Netel

Annual and Sustainability Report 2024

We connect the world

Netel is building Northern Europe's infrastructure. A vast technological nervous system where every line and facility brings us closer to a more connected society.

This expansion is necessary to ensure a future where accessibility and reliability are the cornerstones of security and prosperity.

Our proven ability to deliver exactly the expertise needed to meet the changing needs of the world gives us the strength to both develop and maintain critical infrastructure.

We exist for a future where technology unites, transforms and improves life for everyone.

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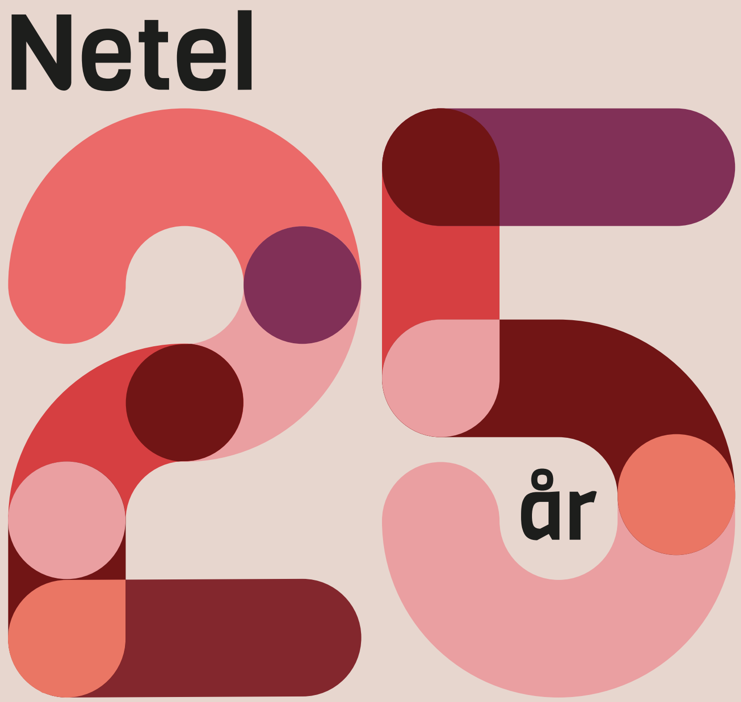
All data, graphs and tables in the annual report refer to continuing operations, i.e. the Group excluding the Finnish operations being sold, unless otherwise stated.

The Board of Directors and the CEO of Netel Holding AB (publ), corporate identity number 559327-6263, hereby submit the annual report for the 2024 financial year for the Parent Company and the Group, which consists of the Directors' Report (pages 4, 9–14, 17, 19-23, 34–37 and 96) and the financial statements together with notes and comments (pages 60–95).

The statutory corporate governance and sustainability reports according to the Annual Accounts Act are included in the Directors' Report (pages 27–33 and 38–59, respectively). The consolidated statements of profit or loss and financial position and the Parent Company's income statement and balance sheet are adopted at the Annual General Meeting.

The Swedish Annual and Sustainability Report is the original document. In the event of any discrepancy between the original and the English translation, the Swedish original shall take precedence.



In its 25 years, Netel has established itself as a leading critical infrastructure contractor in Sweden and Norway with growing positions in Germany and the UK.

About Netel

With 25 years of experience in the development and maintenance of critical infrastructure, we are a leading player in Northern Europe in infrastructure services, power and telecom. We are involved in the entire value chain from design and production to maintenance of customer facilities. We are dedicated to securing an accessible and reliable future, where technology unites and transforms society. Netel has been listed on Nasdaq Stockholm since 2021.

Infraservices Division

Project manages and builds groundwork contracts, district heating, water and sewage. Strong presence in central Sweden.

→ Read more

Share of Group revenue **26%**

Revenue by country

54% SWEDEN

38% NORWAY

7% UK GERMANY

Power Division

Project manages, builds and maintains electricity distribution grids in Norway and Sweden.

→ Read more

Share of Group revenue **31%**

Telecom Division

Project manages, builds and maintains fibre and mobile networks in Norway, Sweden, the UK and Germany.

→ Read more

Share of Group revenue **44%**

Revenue, SEK billion	Annual growth 2010–2024	Order backlog, SEK billion	Number of employees
3.3	18.7%	4.0	837

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We are building a stronger Netel

Jeanette Reuterskiöld
President and CEO

The past year was eventful and strategically important for us. We expanded our customer base and won many great new contracts and are entering 2025 with a record-breaking order backlog. At the same time, we implemented important transformations and digitalisation projects to ensure improved profitability. We also decided to divest the Finnish operations. With these strategic initiatives, we are building a stronger Netel.

Our divisions are driven by strong megatrends in every market. The electrification of society, digitalisation and the need to modernise old infrastructure are common trends in all our markets. These strong underlying trends are reflected in our order backlog, which increased by over MSEK 600 to SEK 4.0 billion during the year. In 2024, we signed several large new framework agreements in every division, which will start in 2025 and form the basis for continued growth.

Business development and the divisions

Infraservices showed good growth in 2024 but faced an increasingly competitive market during the year which also affected profitability. Despite this, we have maintained a stable position in the market and we continue to see a growing need to modernise heating and water infrastructure. In many cases, needs are becoming acute as we increasingly experience the effects of climate change in the form of increased rainfall and flooding. We also expect our market situation to improve as housing construction picks up. However, we have countered the new conditions in the market by implementing measures in operations that have yielded lower margins by optimising cost structures and better resource allocation.

The Power Division grew in Sweden during the year but had a weaker development in Norway. However, we won many large new framework agreements in Norway during the year that will pay off in the years ahead. Overall, sales were in line with the previous year, while profitability improved. Our expertise in power makes us well positioned to take advantage of the favourable market outlook in the energy sector. Within the Power Division, our focus is on retaining and attracting new talent to meet demand and ensure continued growth in the highly expansive markets in Sweden and Norway. During the year, we also invested in our new customer segment in industry and look forward to continued growth in that segment in both Norway and Sweden.

The Telecom Division had a more challenging year in 2024. Growth was good in Norway, but developments in other markets had a negative impact on profitability. We also expanded our business in Germany with the roll-out of fibre networks to UGG (Unsere Grüne Glasfaser). In the UK, we are continuing to establish ourselves and worked intensively during the year to build up our presence in the market in order to increase our sales and profitability. To improve profitability in Telecom, we are focusing on streamlining our work processes and terminating older, less profitable contracts, to make room for new, more favourable contracts. In Telecom, we are also broadening our customer segments and targeting public sector customers, among others.

The year in brief

- **Digitalisation project and new business system increase efficiency**
- **New organisation provides more synergies**
- **Extended framework agreements with more services and larger geographical areas**
- **New strategy to reach new customers**
- **Focus on cash flow and capital employed**
- **Climate targets validated by the Science Based Targets initiative**
- **Record-breaking order backlog**

After the end of the year

- **Decision to divest the Finnish operations**
- **New extended frame-work agreement with Tele2 in Sweden**
- **New agreement with Norwegian power company Glitre Nett**

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We modernise telecom networks

We are modernising and expanding fixed and mobile telecommunications networks in Northern Europe. In the Swedish mountains, we are strengthening infrastructure for both locals and tourists. This is an example of how digitalisation and the need to modernise infrastructure are driving our business.

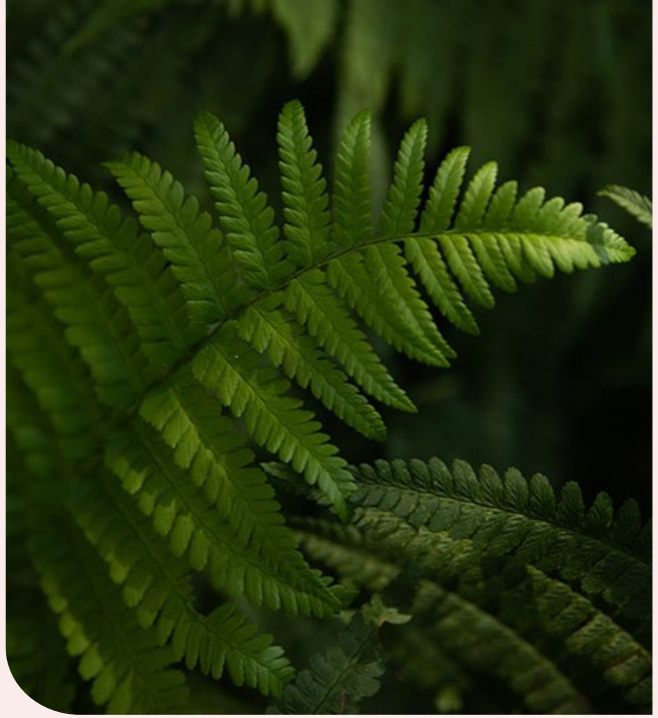
Decision on the Finnish operations

One of the most important strategic decisions in 2024 was to start the process of selling the loss-making Finnish operations. We have not been able to see the development we wanted for several years and believe that Netel has more opportunities to create value in the short and long term with this decision. We are working to complete the sale in 2025 and until then we will continue to operate and develop the business as usual with our team in Finland. By divesting the Finnish operations, we are freeing up resources to focus on the major markets in Sweden and Norway, as well as the growth markets of Germany and the UK.

> "During the year, we noted that we created better conditions with smarter resource allocation, faster analysis and shorter decision paths."

Systems and digitalisation

Modernising our systems and processes is an important part of our efforts to improve Group profitability and support growth. Digitalisation is a central part of this work and in 2024, many processes were digitalised, mainly in the service operations. It is above all in the service area that we need to work more efficiently to create higher profitability. We also replaced our business system in most of our operations. Digitalisation efforts and the replacement of business systems will continue in 2025, but we can already see that this contributed to faster project deliveries, better resource utilisation and higher customer satisfaction. These investments have also strengthened our internal operations and improved our value proposition.



We help with climate adaptations

Our company JR Markteknik has rebuilt the sports field in Fålhagen in Uppsala so that it becomes a flood zone in the event of torrential rain. This is an example of how climate change is driving our business and how our employees help with climate adaptations.

Financial targets

Growth	Profitability	Indebtedness
3.1%	**5.2%**	**2.8**
Target: Annual growth of 10% including acquisitions	**Target:** Adjusted EBITA margin above 7% in the medium term	**Target:** Net debt excluding lease liabilities in relation to EBITDA of less than a multiple of 2.5

Sustainability targets

Safe workplaces	Motivated employees	High business ethics
9	**7.8**	**0**
Workplace accidents that have resulted in more than one day's absence	eNPS	Suspected bribery or corruption offenses
Target: 0	**Target:** Increasing every year. eNPS 2023: 7.0	**Target:** 0

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We electrify data centres in Norway
Our company Nett-Tjenester in Norway is designing and installing the power system for the Green Mountains Data Center in Enebakk outside Oslo. This is an example of how our business is driven by the digitalisation of society and how we succeed in winning new customers.

Organisation and culture

We started 2024 with a new divisional structure to improve the division of responsibility and ensure more effective governance of our operations. This has worked well and during the year we noted that we created better conditions with smarter resource allocation, faster analysis and shorter decision paths.

In 2024, we also successfully recruited several new managers, whose skills and experience will contribute to our continued development. This reinforcement of the organisation is an important part of ensuring that we have both the right resources and effective governance to take future opportunities.

One of our key strengths is our strong corporate culture based on cooperation, commitment and responsibility. The corporate culture is a significant driver of Netel's success and I am proud of our employees' commitment and contribution to Netel's development.

"The electrification of society, digitalisation and the need to modernise old infrastructure are common trends in all our markets."

Financial position

During the year, we settled the remaining contingent considerations while making investments in our digitalisation projects. Operating cash flow amounted to MSEK 115 during the year and the ratio of net debt to adjusted EBITDA deteriorated. One of our continued priority areas in 2025 to build a stronger Netel is cash flow and the financial position.

Sustainability as a competitive advantage

Sustainability is one of the cornerstones of our business strategy. In 2024, our climate targets were validated by the Science Based Targets initiative (SBTi), demonstrating that we are taking concrete steps to reduce our climate impact. We have developed plans and targets to support our strategy and are actively working with customers, suppliers and other partners to create a common agenda for sustainability. Internally, we are working on improving energy efficiency and choosing sustainable materials in our projects. With these activities, we are both strengthening our competitiveness and contributing to a more sustainable future.

Outlook

2024 was a year of progress and strategic decisions. We took several important steps to address both challenges and to create the conditions for continued growth. The decision to start the process of selling our Finnish operations is a clear example of how we are creating room for manoeuvre to strengthen our core business. We are starting 2025 with a stronger order backlog than last year and are continuing our strategic work as planned.

Lastly, I would like to thank our employees, customers and partners for your commitment and trust in 2024. Together, we are looking forward to a new year of development and success.

