mar 2023</b>	<b>746</b>	<b>1,470,810</b>	<b>-10,115</b>	<b>-370,032</b>	<b>1,091,409</b>	<b>-</b>	<b>1,091,409</b>

Netel Holding AB (publ) approved a new issue of ordinary shares on 8 February 2023, which resulted in an increase in share capital from SEK 741,670 to SEK 746,337. The shares were issued during a reinvestment in connection with a completed acquisition and have not affected cash flow.

## Condensed consolidated statement of cash flows

SEK millions	Jan-Mar		Full-year
	2023	2022	2022
Operating profit/loss	-4	22	176
Reversal of non-cash items	17	14	62
Interest received	0	0	1
Interest paid	-10	-4	-22
Tax paid	-25	-25	-39
<b>Cash flow from operating activities before changes in working capital</b>	<b>-22</b>	<b>7</b>	<b>177</b>
Changes in inventories	0	2	1
Changes in operating receivables	68	6	-292
Changes in operating liabilities	-38	-100	41
<b>Cash flow from operating activities</b>	<b>8</b>	<b>-85</b>	<b>-72</b>
Acquisition of non-current assets	-4	-3	-20
Acquisition of subsidiaries and businesses	-54	-108	-224
Sale of non-current assets	5	-	6
<b>Cash flow from investing activities</b>	<b>-54</b>	<b>-112</b>	<b>-238</b>
New share issue	-	-	-
Amortisation of lease liabilities	-13	-12	-48
Proceeds from non-current loans and credits	43	115	462
Amortisation of non-current loans and credits	-2	-2	-13
<b>Cash flow from financing activities</b>	<b>28</b>	<b>101</b>	<b>402</b>
Cash flow for the period	-17	-95	91
Cash and cash equivalents at the beginning of the period	369	271	271
Translation difference in cash and cash equivalents	-2	5	6
<b>Cash and cash equivalents at the end of the period</b>	<b>349</b>	<b>181</b>	<b>369</b>

# Notes to the financial statements

## in summary

### Key accounting policies

This interim report covers the Swedish Parent Company Netel Holding AB (publ), Corp. Reg. No. 559327-6263, and its subsidiaries. The activities of the company and its subsidiaries (the "Group") include the provision of the construction and maintenance of infrastructure in Sweden, Norway, Finland, Germany and the UK within the business areas of Infraservices, Power and Telecom. The Parent Company is a limited company with its registered office in Stockholm, Sweden. The address of the head office is Fågelviksvägen 9, SE-145 84 Stockholm.

Netel Holding AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Annual Accounts Act (1995:1554). The interim report for the Parent Company has been prepared in accordance with Chapter 9 Interim Reports of the Annual Accounts Act and RFR 2 Reporting for Legal Entities. For the Group and the Parent Company, the same accounting policies, calculation bases and assessments have been applied as in the latest annual report for Netel Holding AB (publ). A more detailed description of the Group's applied accounting policies as well as new and future changes in standards can be found in the latest published annual report. For a complete description of the Group and the Parent Company's applied accounting policies, see Note 1 in the 2022 Annual Report.

In addition to the financial statements and their accompanying notes, disclosures pursuant to IAS 34 are provided in the interim information, which comprise an integral part of this financial report.

All amounts in this report are stated in millions of Swedish kronor (MSEK) unless otherwise stated. Differences in rounding off may occur.

### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the CEO. An operating segment is a part of the Group that conducts operations that earn revenue and incur costs, and for which discrete financial information is available. The Group is categorised into segments based on the internal structure of its business operations, which means that there are five segments: *Sweden, Norway, Finland, Germany and the UK*. The UK was recognised as a segment for the first time in the third quarter of 2022 following acquisitions made by the Group (Border and Doocey) and only includes these new operations. As a result, there is no impact on existing segments. Comparative figures therefore have not been restated.

The same accounting policies are used in the segments as for the Group. The Group presents revenue and earnings before interest, tax and amortisation (EBITA) per segment. Comparative figures for comparable periods are presented in accordance with the Group's accounting policies.

### Earnings per share

Earnings per share before dilution are calculated by dividing net profit attributable to holders of ordinary shares in the Parent Company by the weighted average number of outstanding ordinary shares during the year. Earnings per share after dilution are calculated by dividing net profit attributable to holders of ordinary shares in the Parent Company, adjusted where applicable, by the sum of the weighted average number of ordinary shares and potential ordinary shares that may give rise to a dilution effect. The dilution effect of potential ordinary shares is only



reported if a recalculation of ordinary shares would lead to a decrease in earnings per share after dilution.

### Estimates and judgements

The preparation of the interim report requires that company management makes assessments and estimates and makes assumptions that affect the application of the accounting policies and the reported

amounts of assets, liabilities, revenue and expenses. The actual outcome may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates are the same as in the latest published annual report. See Note 1 in the 2022 Annual Report for more information on the Group's estimates and assessments.

### Operating segments

For accounting and monitoring purposes, the Group has divided its operations into five operating segments based on how the Group CEO evaluates the Group's operations. The five operating segments comprise Sweden, Norway, Finland, Germany and the UK. The UK was recognised as a segment for the first time in the third quarter of 2022 as a result of the Group's completed acquisitions. The Group CEO primarily uses earnings before interest, tax and amortisation (EBITA) in assessing the performance of the operating segments. Comparative figures for comparable periods are presented in accordance with the Group's accounting policies.

Other adjustments at Group level are included under Group-wide items and eliminations, for example, transaction costs and other Group-wide costs that are not allocated at segment level. Non-current assets include intangible assets (including goodwill), property, plant and equipment and right-of-use assets.

Jan-Mar 2023	Sweden	Norway	Finland	Germany	United Kingdom	Total segments	Group-wide items and eliminations	Group total
Revenue from external customers	311	242	54	52	29	688	-5	684
Revenue from other segments	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>311</b>	<b>242</b>	<b>54</b>	<b>52</b>	<b>29</b>	<b>688</b>	<b>-5</b>	<b>684</b>
<b>EBITA</b>	<b>19</b>	<b>-11</b>	<b>-16</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>-3</b>	<b>-3</b>
<b>Non-current assets</b>	<b>1,215</b>	<b>248</b>	<b>10</b>	<b>1</b>	<b>93</b>	<b>1,567</b>	<b>-</b>	<b>1,567</b>

Jan-Mar 2022	Sweden	Norway	Finland	Germany	United Kingdom	Total segments	Group-wide items and eliminations	Group total
Revenue from external customers	262	273	58	37	-	629	-4	626
Revenue from other segments	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>262</b>	<b>273</b>	<b>58</b>	<b>37</b>	<b>-</b>	<b>629</b>	<b>-4</b>	<b>626</b>
<b>EBITA</b>	<b>12</b>	<b>16</b>	<b>-3</b>	<b>3</b>	<b>-</b>	<b>29</b>	<b>-6</b>	<b>22</b>
<b>Non-current assets</b>	<b>1,063</b>	<b>270</b>	<b>8</b>	<b>3</b>	<b>-</b>	<b>1,343</b>	<b>-</b>	<b>1,343</b>

## Revenue from contracts with customers

To date, the Group has reported three business areas: Fixed Networks, Power and Mobile. To increase transparency, the Group has from the first quarter of 2023 introduced changes to the reporting of the business areas: Fibre operations in the Fixed Networks business area has been transferred to the Mobile business area and the remaining operations in Fixed Networks has been renamed Infraseservices. Infraseservices mainly comprises services in district heating, water and sewage and associated civil engineering works. The Mobile business area has been renamed Telecom.

Currently, the Group only conducts Infraseservices in Sweden. Power operations are conducted in Sweden, Norway and Finland. Telecom operations are conducted in all five segments. Telecom only encompasses fibre roll-out and service in the UK and Germany. In Sweden, Norway and Finland, Telecom also encompasses roll-out and service of mobile networks.

Recalculated figures for all quarters in 2022 and the full-year 2022 can be found below.