Jeanette Reuterskiöld
President and CEO

The year in figures
Continuing operations

MSEK unless otherwise stated	2024	2023	Change
Net sales	3,284	3,186	3.1%
Adjusted EBITA	169	181	-6.4%
Adjusted EBITA margin	5.2%	5.7%	-0.5
EBITA	152	169	-10.0%
EBITA margin	4.6%	5.3%	-0.7
EBIT	145	164	-11.6%
EBITA margin	4.4%	5.2%	-0.8
Earnings for the period	58	82	-29.1%
Earnings per share before and after dilution, SEK	1.20	1.69	-29.0%
Cash flow from operating activities	115	268	-57.1%
Net debt	745	610	22.1%
Net debt/adjusted EBITDA	3.2	2.4	0.8
Order backlog, SEK billion	4.0	3.4	17.6%
Number of employees at year-end	837	814	2.8%

Climate targets – validated by the Science Based Targets initiative

The Science Based Targets initiative (SBTi) validated our climate targets in December 2024. The overall objective is to achieve net zero emissions throughout the value chain by 2050. The base year is 2023.

Target 2030
Scope 1 and 2 Reducing emissions by 42%
Scope 3 Reducing emissions in all categories except investments in capital goods by 51.6% per MSEK of added value

Target 2050
Scope 1, 2 and 3 Reduce emissions by 90%

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Five reasons to invest in Netel

1.

Markets are driven by strong megatrends

The markets for critical infrastructure are driven by three powerful megatrends: climate change, digitalisation and the need to modernise the infrastructure. Climate change is leading to the electrification of society, which means that the capacity of power grids must be expanded. The introduction of more renewable energy sources, such as solar panels, also requires investments in the power networks. The digitalisation of society demands greater capacity from the networks for fixed and mobile traffic. Countries that still have old cable and copper networks, such as the UK and Germany, need to invest in fibre to cope with digitalisation. Large parts of the infrastructure for water and sewage in Europe are obsolete and in urgent need of modernisation. These megatrends put us in a good position to continue growing in the long term.

2.

Growing organically through competent employees and good managers

Our employees are our most important asset and Netel's success depends on the skills and dedication of its employees. We believe that motivation is created through freedom with responsibility, short decision-making paths and close dialog between all employees. Further development and safe workplaces are fundamental to creating a good working environment. We place clear requirements on managers to take responsibility for both daily operations and every employee's well-being and development. Leadership assumes working in a solution-oriented way together with the employees and external parties. With motivated, competent employees and good managers, we can continue to develop our business and grow organically with both new and existing customers.

3.

Focus on profitability

Profitability and cost control are central to our everyday work. We see many opportunities to increase profitability beyond cost control. The new organisation created in 2024 makes it possible to work more closely within the divisions and to coordinate resources between different geographical areas. In 2023–2024, we invested in new digital tools and business systems that create the conditions for better project management, enhanced efficiency and better customer offerings. In 2021–2023, we made more than a dozen acquisitions and there are many opportunities to continue developing these companies and improving their profitability.

4.

Ambitious sustainability work

Strong awareness of sustainability with respect for the environment, climate and human rights is a prerequisite for creating a strong employer brand, motivated employees and good long-term customer relationships. We actively work with customers and suppliers to reduce greenhouse gas (GHG) emissions together. The Science Based Targets initiative (SBTi) validated our emission targets in December 2024, which is an important step in our sustainability work. We are convinced that active sustainability work and, not least, science-based climate targets are necessary prerequisites for continuing to be a sought-after supplier of critical infrastructure.

5.

Record-breaking order backlog of SEK 4.0 billion

The record-breaking order backlog is a result of our long-standing customer relationships, strong local presence and specialist expertise in critical infrastructure. The order backlog extends into 2027, although most of the contracts cover 2025–2026. The order backlog is proof that we have an attractive offering and a strong market position.

The order backlog of SEK 4.0 billion pertains only to continuing operations.

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Growth driven by powerful megatrends

We operate in sectors whose functions are critical for society. These functions – telecom, electricity, district heating, water and sewage – are affected by three powerful megatrends: climate change, digitalisation and the need to modernise the infrastructures.

Climate change

Climate change is today's biggest issue, which is driving new trends in society that have a major influence on the power networks. It is necessary to update the capacity in power networks in order to manage the transition to electricity-driven transportation and meet the needs of major industries that want to switch to electricity-based production. The introduction of more renewable energy sources, such as solar panels, also requires investments in the power networks. As the number of energy sources climb, demand for greater flexibility in the power networks increases, which in turn requires investments in capacity and new technology.

Digitalisation

Increasingly more manual work is done digitally and the number of connected devices is growing exponentially, driven by more digital applications, smart cities, building and the Internet of Things. This demands greater capacity from telecom networks. In Sweden and Norway, expansion of 5G networks has started and 6G will be rolled out within a decade. In the UK and Germany, fibre coverage is low and old copper networks will be replaced with fibre.

Modernisation of infrastructures

There is a vast need to modernise infrastructure in Europe in the areas of power, district heating, water and sewage. Many networks are at the end of their life cycle. Some networks are more than 70 years old and in urgent need of being replaced or modernised. In the power area, the needs for renewal of the networks are very great and the networks must be replaced even if only to maintain current capacity. Sweden's water and sewage treatment plants and pipeline networks are so neglected that the water supply risks becoming a societal crisis.

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Major investments are needed in water and sewage to avoid a societal crisis

The investment needs in the Swedish water and sewage network are estimated to be SEK 560 billion. If these investments are not made, Sweden risks a major societal crisis.

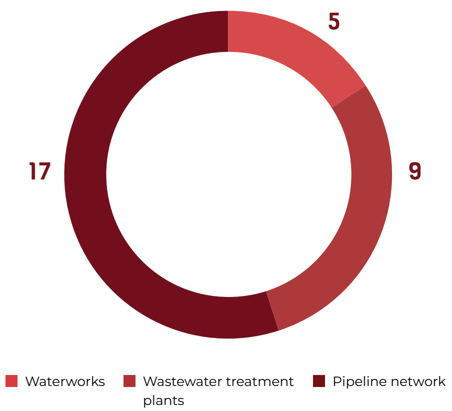
In a research report, the industry organisation Svenskt Vatten analysed the investment needs in the infrastructure for water between 2022 and 2040. The need is estimated at SEK 31 billion per year and the report notes that the current rate of investment is around SEK 20 billion per year. This means that Sweden under-invests by around SEK 10 billion every year and that the investment shortfall is growing rapidly.

The high investment needs are driven by several factors, including population growth, climate change and new EU directives. There is also a great need to modernise infrastructure for water and sewage. The municipal infrastructure for water and sewage began to be built in the mid-19th century and Svenskt Vatten notes that there are still pipes from that time.

As a result of climate change, some municipalities no longer have a reliable supply of raw water. Climate change also means that the sewage systems must be designed in other ways to be able to handle the changed precipitation.

In the report, Svenskt Vatten concludes that the water supply is at risk of becoming a major societal crisis. If the infrastructure for water is not renovated and upgraded, Sweden's residents may suffer leakages, taps running dry and pollution in the water, which leads to health risks and high societal costs.

Annual investment needs, SEK billion



Source: Svenskt Vatten, 2023

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Multi-billion investments in power for a fossil-free society

The investment needs in the Swedish water and sewage network are estimated to be SEK 945 billion by 2045. These investments are a prerequisite for achieving a fossil-free society.

Across Europe, the electrification of society is underway, driven by both EU and national regulations. To facilitate the transition to a fossil-free society, major investments must be made in the electrical grid. Digitalisation, with more data centres, for example, also requires higher capacity in the electricity networks. In Sweden alone, engineering consultancy company Sweco estimates it will require investing a total of SEK 945 billion in the electrical grid through to 2045. Most of the investments must be made in the next ten to twelve years in order to manage capacity increases and replace the old outdated infrastructure.

Sweco's calculated total investment needs includes transmission, regional and local networks. Netel's operations are focused on regional and local networks that will demand the investment of significant amounts.

E.ON Sverige, one of Sweden's largest electricity grid companies, confirms that the capacity of Sweden's electricity grid must be doubled by 2040. E.ON is therefore investing SEK 23 billion between 2024 and 2027 in its regional and local networks to enable the green transition and eliminate bottlenecks.

Vattenfall Eldistribution, also one of Sweden's largest electricity grid companies, is investing a total of around SEK 33.5 billion in 2024–2027 to strengthen the Swedish regional and local grids.

The energy company Ellevio is accelerating its investments in modernisation and capacity increases and plans for an annual investment level of SEK 7 billion in 2027.

In Norway, the organisation Renewables Norway, estimates that approximately NOK 100 billion will be invested in regional and local networks up until 2031, with NOK 40 billion invested in regional networks and NOK 40 billion in local networks.

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Digitalisation requires continued investment in telecom networks

In much of Europe, extensive investments are under way to build national fibre networks and the old 3G networks for mobile communication are being replaced with 5G.

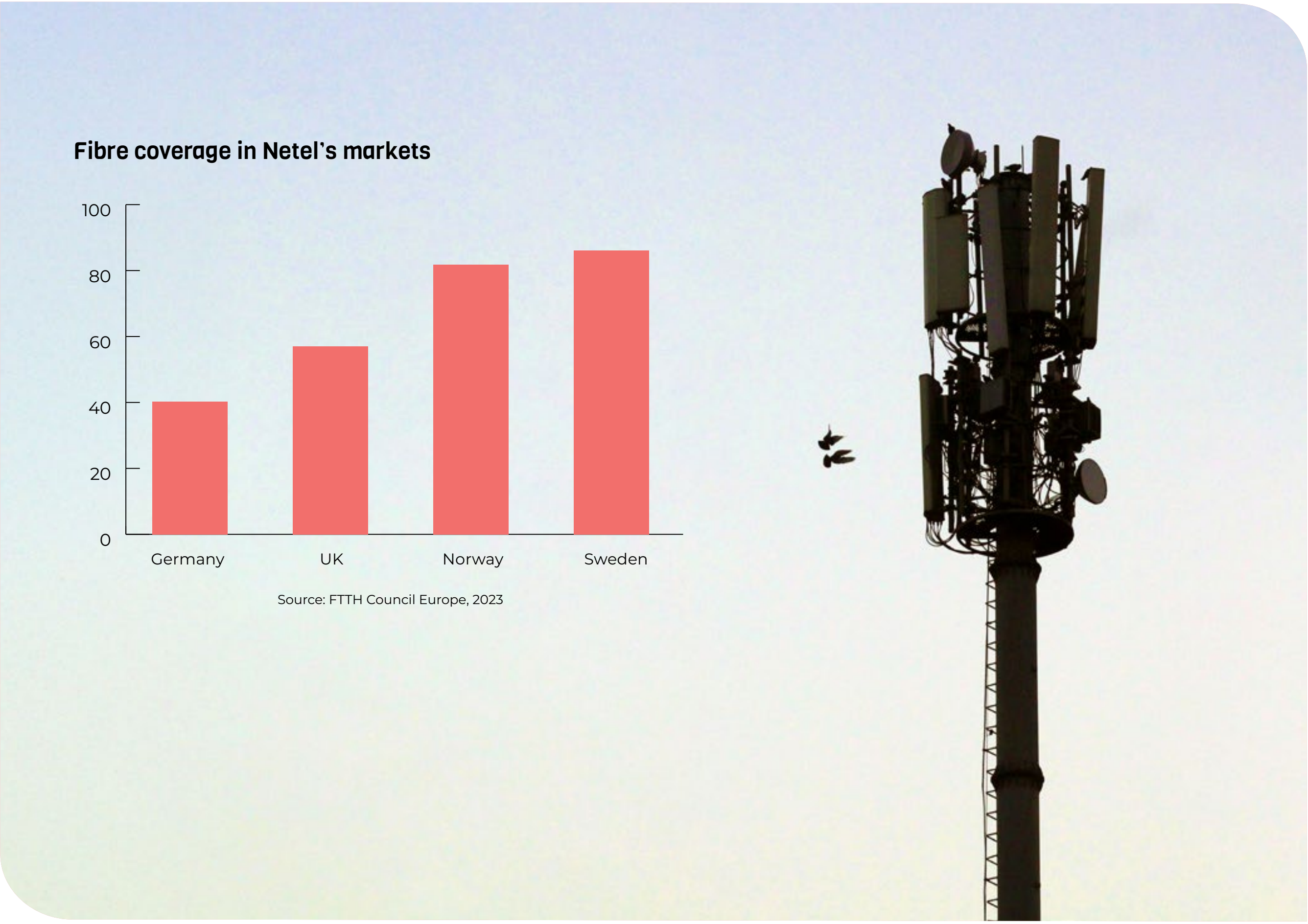
Digitalisation, with more and more connected devices and increased data traffic, requires faster networks with more capacity. In large parts of Europe, significant investments are consequently underway to replace coaxial and copper networks with fibre. The highest number of households in Europe that are still without fibre are in Germany and the UK, 24.4 and 12.9 million households respectively, according to the FTTH Council Europe.

For actors such as Netel, there are major opportunities for continued business after the expansion has taken place by offering service and maintenance of the installed base.

Around the world, previous generations of mobile networks are being dismantled and replaced by 5G. In Europe, there is a need to increase the pace of deployment to catch up with countries like Japan and the US.

In terms of 5G roll out, Europe lags behind such countries as Japan, South Korea and the US according to industry organisation GSMA. By 2025, the UK and Germany will have the highest proportion of users in Europe at 61 per cent and 59 per cent respectively, compared to 73 per cent in South Korea and 68 per cent in Japan and the US. According to the Association of Swedish Engineering Industries, Sweden ranks at the bottom of countries in Europe in terms of the proportion of the population with 5G access. Concurrently, Western Europe has the highest consumption of mobile data per smartphone. There is therefore a need for continued investments in 5G – in Sweden in particular, but also in Norway.