Jan-Mar 2023	Sweden	Norway	Finland	Germany	United Kingdom	Group total
<b>Business area</b>						
Infraseservices	137	-	-	-	-	137
Power	112	77	41	-	-	230
Telecom	57	165	13	52	29	316
Group-wide						0
<b>Revenue from contracts with customers</b>	<b>307</b>	<b>242</b>	<b>54</b>	<b>52</b>	<b>29</b>	<b>684</b>
<b>Type of service</b>						
Framework agreement	127	168	52	23	28	398
Project	184	74	2	29	1	290
Group-wide						-5
<b>Revenue from contracts with customers</b>	<b>311</b>	<b>242</b>	<b>54</b>	<b>52</b>	<b>29</b>	<b>684</b>

Jan-Mar 2022	Sweden	Norway	Finland	Germany	United Kingdom	Group total
<b>Business area</b>						
Infraseservices	114	-	-	-	-	114
Power	58	92	44	-	-	194
Telecom	86	180	14	37	-	317
Group-wide						0
<b>Revenue from contracts with customers</b>	<b>258</b>	<b>273</b>	<b>58</b>	<b>37</b>	<b>-</b>	<b>626</b>
<b>Type of service</b>						
Framework agreement	88	175	45	12	-	320
Project	174	98	13	24	-	309
Group-wide						-4
<b>Revenue from contracts with customers</b>	<b>262</b>	<b>273</b>	<b>58</b>	<b>37</b>	<b>-</b>	<b>626</b>

<b>Apr-Jun 2022</b>	<b>Sweden</b>	<b>Norway</b>	<b>Finland</b>	<b>Germany</b>	<b>United Kingdom</b>	<b>Group total</b>
<b>Business area</b>						
Infraservices	160	-	-	-	-	160
Power	86	84	42	-	-	212
Telecom	106	197	16	60	-	379
Group-wide						1
<b>Revenue from contracts with customers</b>	<b>352</b>	<b>281</b>	<b>58</b>	<b>60</b>	<b>-</b>	<b>751</b>
<b>Type of service</b>						
Framework agreement	173	184	19	7	-	383
Project	185	97	39	53	-	373
Group-wide						-5
<b>Revenue from contracts with customers</b>	<b>358</b>	<b>281</b>	<b>58</b>	<b>60</b>	<b>-</b>	<b>751</b>
<b>Jul-Sep 2022</b>						
<b>Business area</b>						
Infraservices	169	-	-	-	-	169
Power	73	83	65	-	-	221
Telecom	83	216	20	50	24	393
Group-wide						-3
<b>Revenue from contracts with customers</b>	<b>324</b>	<b>299</b>	<b>86</b>	<b>50</b>	<b>24</b>	<b>779</b>
<b>Type of service</b>						
Framework agreement	144	202	52	14	23	434
Project	188	97	34	37	1	356
Group-wide						-11
<b>Revenue from contracts with customers</b>	<b>332</b>	<b>299</b>	<b>86</b>	<b>50</b>	<b>24</b>	<b>779</b>
<b>Oct-Dec 2022</b>						
<b>Business area</b>						
Infraservices	245	-	-	-	-	245
Power	114	81	59	-	-	254
Telecom	117	246	31	66	23	483
Group-wide						2
<b>Revenue from contracts with customers</b>	<b>476</b>	<b>327</b>	<b>89</b>	<b>66</b>	<b>23</b>	<b>984</b>
<b>Type of service</b>						
Framework agreement	172	233	52	23	22	503
Project	309	94	37	43	1	484
Group-wide						-3
<b>Revenue from contracts with customers</b>	<b>481</b>	<b>327</b>	<b>89</b>	<b>66</b>	<b>23</b>	<b>984</b>

Jan-Dec 2022	Sweden	Norway	Finland	Germany	United Kingdom	Group total
<b>Business area</b>						
Infraservices	687					687
Power	330	341	210	-	-	881
Telecom	393	839	81	213	47	1,572
Group-wide						-0
<b>Revenue from contracts with customers</b>	<b>1,410</b>	<b>1,179</b>	<b>291</b>	<b>213</b>	<b>47</b>	<b>3,141</b>
<b>Type of service</b>						
Framework agreement	577	794	169	56	45	1,641
Project	855	386	122	157	3	1,523
Group-wide						-23
<b>Revenue from contracts with customers</b>	<b>1,433</b>	<b>1,179</b>	<b>291</b>	<b>213</b>	<b>47</b>	<b>3,141</b>

## Financial instruments

The Group's financial instruments measured at fair value only refer to contingent considerations and fund holdings (see below). For other financial assets and liabilities, the carrying amounts are good approximations of the fair value.

### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The table below shows financial instruments measured at fair value, based on the classification of the fair value hierarchy. The different levels are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Other observable input data for the asset or liability than quoted prices included in level 1, either direct (i.e. price quotes) or indirect (i.e. derived from price quotes).

Level 3 – Input data for the asset or liability that are not based on observable market data (i.e. unobservable input data).

### Fund holdings

The Group holds funds included in the item Financial non-current assets. Fund holdings are measured at fair value by use of quoted prices in active markets for identical assets and are thus found in level 1 of the valuation hierarchy.

### Contingent consideration

For some of the Group's business combinations, there are contingent considerations. The contingent considerations are dependent on the average EBITA for the business combinations over one to three years. The considerations will be settled in cash. The contingent considerations are included in the items Non-current non-interest-bearing liabilities in the amount of MSEK 190 (73). The contingent considerations are found in level 3 of the valuation hierarchy.

### Other holdings and liabilities measured at fair value

The Group holds currency futures that are included in the item Current non-interest-bearing liabilities. These currency futures are measured at fair value through indirect calculations from underlying currencies, according to data received from the counterparty/bank, and thus are found in level 2 of the valuation hierarchy.

<b>Fund holdings</b>	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>31 Dec 2022</b>
<b>Opening balance</b>	<b>5</b>	<b>3</b>	<b>3</b>
Investments	0	0	1
Divestments	-	-	-
Change in value recognised through profit or loss	-	-	-
Translation difference	-	-	-
<b>Closing balance</b>	<b>5</b>	<b>4</b>	<b>5</b>

<b>Contingent consideration</b>	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>31 Dec 2022</b>
<b>Opening balance</b>	<b>173</b>	<b>32</b>	<b>32</b>
Acquisition of subsidiaries and businesses	17	42	146
Paid considerations	-	-	-5
Change in value recognised through profit or loss	-	-	-0
Translation difference	1	-	-
<b>Closing balance</b>	<b>190</b>	<b>73</b>	<b>173</b>

<b>Other liabilities recognised at fair value</b>	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>31 Dec 2022</b>
<b>Opening balance</b>	<b>-</b>	<b>0</b>	<b>0</b>
Changes in recognised liabilities	-	-	-0
Change in value recognised through profit or loss	-	0	-
Translation difference	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>1</b>	<b>-</b>

### Business combinations

On 3 January 2022, the Group acquired 100 per cent of the shares and votes in Elektrotjänst i Katrineholm ("Elektrotjänst"). The acquisition means that Netel is entering new, attractive customer segments and expanding its geographic presence within Power.

Elektrotjänst had sales of approximately MSEK 69 for the September 2021 – August 2022 financial year. Elektrotjänst has 34 employees and is included in the Sweden segment.

Acquired net assets at acquisition date	Elektrotjänst Fair value	Total
Intangible assets	-	-
Property, plant and equipment	6	6
Right-of-use assets	-	-
Financial non-current assets	3	3
Deferred tax assets	-	-
Inventories	0	0
Accounts receivables and other receivables	9	9
Cash and cash equivalents	17	17
Interest-bearing liabilities	-	-
Lease liabilities	-	-
Deferred tax liabilities	-2	-2
Accounts payable and other operating liabilities	-11	-11
<b>Identified net assets</b>	<b>22</b>	<b>22</b>
Goodwill	75	75
<b>Total consideration</b>	<b>97</b>	<b>97</b>
<i>The consideration consists of</i>		
Cash	70	70
Equity instruments	10	10
Contingent consideration	17	17
Vendor loan note	-	-
<b>Total consideration</b>	<b>97</b>	<b>97</b>

For information on the contingent consideration, see the note on Financial instruments.