For actors such as Netel, there are also major opportunities for continued business in the mobile network market after the expansion has taken place by offering service and maintenance of the installed base.



Source: FTTH Council Europe, 2023

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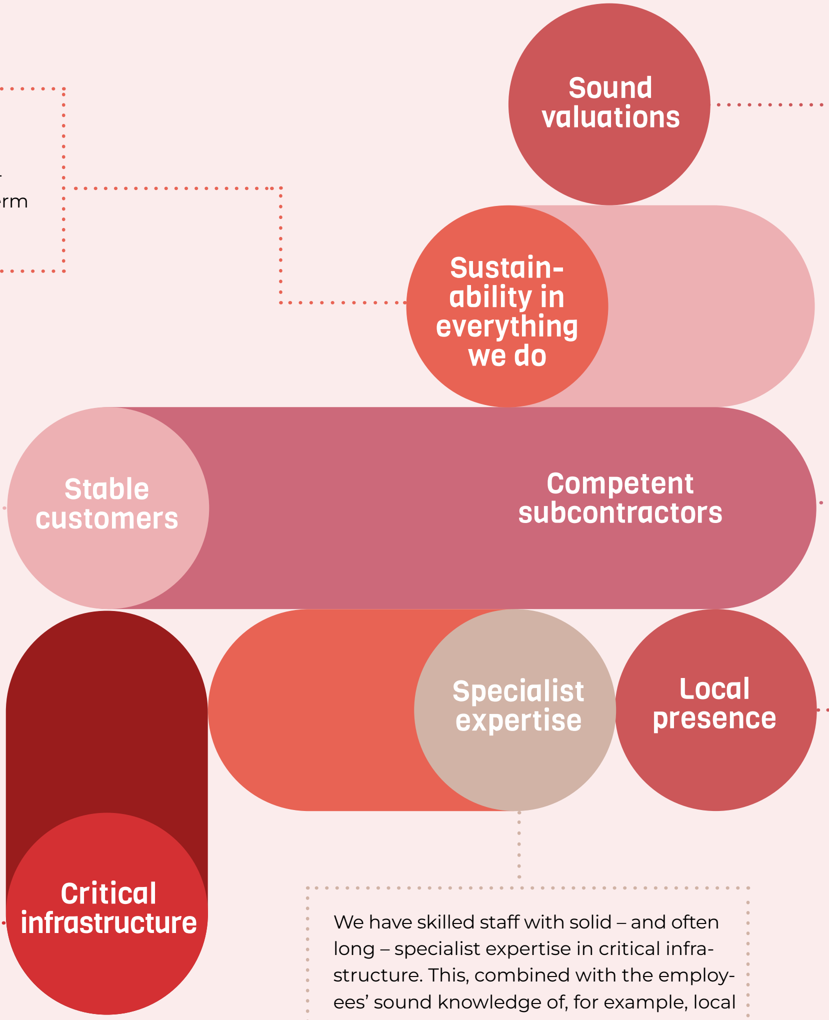
Business model

Netel creates value through a well-founded business model.



Sound valuations: Our values permeate our operations. Our success depends on the skills and dedication of the employees. To motivate our staff, we need to provide safe, secure working environments with short decision-making paths and respect for individuals and the environment.

Sustainability in everything we do: Strong awareness of sustainability with respect for the environment, climate and human rights is a prerequisite for creating good long-term customer relationships.

Stable customers: Our customers are power companies and telecomoperators, municipalities and large industrial companies. These are companies that meet a steady demand and generate stable cash flows. They prioritise reliable, experienced suppliers with whom they can work on a long-term basis.

Competent subcontractors: Our construction work requires access to and knowledge of handling heavy construction machinery, high voltage work and working in sensitive environments. To guarantee the quality of our projects, we need to work with the best subcontractors.

Critical infrastructure: We offer design and construction services in areas critical to society, such as electricity, telecommunications, water and sewage. The markets for critical infrastructure are driven by three powerful megatrends: climate change, digitalisation and the need to modernise the infrastructure.

Specialist expertise: We have skilled staff with solid – and often long – specialist expertise in critical infrastructure. This, combined with the employees' sound knowledge of, for example, local regulations and ground conditions, means that Netel stands for safe and secure deliveries.

Local presence: In our 25 years in business, we have built a local presence in our markets through both organic growth and acquisitions. A strong local presence allows us to be close to our customers and to ensure strong knowledge of local conditions, which are important competitive advantages.

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Strategy for profitable growth

We have seven strategic focus areas for continued profitable growth.

1. Existing customers
Many of our customers have ambitious investment plans and we see good opportunities to grow our business through expanded and extended framework agreements with existing customers.

2. New customers
In 2024, we expanded our customer base in Power to industrial companies and gained new customers in Telecom. There are additional attractive opportunities to grow through new customers in all three of our divisions.

3. Geographic expansion
We can both grow the business and use our resources more efficiently by expanding into neighbouring geographies. In 2024, we expanded the presence of Power in Norway to neighbouring counties.

4.Digitalisation
With more digital tools and a new, Group-wide business system in place, we are increasing our efficiency, improving project management and strengthening cost control.

5.Sustainability
We are continuing to develop our sustainability work and are expanding our cooperation with suppliers and customers to support each other in achieving our respective climate targets.

6. Profitability improvements
To grow profitably, good cost control in everything we do is a must. We also see opportunities to achieve synergies between our companies and operating countries.

7. Add-on acquisitions
Historically, we have grown both organically and through acquisitions. We may consider acquisitions if they give us faster access to a new, attractive geographical market or new customer base.

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Our value chain

Raw materials

Raw materials are a natural foundation in many of the materials that we use and consist of biological, mineral and fossil-based and recycled resources that are sourced from local and global supplies.

We prioritise renewable materials and ensure responsible management of non-renewable resources wherever we can. The balance between volume, cost and technical quality is central to meeting our requirements on both efficiency and sustainability. The quality and availability of raw materials are crucial for us to be able to deliver products that meet customer and environmental needs.

Processing and assembly

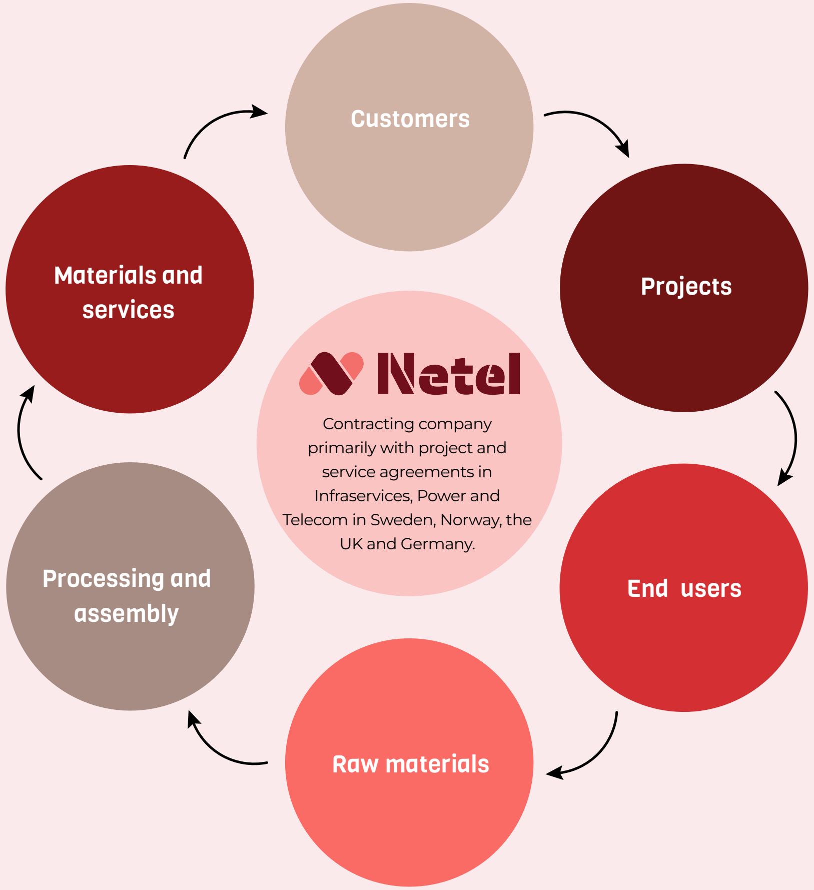
Processing and assembly are a key part of many industrial value chains. Raw materials such as metals, plastics, wood or other materials are processed and transformed into components with specific properties and functions. These components are then used at several stages, often in an upstream value chain, to ultimately be assembled into finished products or systems.

Our purchases of raw materials and semi-finished products are made from major distributors or specialised product suppliers who can ensure consistent quality and delivery reliability. This allows us to focus on our core competencies such as design, project management or final assembly, while other actors in the value chain handle the processing of the raw materials.

Materials and services

The most important product groups that we purchase are materials for land development, such as gravel, sand, crushed stone, soil, cement, asphalt and pipes for drainage, water and sewage. Power projects involve products such as power lines, cables, transformers and other equipment. Within fibre networks, purchases comprise fibre cables, switch cabinets and connection boxes.

Subcontractor procurement is a significant part of our business and is crucial to ensure that projects are carried out efficiently and with high quality. We work with a broad network of specialised subcontractors that contribute expertise in areas such as groundwork, installation and technical solutions. This approach allows for flexibility, efficient use of resources and strong local support of the projects we carry out.



Customers

We have a broad customer base and each division has its unique customer base. Infraservices' customers are mainly municipalities and private companies operating in the regions where we are located. Our local presence enables us to build strong customer relationships and deliver tailored solutions that meet specific customer needs.

In Power, we mainly work with energy companies, both private and publicly owned. These long-term partnerships with the energy companies enable us to contribute to the development of main grids and regional and local networks.

In Telecom, customers are mainly mobile and telecom operators. We work closely with them to ensure high-quality solutions for both mobile and fixed networks. The customer base includes everything from major telecom companies to local operators that need support in their network expansion projects and mobile networks.

Projects

Within the divisions, projects vary in size depending on the customers we work with. All divisions have framework and project agreements that can cover everything from design, purchasing, installation and maintenance. Some of the framework agreements include guaranteed volumes and others are a precondition for competing for projects.

The project agreements usually contain start and end dates and milestones that we are expected to meet during the contract period. Other contractual terms include indexation, price adjustment for changes and additions, and penalties for delays.

Our construction contracts apply different forms of remuneration depending on the scope and nature of the project. The most common forms are fixed prices and a time and materials basis, which each offer unique advantages and are used in different contexts.

End users

As we build critical infrastructure, the end users are all individuals and businesses in society, making our work both responsible and critical to society. In Infraservices, projects focus on the modernisation of water and sewage systems. These systems are critical to the functioning of society and our work ensures that people have access to clean water and that the wastewater is handled in a sustainable manner. The end users are directly affected by these installations, which are often the basis for a healthy and functioning infrastructure in both urban and rural areas.

In Power and Telecom, end users are extensive and include both individuals and companies that use electricity and telecommunications networks. These networks are fundamental to society as a whole and affect everything from the everyday lives of individuals to the activities of companies and organisations. By delivering robust and reliable solutions for supplying electricity and telecommunications, we contribute to maintaining the infrastructure that is necessary for society to function effectively.

Upstream and downstream in the value chain

Upstream includes raw materials, processing and assembly, and materials and services. Downstream includes customers, projects and end users.

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Our value creation 2024

As a leading player in planning, development and maintenance of infrastructures critical to society, Netel creates significant direct and indirect values.

The direct values are created through the Group's 837 employees in four countries. Furthermore, we employ thousands of individuals at subcontractors who carry out the construction and assembly work in the projects. In that we often use local resources in our projects, we generate positive economic and environmental gains for society. Our business is characterised by a high level of responsibility for the environment and occupational health and safety, and we endeavour to reduce transports, lower the amount of waste, boost material recycling and use green resources.

With our 25 years in the industry, we have amassed solid experience in infrastructure projects and our activities have a significant positive impact on society. The projects in power are driven by the electrification of society and increased digitalisation. The expansion of telecom advances inclusion and cultivates opportunities for sustainable social development. Well-functioning, effective infrastructures for district heating, water and sewage cultivate opportunities for healthy living environments and growing communities.

All information pertains to continuing operations.

Stakeholder	Type of value	Value created	Added value created
Customers	Net sales	MSEK 3,284 (3,186)	We provide high-quality services quickly and efficiently at the same time that we strive to establish close customer collaborations and long-term customer relationships.
Employees	Salaries, remuneration and pension	MSEK 570 (546)	We offer a stimulating and safe work environment with short decision-making procedures, high safety awareness and many opportunities for growth and development.
Subcontractors and suppliers	Purchasing of materials, products and services	MSEK 2,112 (1,994)	We are an attractive partner that seeks out long-term supplier relationships and offers many opportunities for subcontractors and suppliers to deliver high quality and in turn create safe, stimulating work environments.
Society	Social security contributions and tax paid	MSEK 180 (154)	We use local subcontractors and suppliers which generates jobs in many geographical locations and in places outside the big-city regions. We have a high level of safety awareness and offer safe work sites. We have a sustainability focus, prioritise renewable resources and strive constantly to minimise the environmental impact of projects. Our customer projects typically have a positive environmental impact through more efficient energy use, greater inclusion in society and healthy living environments.

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Sustainability work strengthens our competitiveness

Through our sustainability work, we are building a strong brand and helping to achieve the Paris Agreement.

At Netel, sustainability is an integrated part of the business strategy and permeates our daily work. Everything that we do is to be done in a responsible and sustainable way, adhering to high ethical standards. We also place extensive demands on our subcontractors and suppliers. For us, high ethical standards, good work conditions and environmental responsibility are priority issues that have always distinguished the business. In 2024, we focused on the climate and how Netel can contribute to achieving the Paris Agreement. The Science Based Targets initiative (SBTi) validated our climate targets in December 2024.

We also carried out the double materiality assessment in 2024 as part of the preparation for the new European Sustainability Reporting Standards. The assessment is presented in the Sustainability Report and we continue to collect data, develop processes and set targets for our material topics in 2025.

Netel is a UN Global Compact signatory and supports to the principles regarding human rights, labour, environment and corruption. The UN Global Compact's principles and a number of international guidelines form the basis of our Code of Conduct that extends to both employees and recurring major subcontractors and suppliers. These guidelines include, among other things, the International Bill of Human Rights, the ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

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Our contribution to the UN Sustainable Development Goals

We contribute in several ways to the sustainable development goals (SDGs). Here we present the UN Sustainable Development Goals to which Netel contributes most and for which we are actively working. More information about our sustainability targets can be found in the Sustainability Report.

Goal 7 Affordable and clean energy

7.1 Ensure universal access to affordable, reliable and modern energy services

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Goal 7 aims to give everyone access to sustainable, reliable and renewable energy and clean fuels. We develop both large and small energy projects that contribute to increasing the share of renewable energy and more energy efficiency. By securing the distribution capacity in the power networks, we contribute to sustainable social development.

Netel's target: Climate targets validated by the SBTi

Goal 8 Decent work and economic growth

8.8 Protect labour rights and promote safe and secure working environments of all workers

Goal 8 aims to promote sustainable, inclusive and substantial economic growth, full and productive employment with decent work for all. We promote a safe and secure work environment for everyone, including its own employees as well as those of subcontractors and suppliers.

Netel's target: No workplace accidents

Goal 9 Industry, innovation and infrastructure

9.1 Develop sustainable, resilient and inclusive infrastructures

9.4 Upgrade all industries and infrastructures to make them more sustainable

9.c Access to information and communication technology for all

Goal 9 aims to build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation. We plan and develops infrastructures for telecom, power networks, district heating and water and sewage. We make it possible for everyone to have access through modern and efficient services through its projects. Netel's growth depends on investments in infrastructure.

Netel's target: Annual growth of 10 per cent including acquisitions

Goal 11 Sustainable cities and communities

11.3 Inclusive and sustainable urbanisation

Goal 11 aims to make cities and human settlements inclusive, safe, resilient and sustainable. We build smart, sustainable communities with access to clean energy and reliable infrastructures for telecom, energy supply, water and sewage. Netel's growth depends on investments in infrastructure.

Netel's target: Annual growth of 10 per cent including acquisitions

Goal 13 Climate action

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Goal 13 aims to take urgent action to combat climate change and its impacts. We work to lower emissions in its operations by making transports more efficient and increasing the use of renewable energy.

Netel's target: Climate targets validated by the SBTi

Goal 16 Peace, justice and strong institutions

16.5 Combat corruption and bribery

Goal 16 aims to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. We foster transparency both internally and among subcontractors and suppliers in order to provide fair conditions and compliance free from tax evasion, social dumping and corruption. We have zero tolerance for bribery, corruption, fraud and money laundering throughout the value chain.

Netel's target: No suspected or confirmed violations concerning bribery, corruption, fraud or money laundering

THE GLOBAL GOALS

1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS

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Good order bookings and a record-breaking order backlog

These strong megatrends in our markets are reflected in our order backlog, which increased 18.4 per cent to SEK 4.0 billion in 2024.

Net sales

Net sales increased 3.1 per cent to MSEK 3,284 (3,186) during the year, with organic growth of 2.9 per cent as a result of good development in Infraservices, Power in Sweden and Telecom in Norway. Exchange rate effects had a negative impact of -0.8 per cent.

Earnings

EBITDA decreased 9.6 per cent to MSEK 215 (238), and the EBITDA margin was 6.5 per cent (7.5). EBITA decreased 10.0 per cent to MSEK 152 (169), and the EBITA margin was 4.6 per cent (5.3). Margins were negatively impacted mainly by lower profitability in Infraservices and lower volumes and thereby lower profitability in Telecom in Germany and the UK.

Adjusted EBITDA decreased 7.0 per cent to MSEK 232 (250), with an adjusted EBITDA margin of 7.1 per cent (7.8). Adjusted EBITA decreased 6.4 per cent to MSEK 169 (181), and the adjusted EBITA margin was 5.2 per cent (5.7). Adjustments were made for items affecting comparability of MSEK 18 (12), of which MSEK 3 for the introduction of the long-term incentive programme LTIP 2024 in accordance with the resolution of the Annual General Meeting in 2024 and restructuring costs of MSEK 6 for the implementation of the business system and organisational changes. In 2023, adjustments were made of MSEK 12, of which MSEK 8 pertained to acquisition costs.

Depreciation/amortisation and impairment amounted to MSEK -69 (-73).

Net financial items for the year amounted to MSEK -75 (-63). Interest expenses amounted to MSEK -65 (-66), of which MSEK -3 (-4) was attributable to lease liabilities.

Profit before tax decreased 30.7 per cent to MSEK 70 (102) in 2024. In 2023, profit before tax was positively impacted by a one-off effect of MSEK 5 from the dispute with a major fibre customer.

Profit after tax declined 29.1 per cent to MSEK 58 (82). Tax, calculated with respect to tax adjustments and impacted by restrictions on interest deductions, amounted to MSEK -12 (-19), corresponding to an effective tax rate of 17.3 per cent (19.2).

Net income discontinuing operations, net after tax, amounted to MSEK -105 (-38). Profit after tax including discontinuing operations amounted to MSEK -47 (44).

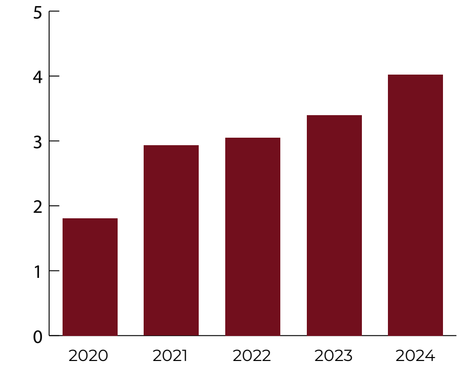
Cash flow

Cash flow from operating activities decreased to MSEK 115 (268) for continuing operations, primarily as a result of lower operating profit. In 2023, cash flow was positively affected by MSEK 70 from the settlement with a major fibre customer. Including discontinuing operations, cash flow from operating activities amounted to MSEK 59 (242).

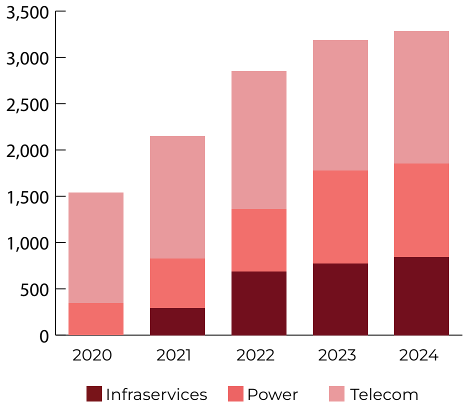
Cash flow from investing activities amounted to MSEK -162 (-82) for the year as a result of additional cash flow contingent considerations. Including discontinuing operations, cash flow from investing activities amounted to MSEK -162 (-83).

Cash flow from financing activities amounted to MSEK -87 (-65). The raising of loans was higher in 2023 compared with 2024, which impacts the comparison. Including discontinuing operations, cash flow from financing activities amounted to MSEK -89 (-67). Cash flow for the year amounted to MSEK -134 (120). Including discontinuing operations, cash flow for the year amounted to MSEK -192 (92).

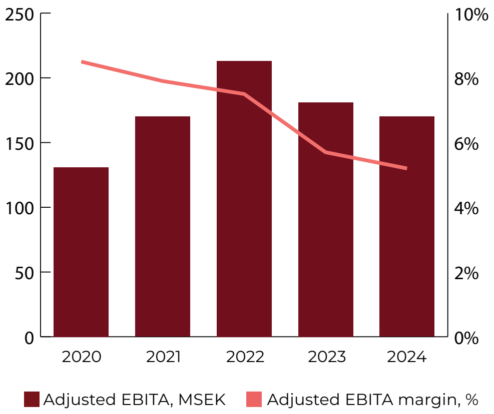
Order backlog, SEK billion



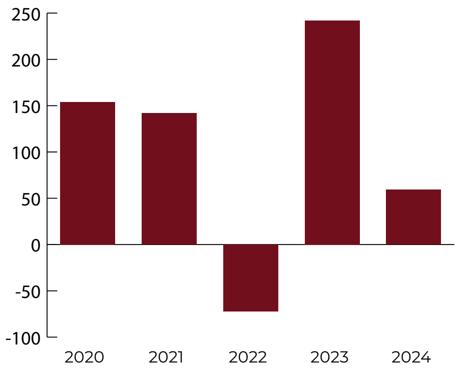
Revenue, MSEK



Adjusted EBITA and adjusted EBITA margin



Operating cash flow, MSEK



Including discontinued operations

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Financial position

Cash and cash equivalents for continuing operations amounted to MSEK 261 at the end of the year. Unutilised credit facilities amounted to MSEK 302, which together with cash and cash equivalents means a total of MSEK 563 in available funds.

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 745 at the end of the year. 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 2.8 at the end of the year, 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 1,006 at the end of the year.

Total assets amounted to MSEK 2,968 and equity amounted to MSEK 1,095. In the balance sheet, MSEK 62 was recognised for assets held for sale and MSEK 78 was recognised for liabilities directly associated with assets held for sale.

Dividends

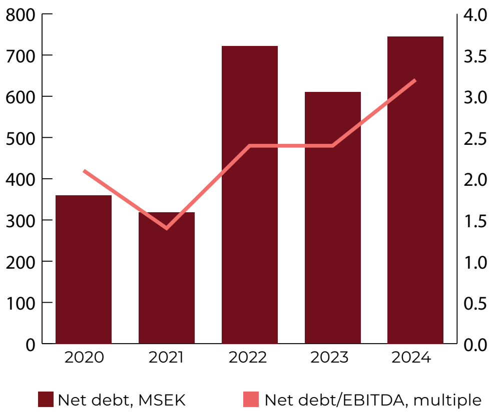
Netel's policy is a payout ratio of 40 per cent of net profit. The proposed dividend is to take Netel's financial position, cash flow, mergers and acquisitions and organic growth opportunities into consideration. The Board proposed to the 2025 Annual General Meeting that no dividend be paid to shareholders for the 2024 financial year.

Discontinuing operations

Netel announced on 16 January 2025 that the Board of Directors had decided to initiate a process aimed at selling the Finnish operations, a decision for which management resolved to commence preparations during the fourth quarter of 2024. The Finnish operations are recognised as discontinuing operations in this report. Earnings from Finnish operations have been excluded from the individual rows in the consolidated income statement and are recognised as net earnings in Profit for the period, discontinuing operations.

For more information on the accounting policies and reporting of the income statement, balance sheet and cash flow for discontinuing operations, see the Key accounting policies and the note on Reports of discontinuing operations. Comments in this report refer to continuing operations unless otherwise stated.

Net debt, MSEK



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Division

Infraservices

We ensure access to clean water and enable societies to grow sustainably by building and modernising the infrastructure for district heating, water and sewage.

We established ourselves in Infraservices in 2021 through the acquisition of JR Markteknik and Täby Maskin & Uthyrning. Growth has since taken place both organically and through the acquisition of Bredbyns, Brogrund and KMAB. Our offering includes project managing and installation of district heating, water and sewage. We also carry out various groundwork contracts.

The Infraservices Division currently operates in Sweden and has a strong position in central Sweden. Operations are conducted through the five wholly owned subsidiaries. Its customers are municipal and private owners of energy, water, sewage and environmental infrastructure, as well as real estate and construction companies.

Assignments in Infraservices' market are often smaller but more numerous than projects in our other divisions, Power and Telecom. A significant share of the assignments are carried out through framework agreements.

In 2023 and 2024, Infraservices' market was characterised by increased local competition as actors who previously worked in the housing market sought municipal contracts. We performed well in the competition, with a good track record of winning new projects thanks to local knowledge, long-standing customer relationships and a good reputation.

Key events 2024

Noteworthy among a large number of projects are the construction of the express bus station in central Örebro, the construction of a BMX track in Uppsala and the renovation of a sports field in Uppsala to make it a flood plain in the event of heavy rainfall.