Impact of acquisitions on cash and cash equivalents	Elektrotjänst	Total
Cash consideration paid	70	70
Cash and cash equivalents acquired	-16	-16
<b>Total</b>	<b>54</b>	<b>54</b>
Costs related to acquisitions	2	2
<b>Total impact on cash and cash equivalents</b>	<b>57</b>	<b>57</b>

In connection with the acquisition of Elektrotjänst, goodwill of MSEK 75 arose in the form of a difference between the transferred consideration and the fair value of the acquired net assets. Goodwill mainly refers to human resources. Transaction costs related to the acquisition amounted to MSEK 2. The transaction costs were recognised as an expense in profit or loss under Other external expenses.

During the period, the acquisition contributed MSEK 10 to the Group's revenue and MSEK 2 to the Group's profit after tax. If the acquisition had taken place on 1 January 2023, company management estimates that the Group's revenue and earnings would have been positively affected to a total of MSEK 691 and MSEK -8 for the period.

## Transactions with related parties

No significant changes took place during the year for the Group or the Parent Company in relationships or transactions with related parties compared to what

has been described in Note 31 of the 2022 Annual report for Netel Holding AB (publ).

Management	31 Mar 2023	31 Mar 2022
Sales of goods and services	-	-
Purchase of goods and services	-	-
Interest income	-	-
Interest expenses	-	-
Receivables (closing)	-	-
Debt (closing)	-	-

## Condensed income statement for the Parent Company

SEK millions	Jan-Mar		Full-year
	2023	2022	2022
<b>Operating income</b>			
Net sales	6	7	20
Other operating income	-	-	-
<b>Total revenue</b>	<b>6</b>	<b>7</b>	<b>20</b>
<b>Operating expenses</b>			
Personnel costs	-3	-2	-17
Other external expenses	-4	-0	-4
<b>Operatin profit (EBIT)</b>	<b>-1</b>	<b>4</b>	<b>-0</b>
Net financial items	-5	-3	4
<b>Earnings after financial items</b>	<b>-6</b>	<b>1</b>	<b>4</b>
Appropriations	-	-	40
<b>Earnings before tax</b>	<b>-6</b>	<b>1</b>	<b>44</b>
Taxes	-	-1	-2
<b>Earnings for the period</b>	<b>-6</b>	<b>1</b>	<b>43</b>



## Condensed balance for the Parent Company

SEK millions	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Shares in subsidiaries	1,202	1,202	1,202
Financial non-current assets	4	7	4
<b>Total non-current assets</b>	<b>1,206</b>	<b>1,209</b>	<b>1,206</b>
<b>Current assets</b>			
Receivables from Group companies	1,092	772	1,054
Other current assets	0	3	-
Cash and cash equivalents	142	17	181
<b>Total current assets</b>	<b>1,234</b>	<b>793</b>	<b>1,234</b>
<b>Total assets</b>	<b>2,440</b>	<b>2,001</b>	<b>2,440</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	1	1
Other equity	1,465	1,396	1,466
<b>Total equity</b>	<b>1,465</b>	<b>1,397</b>	<b>1,467</b>
<b>Total untaxed reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-current interest-bearing liabilities	933	565	932
Non-current non-interest-bearing liabilities	5	4	5
<b>Total non-current liabilities</b>	<b>938</b>	<b>569</b>	<b>937</b>
Current interest-bearing liabilities	7	2	4
Current non-interest-bearing liabilities	30	33	33
<b>Total current assets</b>	<b>37</b>	<b>35</b>	<b>36</b>
<b>Total equity and liabilities</b>	<b>2,440</b>	<b>2,001</b>	<b>2,440</b>

Stockholm 4 May 2023

Netel Holding AB (publ)

Ove Bergkvist

CEO

This report is unaudited.

## Selected financial information

Definitions and a reconciliation of alternative performance measures for Netel Holding AB (publ) are presented here in accordance with the guidelines from the European Securities and Markets Authority (ESMA) regarding the use of alternative performance measures. These guidelines require expanded disclosures regarding the financial measures not defined by IFRS. Alternative performance measures are measures showing historical or future financial results, financial position or cash flows that are not defined by IFRS. Netel Group uses alternative performance measures to monitor and describe the Group's financial position and to provide additional useful information where relevant for the user's understanding of the financial statements. These performance measures are not directly comparable with similar performance measures used by other companies. The performance measures stated below are presented in the interim report.