We build in challenging environments

Karlskoga is growing and more and more households are being connected to the municipal water and sewage network. In Östra Lonntorp, KMAB is extending the water and sewage system to 60 properties. This is a challenging project where the pipes are being laid in a lake. The system is being built with both gravity sewers and light pressure drains, where affected properties receive a small pumping station.

"The water work is important in Karlskoga and it is pleasing that we're part of contributing to sustainably ensuring good water quality for the residents in the long term," says Mikael Andersson, CEO of KMAB.

"Our mission is to provide people with reliable infrastructure. That's why we don't shy away from carrying out assignments even in very difficult environments."

Fredrik Land,
Head of Infraservices

MSEK, unless otherwise stated	2024	2023	Change
Revenue	844	775	8.9%
EBITA margin	6.4%	8.8%	-2.4
Share of framework agreements	25.4%	24.8%	0.6
Number of employees	155	157	-1.3%

The number of employees is measured as average full-time equivalents over the year.

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Power

We build and maintain the electricity supply and create the conditions for an electrified, emission-free society.

We have operated in the power sector since 2016. Today, we have Power operations in Sweden and Norway. The offering includes the design, planning, construction and maintenance of electricity distribution networks up to 400 kV. We also design, install and maintain power and electricity supplies for railways and underground rail.

In Sweden, we have a strong presence mainly in central Sweden, including the Stockholm area. Operations are conducted both under the Netel name and through the wholly owned subsidiaries Elcenter in Söderköping, Elektrotjänst i Katrineholm, Eltek, Morberg, Oppunda and SEKE. Customers include E.ON, Svenska Kraftnät, Vattenfall Eldistribution and many municipal electricity companies and construction companies.

In Norway, operations are conducted through the subsidiary Nett-Tjenester, which has a strong position in the south-eastern parts of the country. In 2024, we made important strategic decisions by broadening our customer base to industrial companies and expanding our offering to geographically nearby counties. The results quickly became apparent when we were commissioned by Green Mountain, which builds and operates data centres, to be responsible for their power supply.

In addition, Elvia, which is part of the leading company Eidsiva Energi, chose to expand our collaboration to a larger geographical area. Other customers include Lede, one of Norway's largest network owners.

Key events 2024

Expanded cooperation with Norwegian Elvia with a new framework agreement worth approximately MNOK 120 and a new framework agreement for the design and installation of new control systems for Elvia's transformer stations, worth approximately MNOK 320.

Contract with Siemens Energy for the modernisation of Svenska Kraftnät's substations.

Contract with Green Mountain Data Centers in Norway for the installation of power systems in the data centre in Enebakk.

During the year, we also announced a framework agreement for construction projects involving network connections with a new customer, Vattenfall Eldistribution. The agreement pertains to north-eastern Götaland and lasts for two years with the possibility of extension. The order value is estimated at approximately MSEK 40.

We electrify Google in Norway

Nett-Tjenester's largest project to-date is the construction of a switching station for one of the world's largest data centres. The data centre is located in Telemark and operated by Google. Lede, one of Norway's largest network owners, is the client. Nett-Tjenester is a turnkey contractor and is responsible for project management, installation and commissioning. The data centre is scheduled to be operational in 2026.

"This project shows that we have a strong professional environment and expertise that is competitive both nationally and internationally," says Bjørn Stephen Pettersen, Team Leader Regionalnett, Nett-Tjenester.

"We are proud to be a key player in electrification and to contribute to a more sustainable society."

**Klas Eldebrandt,
Head of Power Division**

MSEK, unless otherwise stated	2024	2023	Change
Revenue	1,005	1,002	0.3%
- Sweden	653	630	3.5%
- Norway	352	371	-5.1%

MSEK, unless otherwise stated	2024	2023	Change
EBITA	76	73	4.1%
EBITA margin	7.6%	7.3%	0.3
Share of framework agreements	24.5%	49.8%	-25.3
Number of employees	203	212	-4.2%

All information pertains to continuing operations. The number of employees is measured as average full-time equivalents over the year.

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Telecom

We ensure secure telecommunications in the Nordic region and are contributing to the digitalisation of other major European countries.

Netel has operated in the telecom sector since its founding in 2000, making it the Group's oldest business area. Today, we have Telecom operations in Sweden, Norway, the UK and Germany. The offering includes turnkey solutions and covers the entire value chain for fibre and mobile networks, from planning and permitting to deployment, installation, commissioning and integration.

The fibre customers are mainly network owners, operators and tenant owner associations. Customers include several of the largest telecom operators and broadband providers in Northern Europe. Mobile network customers are telecom operators, mast owners and system providers. In mobile networks, the business mainly comprises expansion projects and maintenance.

In Sweden, the deal is focused on upgrading mobile networks to 5G for customers such as Telia and Telenor. In 2024, we began the cooperation with the Swedish Defence Materiel Administration (FMV) on the installation and contracting of data and telecommunications in the Swedish Armed Forces' headquarters in Stockholm and garrisons around Sweden.

In Norway, the upgrade to 5G is also ongoing, while the roll-out of fibre networks continues. During the year, we signed a new, larger, three-year framework agreement with Telenor in Norway, covering the operation, maintenance and roll-out of fibre networks.

Other customers include Global Connect, Ice, Viken Fiber and Telia.

In the UK and Germany, there is ambitious investment in fibre networks nationally. We are focusing on the fibre market in these two countries and have a competitive advantage through our long experience from fibre roll-out in the Nordic region. We established business in the UK in 2022 through acquisitions and operate in Scotland and northern England. The German operations started in 2019 and we operate in northern and central Germany.

Key events 2024

Three-year framework agreement worth NOK 0.9-1.2 billion with Telenor in Norway, covering the operation, maintenance and roll-out of fibre networks.

Several contracts with UGG in Germany for the roll-out of fibre networks worth a total of approximately MEUR 25. UGG, Unsere Grüne Glasfaser, is a joint venture between Allianz and Telefónica.

In March 2025, we announced a new, expanded framework agreement with Tele2 in Sweden. The agreement covers the installation, service, and maintenance of Tele2's broadband network in Sweden. The agreement runs for two years with the possibility of annual extensions.

We are digitalising Eastern Norway

In Norway, we have had an extensive cooperation with Viken Fiber since 2010, which builds and operates fibre networks across large parts of Eastern Norway. The current framework agreement covers the development, maintenance and troubleshooting of fibre networks in six of Viken Fiber's nine zones. We are also responsible for security and preparedness throughout Viken Fiber's network. "We have known Netel as a reliable and capable partner for many years," says Anne Berit Rørlien, CEO of Viken Fiber. "We are looking forward to a continuation of our close and good cooperation in the next few years."

"By building and modernising telecom infrastructure in Northern Europe, we are a driving force in creating a more connected and sustainable future for all."

Edward Olastuen,
Head of Telecom Division

MSEK, unless otherwise stated	2024	2023	Change
Revenue	1,434	1,408	1.9%
- Sweden	280	282	-0.7%
- Norway	910	824	10.5%
- UK	70	110	-36.5%
- Germany	174	192	-9.4%

MSEK, unless otherwise stated	2024	2023	Change
EBITA	14	34	-57.5%
EBITA margin	1.0%	2.4%	-1.4
Share of framework agreements	78.7%	65.3%	13.4
Number of employees	449	437	2.7%

All information pertains to continuing operations. The number of employees is measured as average full-time equivalents over the year.

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More than 1,100 new shareholders

Netel was listed on Nasdaq Stockholm Mid Cap on 15 October 2021.

Share capital
At the close of 2024, the share capital in Netel amounted to SEK 746,337 (746,337) divided among 48,511,873 (48,511,873) shares. Each share has one vote. All of the shares carry equal rights to dividends and share of the company's assets and earnings.

Market history
Netel's share was listed on Nasdaq Stockholm Mid Cap on 15 October 2021. The introduction price was SEK 48.

Share price trend
On the final day of trading in 2024, Netel's closing price was SEK 13.28, meaning a market capitalisation of MSEK 644.2. The highest price paid was noted on 2 September and was SEK 23.90. The lowest price paid was noted on 3 April and was SEK 10.98. In 2024, the share price decreased 9.7 per cent. According to the OMXS PI Index, Nasdaq Stockholm increased 5.7 per cent during 2024.

During the year, a total of 30,392,875 (25,147,241) shares were traded on Nasdaq Stockholm with a daily average of 121,087 (100,188). In total, shares worth TSEK 1,923.9 (1,112.0) were traded per day on average. During the year, there were 55,593 (31,256) trades with a daily average of 221 (125).

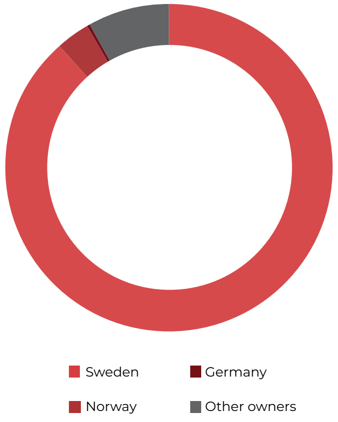
Dividend policy
Payout ratio of 40 per cent of the Group's net profit. The proposed dividend is to take Netel's financial position, cash flow, mergers and acquisitions and organic growth opportunities into consideration.

Ownership structure
Netel had 3,726 (2,591) shareholders at the end of the year, which is an increase of 1,135 during 2024. Foreign holdings corresponded to 7.9 (11.4) per cent of the shares and the votes. The holdings of the ten largest shareholders corresponded to 68.26 (72.03) per cent of the shares and the votes. At the end of the year, 46.7 (48.2) per cent of the shares were held by investment and asset management companies, 11.0 (15.9) per cent by fund companies and 28.3 (23.8) per cent by private individuals.

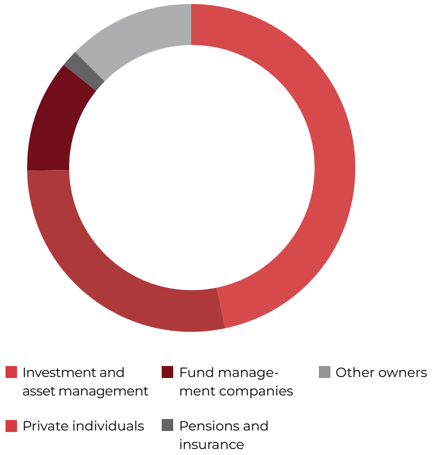
Data on ownership and trade on Nasdaq Stockholm comes from Monitor, Modular Finance and refers to 31 December 2024.

Analysts who follow Netel
Karl-Johan Bonnevier, DNB Markets
Stefan Gauffin, DNB Markets
Carl Ragnerstam, Nordea Markets
Gustav Berneblad, Nordea Markets
Kristoffer Carleskär, Kepler Chevreaux

Share of capital and votes by country



Share of capital and votes by country



By owner type

Number of owners	31 Dec 2024	31 Dec 2023
Swedish institutional investors	16	18
Swedish private individuals	3,353	2,256
Other owners	352	313
Non-Swedish institutional investors	5	4
By owner type	-	-
Total number of known owners	**3,726**	**2,591**

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Netel's ten largest owners

31 December 2024	Number of shares and votes	Share of capital and votes, %
IK VII fonden via Cinnamon International Sarl	22,641,829	46.67
Nordnet Pensionsförsäkring	3,274,498	6.75
Swedbank Robur Fonder	2,070,000	4.27
Cicero Fonder	1,642,026	3.38
Avanza Pension	786,868	1.62
Protean Funds Scandinavia	638,147	1.32
Markteknikgruppen i Sverige AB	637,852	1.31
Swedbank Försäkring	530,379	1.09
Lars Österberg	467,143	0.96
Etemad Group	427,728	0.88
Ten largest owners	**33,116,470**	**68.26**
Other owners	15,395,403	31.74
Total	**48,511,873**	**100.00**

Ownership structure by holdings

31 December 2024	Number of shares and votes	Share of shares and votes, %	Number of known owners	Share of known owners, %
1 - 500	339,341	0.70	2,172	58.29
501 - 1,000	435,383	0.90	528	14.17
1,001 - 5,000	1,661,387	3.42	684	18.36
5,001 - 10,000	1,132,738	2.33	147	3.95
10,001 - 20,000	1,110,842	2.29	78	2.09
20,001 -	40,214,015	82.90	117	3.14
Unknown holding size	3,618,167	7.46	-	-
Total	**48,511,873**	**100.00**	**3,726**	**100.00**

Trend in share capital

Date	Transaction	Change in number of shares and votes	Total number of shares and votes	Increase in share capital, SEK	Total share capital, SEK
October 2021[1]	Issue in kind and new share issue	10,036,874 , 4,166,667	218,516	46,703,671	718,518
January 2022	Offset issue	637,852	47,341,523	9,813	728,331
March 2022	Offset issue	65,775	47,407,298	1,012	729,343
March 2022	Offset issue	89,763	47,497,061	1,381	730,724
May 2022	Offset issue	141,552	47,638,613	2,178	732,902
July 2022	Offset issue	293,365	47,931,978	4,513	737,415
August 2022	Offset issue	90,364	48,022,342	1,390	738,805
December 2022	Offset issue	186,237	48,208,579	2,865	741,670
February 2023	Offset issue	303,294	48,511,873	4,666	746,337

[1] The increase took place in conjunction with the listing on Nasdaq Stockholm when a transformation of the previous ownership structure was carried out and new shares were issued.

Offset issues were carried out in connection with acquisitions, based on the authorisation from the Extraordinary General Meeting on 27 August 2021 and the 2022 Annual General Meeting.

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Corporate Governance Report

Netel Holding AB (publ) is listed on Nasdaq Stockholm's Main Market since 15 October 2021. The governance of Netel is based on the Swedish Companies Act, Nasdaq Stockholm's Rule book for Issuers, the Swedish Corporate Governance Code (the Code), statements from the Swedish Securities Council and other relevant Swedish and foreign laws and regulations.

The Corporate Governance Report has been prepared as a part of the Annual Accounts Act and the company's application of the Code. The company has deviated from the Code during 2024 concerning the Nomination Committee Chairman. Refer to the Nomination Committee section below. The auditors have reviewed the Corporate Governance Report.

Articles of Association

The Articles of Association were adopted by the Annual General Meeting on 4 May 2023 and are available in full on the website netelgroup.com.

The company's registered office is Stockholm, Sweden, and the financial year is the calendar year.

The Articles of Association do not contain provisions regarding dismissal of Board members or amendments to the Articles of Association.

Share capital

Netel has one share series, in which each share entitles to one vote.

Netel's share was listed for the first time on Nasdaq Stockholm Mid-Cap segment on 15 October 2021.

At the close of 2024, share capital amounted to SEK 746,337 divided among a total of 48,511,873 shares and votes.

Shareholders

At year-end, there were 3,726 shareholders and the five largest owners were (share of capital and votes in parenthesis): IK VII Fund via Cinnamon International S.à.r.l (46.67 per cent), Nordnet Pensionsförsäkring (6.75 per cent), Swedbank Robur Fonder (4.27 per cent), Cicero Fonder (3.38 per cent) and Avanza Pension (1.62 per cent).

Annual General Meeting

The Annual General Meeting is the company's highest decision-making body and it is at the Annual General Meeting and potential Extraordinary General Meetings that all shareholders can exercise their voting right and decide on issues that affect the company and its operations.

Notice convening an Annual General Meeting is to be sent no earlier than six and no later than four weeks before the Meeting. Notice convening an Extraordinary General Meeting that is not to address issues of amendments to the Articles of Association, is to be sent no later than three weeks before the Meeting.

Notice convening general meetings are to be published in Post- och Inrikes Tidningar and on the Company's website. It shall be advertised in Svenska Dagbladet that notice convening a general meeting has been made.

The Annual General Meeting is to be held in Stockholm, Sweden.

At the Annual General Meeting, resolutions are made regarding adoption of the income statement and balance sheet, appropriation of profit or loss for the year, decision regarding dividends, and discharge from liability for the Board members and the CEO. Furthermore, resolutions are made regarding the fees for Board members and auditors. Thereafter, the Board of Directors and auditors for the period up until the next Annual General Meeting are elected. Other statutory matters, such as resolutions regarding guidelines for remuneration to senior executives and the Board of Directors' remuneration report.

All shareholders registered in the shareholders' register on the record date and who have registered their participation by the date specified in accordance with the Articles of Association's provisions have the right to participate in the Meeting and vote for their shareholding. Shareholders may be represented by proxy if the shareholder has notified the company of the number of proxies as stipulated in the notice convening the Meeting.

2024 Annual General Meeting

The Annual General Meeting (AGM) was held on Thursday, 2 May 2024, in Stockholm, Sweden. The AGM adopted the Parent Company's and the Group's income statement and balance sheet and resolved that no dividend be paid for the 2023 financial year. The AGM discharged the Board of Directors and the CEO from liability for 2023. The AGM re-elected Board members Alireza Etemad, Carl Jakobsson, Göran Lundgren and Nina Macpherson. Therese Lundstedt was elected as a new Board member and Alireza Etemad was elected as the new Chairman of the Board. The AGM also re-elected Deloitte AB as auditor.

The AGM also resolved regarding the following:

- to determine fees for the Board of Directors, the auditor and the members and Chairmen of the Audit and Remuneration Committees,
- to approve the Board's remuneration report for 2023 and the Board's proposed guidelines for remuneration of senior executives,
- to decide on the long-term incentive programme LTIP 2024,
- to authorise the Board of Directors to, on one or more occasions until the time of the next AGM, with or without deviation from the shareholders' preferential rights, in certain circumstances decide on a new share issue against cash payment, with provision for non-cash or set-off, or otherwise with conditions. Such issues may not result in the registered share capital of the company increasing by more than 10 per cent in total when the Board of Directors first exercises the authorisation.

The complete resolutions are available on Netel's website.

2025 Annual General Meeting

Netel's 2025 Annual General Meeting will be held on Thursday, 8 May, in Stockholm, Sweden.

Nomination Committee

The Extraordinary General Meeting held on 27 August 2021 adopted the following instructions and rules for the Nomination Committee which will remain in force until otherwise resolved by the general meeting of shareholders.

1. The company is to have a Nomination Committee consisting of members appointed by each of the four shareholders or ownership groups in accordance with item 3 below, who wish to appoint a Nomination Committee member, as well as the Chairman of the Board. The Chairman of the Board is responsible for convening the Nomination Committee. If a Nomination Committee with four shareholder-appointed members cannot be convened after contact with the ten largest shareholders in terms of the number of votes, the Nomination Committee may consist of three shareholder-appointed members.
2. The names of the four shareholder-appointed Nomination Committee members and the names of the shareholders they represent, are to be announced no later than six months before the Annual General Meeting. The term of office for the Nomination Committee ends when a new Nomination Committee has been announced. The Nomination Committee Chairman is to be, unless the members otherwise agree, the member appointed by the largest shareholder in terms of the number of votes.
3. The Nomination Committee is to be constituted based on shareholder statistics from Euroclear Sweden AB on the last banking day in August of the year prior to the Annual General Meeting and other reliable ownership information provided to the company at that time. In determining which are the shareholders in terms of the number of votes, a group of shareholders is considered to constitute one owner if they (i) are owner grouped in the Euroclear Sweden system or (ii) announced and notified in writing to the company that they have a written agreement to through coordinated exercise of the voting rights assume a long-term joint stance in the issue of the company's management.
4. If earlier than two months prior to the Annual General Meeting one or more of the shareholders who have been appointed Nomination Committee members are no longer among the four largest shareholders in terms of the number of votes in the Company, members

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appointed by those shareholders shall resign and the shareholder(s) who currently is/are among the four largest in terms of the number of votes in the Company shall have the right to appoint Nomination Committee members after contacting the Nomination Committee Chairman. Shareholders who have appointed a Nomination Committee member have the right to dismiss such member and appoint a new Nomination Committee member. Changes to the composition of the Nomination Committee are to be announced on the website as soon as such changes are made.

5. The Nomination Committee is to prepare proposals concerning the below issue to be presented to the Annual General Meeting for resolution:

- proposal for AGM chairman,
- proposal for Board of Directors,
- proposal for Chairman of the Board,
- proposal for fees to Board members and the division between the Chairman and other Board members and remuneration for committee work,
- proposals for auditors (where applicable),
- proposals for fees to the company's auditors and
- proposals for any changes to the Nomination Committee instructions.

6. No remuneration will be paid to Nomination Committee members. That the Nomination Committee in conjunction with its assignment shall otherwise carry out the duties that the Code of Corporate Governance stipulates are those of the Nomination Committee and that the company on request from the Nomination Committee will provide personnel resources such as secretary function to accommodate the Committee's work. When needed, the company will also cover reasonable costs for external consultants deemed necessary by the Nomination Committee to enable the Committee to carry out its assignment.

The Nomination Committee ahead of the 2025 Annual General Meeting was announced on 7 November 2024. The Nomination Committee comprises the following members:

- Carl Jakobsson, IK Partners, Chairman of the Nomination Committee, Member of the Board
- Celia Grip, Swedbank Robur Fonder
- Andreas Berdal Lorentzen, Delphi Fondsforvaltning
- Peter Magnusson, Cicero Fonder
- Alireza Etemad, Etemad Group, Chairman of the Board

Shareholders have been able to submit proposals and comments to the Nomination Committee until 31 January 2025. The Nomination Committee applied rule 4.1 of the Code on diversity policy in preparing proposals of Board members. The aim of the policy is that the Board is to have a composition appropriate to the company's operations, phase of maturity and other relevant circumstances, distinguished by diversity and breadth of qualifications, experience and background, and strive for an equal gender distribution. The Nomination Committee's proposal for Board members, fees to the Board and election of auditors as well as other relevant proposals, were presented in conjunction with the notice of the 2025 Annual General Meeting.

Board of Directors and its work

BOARD OF DIRECTORS

The Board of Directors is responsible for Netel's management and organisation, which means that the Board is responsible for setting targets and strategies, securing processes and systems for evaluation of set targets, continuously assessing performance and financial positions, evaluating management, as well as identifying how sustainability issues affect the company's risks and business opportunities. Moreover, the Board appoints the CEO.

The Board of Directors follows written rules of procedure, which are revised annually and adopted at the statutory Board meeting every year. The rules of procedure govern, among other matters, the work of the Board, functions and the division of work between the Board members and the CEO.

At the statutory Board meeting, the Board also adopts instructions for the CEO, including instructions for financial reporting. The Board of Directors convenes according to an annual predetermined schedule. In addition to these meetings, additional Board meetings can be convened to handle issues that cannot be postponed until the next scheduled Board meeting. In addition to the Board meetings, the Chairman and the CEO continuously discuss the management of the Company.

The Board has adopted 16 policies that are Group-wide and regulate how the company and its subsidiaries and employees are to conduct themselves and act with the ambition to operate a sustainable business in the long term. The policies are revised and adopted annually in conjunction with the statutory meeting or – if required – during the year. Policy compliance is followed up through internal controls and by the company's external auditors.

CHAIRMAN OF THE BOARD

According to the Board's rules of procedure, the Chairman of the Board has a particular responsibility for maintaining regular contact with the CEO to oversee and discuss the company's performance. The Chairman is to ensure that the CEO keeps Board members informed about Netel's financial position, financial planning and performance. Moreover, the Chairman of the Board is responsible for ensuring an evaluation of the Board's work every year.

COMPOSITION OF THE BOARD OF DIRECTORS

According to the Articles of Association, the Board of Directors is to comprise not fewer than three and not more than ten members. The Board members are elected annually at the Annual General Meeting to serve for the period up to the next Annual General Meeting.

The Board comprises five members who are presented in more detail in the chapter Board of Directors. The CFO attends all Board meetings except when the work of the CEO is evaluated.

WORK OF THE BOARD IN 2024

In 2024, the Board has held 17 minuted meetings. During the meetings, the Board has addressed fixed agenda items such as the business and market situation, economic and financial reporting, and project status. In addition, general strategic issues regarding business intelligence, growth opportunities and sustainability have been analysed. The Board has met with the company's auditor without the presence of the management team once during the year.

BOARD COMMITTEES

The members of the committees and the chairmen were appointed at the statutory Board meeting for a period of one year at a time. Committee work is carried out according to the instructions for each committee. The committees' work primarily concerns preparation and counselling within each respective area. However, the Board can occasionally delegate decision-making authority to the committees in certain issues.

Remuneration Committee

The Remuneration Committee is tasked with preparing recommendations involving remuneration principles, remuneration and other employment terms for the CEO and other senior executives.

The principles address, among other issues, the relationship between fixed and potentially variable remuneration as well as the connection between performance and remuneration, the main terms for potential bonuses and incentive schemes, as well as the main terms for other benefits, pensions, termination of employment and severance pay. For the CEO, the Board in its entirety is to determine remuneration and other employment terms. Share-related incentive schemes for the Executive Team are decided by the general meeting of shareholders.

The Committee is to assist the Board in monitoring the systems through which the company complies with laws, stock exchange regulations and the Code in terms of provisions on publishing information that is related to remuneration to the CEO and other senior executives. The Committee is also to monitor and evaluate any ongoing and during the year concluded programs for variable remuneration to the CEO and other senior executives, application of the guidelines for remuneration to the CEO and other senior executives as decided by the Annual General Meeting as well as remuneration structures and remuneration levels.

After the 2024 Annual General Meeting, the Remuneration Committee comprised Alireza Etemad (chairman) and Nina Macpherson. In 2024, the Committee held three minuted meetings and had informal contact when needed. The Remuneration Committee's attendance is presented in the table The Board's attendance, independence and remuneration, 2024.