### Alternative performance measures not defined under IFRS

SEK millions	Jan-Mar		Full-year
	2023	2022	2022
Net sales growth (%)	9.3%	45.0%	29.9%
Organic sales growth (%)	-0.8%	16.1%	7.5%
EBITDA	14	36	241
EBITDA margin (%)	2.1%	5.8%	7.7%
EBITA	-3	22	179
EBITA margin (%)	-0.4%	3.6%	5.7%
Items affecting comparability	14	6	21
Adjusted EBITDA	28	42	262
Adjusted EBITDA margin (%)	4.1%	6.8%	8.3%
Adjusted EBITA	11	28	200
Adjusted EBITA margin (%)	1.6%	4.5%	6.4%
Net debt	789	557	722
Net debt/Adjusted EBITDA R12 (Ratio)	3.2	2.4	2.8
Equity ratio (%)	35.1%	41.6%	35.4%
Order backlog	3,750	3,401	3,700

### Reconciliation of growth in net sales

SEK millions	Jan-Mar		Full-year
	2023	2022	2022
Net sales previous period	626	431	2,418
Acquired net sales	63	125	541
Organic net sales	620	501	2,600
Total net sales growth (%)	9.3%	45.0%	29.9%
Organic net sales growth (%)	-0.8%	16.1%	7.5%

## Reconciliation of EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin

SEK millions	Jan-Mar		Full-year
	2023	2022	2022
Net sales	684	626	3,141
Operating profit/loss (EBIT)	-4	22	176
Depreciation and amortisation of tangible and intangible assets	18	15	65
EBITDA	14	36	241
EBITDA margin (%)	2.1%	5.8%	7.7%
Items affecting comparability			
Listing-related costs	-	-	-
Acquisition-related costs	4	6	17
Other items affecting comparability	10	-	3
Total items affecting comparability	14	6	21
Adjusted EBITDA	28	42	262
Adjusted EBITDA margin (%)	4.1%	6.8%	8.3%

## Reconciliation of EBITA, EBITA margin, adjusted EBITA and adjusted EBITA margin

SEK millions	Jan-Mar		Full-year
	2023	2022	2022
Net sales	684	626	3,141
Operating profit/loss (EBIT)	-4	22	176
Depreciation and amortisation of intangible assets	1	1	3
EBITA	-3	22	179
EBITA margin (%)	-0.4%	3.6%	5.7%
Items affecting comparability			
Listing-related costs	-	-	-
Acquisition-related costs	4	6	17
Other items affecting comparability	10	-	3
Total items affecting comparability	14	6	21
Adjusted EBITA	11	28	200
Adjusted EBITA margin (%)	1.6%	4.5%	6.4%

## Reconciliation of net debt and net debt/adjusted EBITDA R12M (Ratio)

SEK millions	31 Mar 2023	31 Mar 2022	31 Dec 2022
Non-current interest-bearing liabilities	1,043	667	1,037
Current interest-bearing liabilities	96	72	53
Total interest-bearing liabilities	1,139	739	1,090
Cash and cash equivalents	349	181	369
<b>Net debt</b>	<b>789</b>	<b>557</b>	<b>722</b>
Adjusted EBITDA R12	247	235	262
<b>Net debt/Adjusted EBITDA R12 (Ratio)</b>	<b>3.2</b>	<b>2.4</b>	<b>2.8</b>

## Reconciliation of equity ratio

SEK millions	31 Mar 2023	31 Mar 2022	31 Dec 2022
Total equity	1,091	974	1,105
Total assets	3,112	2,338	3,119
<b>Equity ratio (%)</b>	<b>35.1%</b>	<b>41.6%</b>	<b>35.4%</b>