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The Board's attendance, independence and remuneration, 2024

Member	Board meeting	Audit Committee	Remuneration Committee	Tender Committee	Independent in relation to the company	Independent in relation to major shareholders	Compensation paid in 2023 and 2024[4]
Hans Petersson, Chairman[1]	4/5		2/2	7/11	Yes	Yes	746,667
Ann-Sofi Danielsson[1]	5/5	3/3			Yes	Yes	553,333
Alireza Etemad, Chairman of the Board[2]	16/17		3/3	26/27	Yes	Yes	840,063
Carl Jakobsson	16/17	7/8			Yes	No	730,003
Göran Lundgren	16/17	8/8		26/27	Yes	Yes	755,000
Therese Lundstedt[3]	12/12				Yes	Yes	210,000
Nina Macpherson	16/17		3/3		Yes	Yes	769,997
Jeanette Reuterskiöld[1]	5/5			11/11	No	Yes	Fees waived
Total	**17**	**8**	**3**	**27**			**4,605,063**
Total including social security contributions							**5,891,838**

[1] Stepped down from the Board at the AGM on 2 May 2024.
[2] Elected Chairman of the Board at the AGM on 2 May 2024.
[3] Elected as a member at the AGM on 2 May 2024.
[4] Remuneration for 2023 was paid in 2024.

Audit Committee

The Audit Committee is to, without it affecting the responsibilities and tasks of the Board of Directors, monitor the financial reporting, the efficiency of the internal controls and risk management, remain informed of the audit of the annual report and consolidated accounts, review and monitor the impartiality and independence of the auditors and, in particular, whether the auditors provide the company with services other than auditing services, and assist in the preparation of proposals for the Annual General Meeting resolution on the election of auditors.

After the 2024 Annual General Meeting the Audit Committee comprised Göran Lundgren (chairman) and Carl Jakobsson. The Board feels that the members are experts in the Audit Committee's areas and meet the independence requirements in accordance with the Code and the Swedish Companies Act. In addition to the Audit Committee members, the CFO and, when necessary, auditors, the CEO or other members of the company are asked to participate in Committee meetings. In 2024, the Committee held eight minuted meetings.

The Audit Committee's attendance is presented in the above table The Board's attendance, independence and remuneration, 2024. The company's auditors participated in six of the meetings.

Tender Committee

The Tender Committee is a body within the company's Board of Directors with the task of preparing for the Board matters relating to submitting, accepting and following up tenders and transactions of major importance. The Tender Committee is mandated by the Board, after separate and individual consideration, to extend the CEO's authority to submit tenders that have to total value of more than MSEK 30 or contracts with a term of more than five years and to monitor and evaluate the tender process. The Committee regularly reports to the Board and can also address other matters addressed by the Board. The CEO presents reports to the Committee.

After the 2024 Annual General Meeting the Tender Committee comprised Alireza Etemad (chairman) and Göran Lundgren. In 2024, the Committee held 27 minuted meetings. The Tender Committee's attendance is presented in the above table The Board's attendance, independence and remuneration, 2024.

EVALUATION OF THE WORK OF THE BOARD

The company's evaluation of the Board of Directors was carried out in December 2024 and presented to the Board in the same month. The evaluation constituted a survey that covers various aspects of the Board's work and its efforts to create value. The evaluation revealed the Board members' perspective on how the work of the Board is conducted and whether action should be taken to develop and improve the Board's work. The outcome of the evaluation also forms an important document for the Nomination Committee's work ahead of the upcoming Annual General Meeting. Subsequently, the outcome was presented to both the Board and the Nomination Committee.

Remuneration to Board members

Fees and other remuneration to the Board members, including the Chairman, are resolved by the general meetings. At the 2024 Annual General Meeting, it was resolved that the Board and committee fees shall be paid in the same amounts as in 2023. According to the Annual General Meeting resolution, fees of SEK 525,000 shall be paid to the Chairman and SEK 315,000 to the other members of the Board. Furthermore, the AGM resolved that a fee in the amount of SEK 100,000 be paid to the Chairman of the Audit Committee and that the other Audit Committee members be paid in the amount of SEK 50,000 and that a fee in the amount of SEK 70,000 be paid to the Chairman of the Remuneration Committee and that the other Remuneration Committee members receive the amount of SEK 35,000.

CEO

The CEO is subordinate to the Board of Directors and responsible for everyday management and operations. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board and in the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information for the Board meetings and for presenting such materials at the Board meetings.

According to the financial reporting instructions, the CEO is responsible for the financial reporting and is to ensure that the Board of Directors receive adequate information for the Board to evaluate the financial position. The CEO is to continuously keep the Board informed of developments in the operations, sales, results and financial position, liquidity and credit status, important business events and all other events, circumstances or circumstances that can be assumed to be of significance to the shareholders.

The Board of Directors annually evaluates the work and performance of the CEO.

Executive Team

The Executive Team is an advisory body for the CEO and drives Group-wide strategy and development issues as well as day-to-day activities. The Executive Team convenes once a month and checks in regularly to address current issues, strategies and discussions. On 10 January 2024, Peter Andersson decided to end his employment as CFO at Netel Group and Fredrik Helenius, Group Accounting Manager, took over as acting CFO with immediate effect. Fredrik Helenius was appointed CFO on 26 January 2024. On 16 February 2024, a new organisational structure and Executive Team was announced.

The reorganisation meant that the managers for Infraservices and Power in Sweden were assigned Group-wide responsibility for their respective business areas. The head of Telecom in Norway was assigned Group-wide responsibility for the telecom business. The Executive Team consists of Jeanette Reuterskiöld, President and CEO, Fredrik Helenius, CFO, Klas Eldebrandt, Head of Power Division, Fredrik Land, Head of Infraservices Division, Edward Olastuen, Head of Telecom Division and Johan Olofsson, Group Operational Support. The Executive Team is presented in the Executive Team section.

Guidelines for remuneration of senior executives

The 2024 Annual General Meeting resolved on the following guidelines for remuneration and other employment terms for the CEO and other members of Netel Holding AB's (publ) The Executive Team:

The guidelines are proposed to apply until further notice and are essentially in line with the principles applied so far.

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SCOPE OF THE GUIDELINES

These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the General Meeting. These guidelines do not apply to any remuneration decided or approved by the General Meeting.

Employment conditions of a member of the Executive Team that is employed or resident outside Sweden or that is not a Swedish citizen, may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

PROMOTION OF NETEL'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

To become a leading Northern European Infranet service provider, Netel has identified two strategic priorities: core business development and geographical and business diversification. These goals can be achieved either through organic growth initiatives or via M&A.

Successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability agenda, requires that the company can recruit and retain qualified employees. This requires that the company can offer competitive salaries and other terms and conditions of employment on market conditions, taking into account both global remuneration practice and practice in the home country of each member of the Executive Team. These guidelines enable Netel to offer the Executive Team a total remuneration that is on market conditions and competitive.

TYPES OF REMUNERATION

The total yearly remuneration to the members of the Executive Team shall be based on market conditions and be competitive as well as reflect each member's responsibility and performance. The total yearly remuneration shall consist of (i) fixed base salary, (ii) variable cash remuneration, (iii) pension benefits and (iv) other benefits (which are specified below excluding social security costs). Additionally, the General Meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The variable cash remuneration shall be linked to predetermined and measurable targets, which are further described below, and may amount to not more than 100 per cent of the yearly base salary for the CEO and 50 per cent of the yearly base salary for the other members of the Executive Team.

The members of the Executive Team can be covered by defined contribution or defined benefit pension plans, for which pension premiums are based on each member's yearly base salary and is paid by Netel during the period of employment. The pension premiums shall amount to no more than 30 per cent of the yearly base salary.

Other benefits, such as company car, extra health insurance or occupational healthcare, shall be payable to the extent it is considered to be in line with market conditions on the market relevant for each member of the Executive Team. Premiums and other costs relating to such benefits may totally amount to no more than 20 per cent of the yearly base salary.

CRITERIA FOR AWARDING VARIABLE CASH REMUNERATION

The variable cash remuneration shall be linked to predetermined and measurable financial targets and can also be linked to strategical and/or functional targets individually adjusted on the basis of responsibility and function. These targets shall be designed so as to contribute to Netel's business strategy and long-term interests, including its sustainability, by for example being linked to the business strategy or to promote the senior executive's long-term development within Netel.

The Remuneration Committee shall for the Board of Directors prepare, monitor and evaluate matters regarding variable cash remuneration to the Executive Team. Ahead of each yearly measurement period for awarding variable cash remuneration the Board of Directors shall, based on the work of the Remuneration Committee, establish which criteria are deemed to be relevant for the upcoming measurement period. To which extent the criteria for awarding variable cash remuneration has been satisfied, shall be determined when the measurement period has ended. Evaluations regarding fulfilment of financial targets shall be based on a determined financial basis for the relevant period. Variable cash remuneration is settled after the measurement period has ended. Paid variable cash remuneration can be claimed back when such right follows from the relevant individual agreement. Additional variable cash compensation may be payable in exceptional circumstances, provided that such extraordinary arrangements are time-limited and made only at the individual level, either to recruit or retain senior managers or as compensation for extraordinary duties in addition to the manager's ordinary duties. Such compensation may not exceed an amount equal to 100 per cent of the fixed annual cash salary, with the exception of extraordinary remuneration for the CEO whose extraordinary remuneration may not exceed an amount corresponding to 250 per cent of the fixed base salary. Extraordinary remuneration shall not be paid more than once per year and individual. A decision on such remuneration for the CEO shall be made by the Board on a proposal from the Remuneration Committee. A decision on such remuneration for other senior managers shall be made by the Remuneration Committee on a proposal from the CEO.

DURATION OF EMPLOYMENT AND TERMINATION OF EMPLOYMENT

The members of the Executive Team shall be employed until further notice. If notice of termination is made by Netel, the notice period may not exceed twelve months for the CEO and nine months for the other members of the Executive Team.

If a member of the Executive Team is given notice, Netel is liable to pay, including severance pay and remuneration under the notice period, the equivalent of maximum 18 months' base salary and other employment benefits. If notice of termination is made by a member of the Executive Team, the notice period may not exceed six months, with no right to severance pay.

Full salary and other employment benefits are paid during the notice period, with deduction for salary and other remuneration received from other employment or activities that the employee has during the notice period.

A member of the Executive Team may, for such time when the member is not entitled to severance pay, be compensated for non-compete undertakings. Such compensation shall amount to not more than 60 per cent of the monthly base salary at the time of the termination and shall only be paid as long as the non-compete undertaking is applicable, at longest a period of 12 months.

REMUNERATION AND EMPLOYMENT CONDITIONS FOR EMPLOYEES

In the preparation of the Board of Directors' proposal for these remuneration guidelines, remuneration and employment conditions for employees of Netel have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

THE DECISION-MAKING PROCESS TO DETERMINE, REVIEW AND IMPLEMENT THE GUIDELINES

The Remuneration Committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to the Executive Team. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to the Executive Team, the application of the guidelines for remuneration to the Executive Team as well as the applicable remuneration structures and remuneration levels in Netel. The members of the Remuneration Committee are independent of the company and its management. The CEO and other members of the Executive Team do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

DEVIATION FROM THE GUIDELINES

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve Netel's long-term interests, including its sustainability, or to ensure Netel's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

Auditor

Pursuant to the Articles of Association, the Annual General Meeting is to appoint at least one and not more than two auditors with or without deputy auditors.

Deloitte AB has been the Group's auditor since 2010 and was elected to be the company's auditor at the 2024 Annual General Meeting for the period until the end of the 2025 Annual General Meeting. Jenny Holmgren is the auditor in charge. Jenny Holmgren is an authorised public accountant and a member of FAR (professional institute for authorised public accountants). Deloitte AB's office address is Rehnsgatan 11, SE-113 79 Stockholm, Sweden.

The auditors participate as needed at the Audit Committee's meetings to inform about ongoing audit work and report on at least one occasion to the entire Board of Directors. In 2024, the auditor participated in six

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meetings with the Audit Committee and two with the Board. The auditor takes part in the Annual General Meeting and accounts for review of Netel's administration and annual report. Moreover, the auditors review the interim report for the January–September period, remuneration of senior executives including the remuneration report, and the Annual Report, including the Corporate Governance Report and the Sustainability Reports.

Internal control over financial reporting

Internal control comprises the control of the company's and the Group's organisation, procedures and support measures. The objective is to ensure that reliable and accurate financial reporting takes place, that the company's and the Group's financial reporting is prepared in accordance with applicable laws and accounting standards, that the company's assets are protected and that other requirements are fulfilled. The internal control system is also intended to monitor compliance with the company's and the Group's policies, principles and instructions. Internal control also includes risk analysis. The Group identifies, assesses and manages risks based on the Group's vision and goals. An assessment of strategic, compliance, operational and financial risks shall be performed annually by the CEO and presented to the Audit Committee and the Board of Directors.

The Board of Directors is ultimately responsible for the internal control in the Company. Processes managing the business and delivering value shall be defined within the business management system. The CEO is responsible for the process structure within the Group.

RISK ASSESSMENT

A self-assessment of minimum requirements of defined controls mitigating identified risks for each business process is to be performed and reported to the Audit Committee and the Board of Directors annually. The CEO is responsible for the self-assessment process, which is facilitated by the internal controls function and the CFO. In addition, the internal control function performs reviews of the risk and internal controls system according to plan agreed with the Board of Directors.

According to the Code, it is the responsibility of the Board to ensure that there are effective systems for follow-up and control of the company's operations. Processes and measures of control have been developed in close collaboration with the company's advisors in conjunction with the Nasdaq Stockholm listing that are based on Netel's needs and current industry practice in the business area in which the company operates. The company works systematically to ensure that internal controls are adequate by, among other things, carrying out risk identifications and self-assessments. The CFO is responsible for the annual risk identification. The identified risks are divided into different categories and assessed on the basis of consequences and probability, where the self-assessments aim to ensure effective risk control.