## Definitions and reasons for use

Performance measures	Definition	Reason for use
EBITA*	Earnings before amortisation of intangible assets	EBITA is used to analyse the profitability generated by the underlying operations
EBITA margin*	EBITA as a percentage of net sales	The EBITA margin is used to illustrate the underlying operations' profitability
EBITDA*	Earnings before interest, taxes, depreciation and amortisation.	EBITDA is used to analyse the profitability generated by the underlying operations
EBITDA margin*	EBITDA as a percentage of net sales	The EBITDA margin is used to illustrate the underlying operations' profitability
Adjusted EBITA*	EBIT before amortisation of intangible assets, adjusted for items affecting comparability	Adjusted EBITA is used to analyse the profitability generated by the underlying operations
Adjusted EBITA margin*	Adjusted EBITA as a percentage of net sales	The adjusted EBITA margin is used to illustrate the underlying operations' underlying profitability
Adjusted EBITDA*	Earnings before interest, taxes, depreciation and amortisation, adjusted for items affecting comparability	Adjusted EBITDA is used to analyse the underlying profitability generated by the underlying operations
Adjusted EBITDA margin*	Adjusted EBITDA as a percentage of net sales	The adjusted EBITDA margin is used to illustrate the underlying operations' underlying profitability
Items affecting comparability*	Items affecting comparability are revenue and expenses of a non-recurring character such as capital gains from divestments, transaction costs in connection with M&As or capital raises, external costs in conjunction with IPO preparations, larger integration costs for acquisitions or planned reconstructions, and expenses following strategic decisions and major reconstructions that result in a discontinuation of operations	Items affecting comparability are used to highlight the income items that are not included in the operating activities to create a clear view of the underlying earnings trend
Cash flow from operating activities	Cash flow attributable to the company's main income-generating operations and operations other than investing activities and financing activities	The measure is a performance measure defined by IFRS
Net sales	The total of sales proceeds from goods and services less discounts provided, VAT and other tax related to the sale	The measure is a performance measure defined by IFRS

Organic growth*	Sales growth excluding material acquisitions in the last 12 months	The measure shows the size of the company's total growth that is organic growth
Order backlog	The remaining order value on the balance sheet date for contracted projects and estimated future volumes from framework agreements	Used to show contracted future net sales attributable to projects
Profit/loss before tax	Profit for the period before tax	The measure is a performance measure defined by IFRS
Earnings per share (SEK)	Earnings per share before and after dilution attributable to holders of ordinary shares in the Parent Company	The measure (before and after dilution) is a performance measure defined by IFRS
Net debt*	Interest-bearing liabilities (current and non-current) less cash and cash equivalents	The measure shows the size of the company's total assets financed via financial liabilities, taking into account cash and cash equivalents and is a component in assessing financial risk
Equity ratio*	Equity as a percentage of total assets	The measure shows the share of the company's total assets financed by the shareholders through equity

\* The KPI is an alternative performance measure according to ESMA's guidelines

## Webcast presentation and teleconference

Ove Bergkvist, President and CEO, and Peter Andersson, CFO, will present the interim report on Thursday, 4 May at 9:00 a.m. CEST in a webcast. Questions may be asked both online and by phone. Presentation material is also available at <https://netelgroup.com/en/investors/reports-and-presentations/>. The presentation will be held in English.

If you want to participate through the webcast, use the link <https://ir.financialhearings.com/netel-group-q1-2023>. It will be possible to submit written questions during the webcast. If you want to ask questions orally via teleconference, please register through the link <https://conference.financialhearings.com/teleconference/?id=200714>. After registration, you will receive a telephone number and ID to log in to the conference. It will be possible to ask questions orally during the teleconference.

## Financial information

This report, previous interim reports and annual reports are available at <https://netelgroup.com/en/investors/reports-and-presentations/>

## Calendar

Second quarter 2023	14 July
Third quarter 2023	8 November
Fourth quarter 2023	16 February 2024

*This information is such that Netel Holding AB (Publ) is obliged to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons below, on 4 May 2023 at 7:30 a.m. CEST.*

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## Netel Group in brief

Netel is a leading specialist in critical infrastructure projects in Northern Europe. We have more than 20 years of experience in carrying out projects, service and maintenance for the largest industry players in power, telecom, district heating, and water and sewage. We have a clear strategy for organic growth and acquisitions based on an effective business model that features decentralisation, low tied-up capital and high cash conversion. Our operations include a strong sustainability approach with intense responsibility for the environment and work environment. Read more at [www.netelgroup.com](http://www.netelgroup.com).

FOUNDED IN	EMPLOYEES	NET SALES 2022	ADJUSTED EBITA 2022
2000	876	3,141 MSEK	200 MSEK

**netel** group

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