The prepared risk identification is presented on a yearly basis to the Audit Committee and the Board of Directors of Netel.

CONTROL ENVIRONMENT AND CONTROL ACTIVITIES

In practice, internal control is defined as a process involving the Board of Directors, the Audit Committee, the CEO, the CFO, other senior executives and other employees, and which is intended to provide a reasonable assurance that a company's goals are met, with respect to: appropriate and efficient operations, reliable reporting and compliance with applicable laws and regulations. The Company is working systematically to identify and develop processes for internal control.

Each control and process owner must prepare an action plan for identified ineffective controls. The process owner must report the evaluation of the controls to the internal control coordinator and the CFO together with action plans for any controls that have been evaluated as ineffective.

Internal control over financial reporting is intended to provide reasonable assurances regarding the reliability of the external financial reporting in the form of quarterly and annual reports and financial statements even though the external financial reporting is prepared in accordance with applicable legislation, accounting standards and other requirements for listed companies. The responsibility for the internal control, ultimately, rests with the Board of Directors which continuously, through the Audit Committee, evaluates Netel's risk management and internal control.

INFORMATION AND COMMUNICATION

Internal steering documents such as rules, guidelines, handbooks and instructions are updated constantly in the accounting handbook and communicated through internal meetings and other targeted dissemination. General strategic issues are communicated to the organisation through the intranet and employee meetings.

Netel's communication policy aims to ensure that all disclosure of information externally and internally is correct, relevant and reliable. The policy aims to ensure that requirements for disseminating information are compiled correctly and completely. For shareholders and other stakeholders wishing to monitor Netel's performance, current financial information is published regularly on the website netelgroup.com.

FOLLOW-UP

The Board of Directors regularly follow-up the efficiency of the internal controls and discuss significant matters regarding accounting and reporting. The company bases its work on documented standard procedures and work instructions. These procedures and instructions are reviewed internally. Deviations are reported to management and major deviations to the Board. The company's auditors review the internal controls and report deviations, comments and activity proposals to the Audit Committee. The CEO reports regularly to the Board on follow-up of operational targets in the business plan. The CEO submits proposals for interim reports and year-end reports that are approved by the Board before they are made public.

The Audit Committee continuously takes part of work involving internal controls and processes for financial reporting. The Audit Committee also takes part of the external auditors' report regarding review and recommendations of internal controls that are reported to management and the Board.

Policies, guidelines and procedures are updated and reviewed as needed but at least annually. The Board is responsible for maintaining general steering documents, and the CEO or person appointed by the CEO is responsible for other documents.

INTERNAL AUDIT

In 2024, the Board of Directors evaluated the Group's need for an internal audit that resulted in the Board making the decision that Netel, in addition to the existing internal control processes and functions, did not need to introduce its own internal audit function in 2024. The Board has decided that the monitoring and reviews carried out internally, together with the external audit, are sufficient to maintain an effective internal control over the financial reporting.

Investor relations

The company's CEO and CFO are responsible for contact with the shareholders. The company informs the shareholders through the annual report, the year-end report, interim reports, press releases and the website netelgroup.com. During the year, they also participated in investor meetings and other investor activities.

POLICIES RESOLVED BY THE BOARD OF DIRECTORS

- Code of Conduct
- Code of Conduct for suppliers
- HR Policy
- Health and Safety Policy
- Environmental Policy
- Finance Policy
- Information Security Policy
- Insider Policy
- Related Parties Policy
- Communication Policy
- IT Policy
- Purchasing Policy
- Transfer Pricing Policy
- Internal Controls Policy
- Risk Management Policy
- Policy for Steering Documents

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Board of Directors

ALIREZA ETEMAD

Chairman of the Board
Elected to the Board: 2016.
Chairman of the Board since 2024.
Born: 1976
Education: Studied for a Master of Science in Industrial Engineering at Linköping Institute of Technology. Master of Science in Telecommunica-tions technology/Management from Institut National des Télécommunica-tions in Paris.
Other current assignments: Chairperson of Etemad Group AB, Carla AB, Juridium AB, EGN AB and EGL Holding AB. Board member of Marconi LLC, AHUM AB, Wictor Family Office AB, Worldish AB, Salus Bostad AB and Alfa Sands AB.
Previous assignments: Board member Actic Group AB (publ), ELLAB A/S, Visolit AS, RHN Invest AB, IK Investment Partners Norden AB, Aspia Group AB, Aspia AB, Aspia Group Holding AB, Advania AB, Ainavda HoldCo AB, Ren10 Group Holding AB, Ren10 Holding AB and Skeppsbrons Skatt AB. Chair of Oriac CC AB, Oriac MPP AB, Cecure Bidco AB, Cecure Holding AB, Cecure Manco (A) AB, Cecure Manco (B) AB, Cecure Manco (C) AB, Cecure MidCo AB, Cecure TopCo AB, Ren10 Top Holding AB, Renta ManCo A1 AB, Renta ManCo A2 AB, Renta ManCo A3 AB, Renta ManCo C1 AB, Renta ManCo C2 AB, Renta ManCo C3 AB, Truesec Group AB och Truesec Holding AB.
Shareholding in Netel:407,728 shares.

CARL JAKOBSSON

Board member
Elected to the Board: 2016
Born: 1986
Education: Master of Science in Finance from Stockholm School of Economics.
Other current assignments: Partner at IK Investment Partners. Board member of IK Investment Partners Norden AB, Leonardo BC AB and Leonardo HC AB (Mecenat-Group), Michelangelo HC AB (SiteVision) and Truesec Group AB.
Previous assignments: Board member of Responda Group AB and Aspia AB. Deputy Board member of Ramudden AB and Evac Group Oy.
Shareholding in Netel: –

GÖRAN LUNDGREN

Board member
Elected to the Board: 2016
Born: 1948
Education: Master of Science in Engineering from the Royal Institute of Technology, Stockholm. Management programs from IFL, ABB, Vattenfall, and others.
Other current assignments: Board member of GL add wise AB.
Previous assignments: Chairperson of the Board of Efficax Energy AB, Meltron AB, Meltron Oy, Solarus Sunpower Holding AB and Solarus Sunpower Sweden AB. Board member of Solarus Sunpower Holding BV and Solarus Smart Energy Solutions BV.
Shareholding in Netel: 26,170 shares.

THERESE LUNDSTEDT

Board member
Born: 1981
Education: Master of Marketing and Management, Uppsala University.
Other assignments: Board member of Lohilo Foods AB. Chairperson of Gazella and active in her own company Tessville, active in consulting and speaking engagements.
Previous assignments: CEO of Colix Systsems AB, CEO Urbangreen AB, CEO Aktieinvest AB, CEO Unga Aktiesparare and Board member of Spotlight Group AB, Climeon AB, Urbangreen AB, Swedish House of Finance and Investment AB Spiltan.
Shareholding in Netel: 3,500 shares.

NINA MACPHERSON

Board member
Elected to the Board: 2021
Born: 1958
Education: Master of Laws from Stockholm University.
Other current assignments: Member of the Supervisory Board and the Audit Committee of Traton SE. Board and Audit Committee member of Scania AB and Scania CV AB. Board member of Scandinavian Enviro Systems AB and the Swedish Corporate Governance Board. Deputy Board member of M&K Industrials AB.
Previous assignments: Chief Legal Officer and secretary of the Board and its committees of Telefonaktiebolaget LM Ericsson. Board member the Swedish Association for Listed Companies and the Stockholm Chamber of Commerce's Arbitration Institute. Chairperson Ericsson AB.
Shareholding in Netel: 30,007 shares.

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JEANETTE REUTERSKIÖLD

President and CEO
Born: 1974
Joined Netel: 2023
Education: Bachelor of Science in Engineering, Mälardalen University Västerås.
Other current assignments: Chair of the Board of Qflow Group AB. Board member of In3prenör AB and Svevia AB.
Previous assignments: Business Area President WSP Sweden, CEO Arcona and various positions at Hifab including CEO.
Holding in Netel: 40,256 shares and 215,000 warrants.

FREDRIK HELENIUS

CFO
Born: 1990
Joined Netel: 2020
Education: Master of Science in Finance from Stockholm School of Economics.
Other current assignments: -
Previous assignments: Group Accounting Manager for Netel Group 2020–2023. Consultant in accounting and tax matters.
Holding in Netel: 54,057 shares and 107,000 warrants.

KLAS ELDEBRANDT

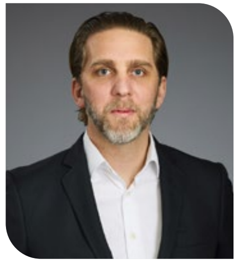
Head of Power Division
Born: 1971
Joined Netel: 2023
Education: Technical upper secondary school
Other assignments: -
Previous assignments: CEO Bengt Dahlgren Projektledning AB. Various roles within Hifab for 15 years, including Market Area Director East.
Holding in Netel: 1,390 shares and 107,000 warrants.

FREDRIK LAND

Head of Infraservices Division
Born: 1986
Joined Netel: 2021
Education: Higher Vocational Education, economics
Other current assignments: -
Previous assignments: CEO C-E Morberg Anläggning & Energi AB, Senior Business Controller Netel. Various roles at BTH Bygg AB for five years, including Business Manager, and for seven years at Züblin Scandinavia, a subsidiary of the Strabag Group.
Holding in Netel: 899 shares and 107,000 warrants.

EDWARD OLASTUEN

Head of Telecom Division
Born: 1985
Joined Netel: 2015
Education: -
Other assignments: Board member of Olastuen Eiendom AS.
Previous assignments: -
Holding in Netel: 232,099 shares and 107,000 synthetic options.



JOHAN OLOFSSON

Group Operational Support
Born: 1977
Joined Netel: 2010
Education: Post-secondary education in IT
Other current assignments: -
Previous assignments: Service Delivery Manager and Project Manager at Netel. IT consultant for 12 years.
Holding in Netel: 83,799 shares and 107,000 warrants.

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Risks and Risk Management

Netel's operations and operating profit are affected by various factors. There is an ongoing process at every level in the organisation to identify risks and determine how to manage each risk.

Netel is primarily exposed to industry and market-related risks, operational risks, financial risks and risks related to taxation and tax laws. The material risks that Netel is exposed to and how they are managed are described below, including sustainability risks.

Risks related to the industry and markets

Risk	Description	Management
Increased competition	Competition may increase in regional and national projects if small local companies expand their business or if large competitors expand their business into Netel's business areas. Competitive pressures may result in loss of market shares, lower profit margins and increased competition for qualified personnel.	Netel's competitive advantages include the company's extensive experience in managing critical infrastructure projects, its broad customer base and long-standing customer relationships. With 25 years of experience in leading complex infrastructure projects, Netel has extensive knowledge and insight into critical success factors such as permit processes, an appreciation for how the environment may be affected during execution and knowledge about working in hazardous environments. A key strength is Netel's decentralised organisation, whereby the Group offers its customers insights into and knowledge about local conditions and regulations, while its subsidiaries act with the strength of a Group.
Severe macroeconomic disruptions	Demand for Netel's services is not normally affected by minor macroeconomic variations. Severe declines in the economic activity are likely to adversely affect Netel's business. A prolonged period of low growth may have a significant impact on customers' willingness to invest.	There is an underlying healthy growth within Netel's market segment driven by strong megatrends such as climate change, digitalisation and the need to modernise the infrastructure. Expansion of the infrastructure also increases the customers' service and maintenance needs. Netel therefore sees excellent potential to continue to grow with both existing and new customers. Netel's growth strategy also entails that the company is to grow to nearby geographical markets, thereby reducing dependence on individual sectors and creating scope for more efficient use of resources.
No inflation compensation	There is a risk that the Group cannot compensate for price increases, which could have a significant negative effect on the financial result.	The Group has as a guideline not to sign multi-year contracts that lack clauses on price compensation.
Inability to adapt strategy and resources to technological advances or changed customer behaviour	If Netel is unable to anticipate, assess or adapt to technological changes at a competitive price or provide competitive services on a timely basis or satisfactory terms, this could lead to Netel being unable to compete effectively. Should Netel not succeed in renewing its services as compared to its competitors, or keep up with new technological advances, or adapt to changes in terms of customer behaviour, this could lead to customers choosing competitors instead of Netel, which could have a material impact on Netel's revenue, and, as a consequence, its results and financial position.	Netel's ability to anticipate, assess and adapt to rapid technological changes, including the ability to quickly and cost-effectively offer services in demand from customers have been key factors in achieving successful financial results and long-standing customer relationships. Through its extensive experience, a decentralised and agile organisation paired with employees who possess expert knowledge, Netel continues to promote a culture in which the vision is to be our customers' preferred choice.
Inability to adapt strategy and resources due to saturated markets	Netel may experience market saturation when the infrastructure within a region or country is sufficiently expanded or modernised. This can affect sales, earnings and cash flow if Netel is unable to secure new business and shift resources when a market becomes saturated.	Netel closely monitors and assesses the impact of overall short- and long-term developments in the critical infrastructure markets and endeavours to have close customer contacts to understand customers' strategies and plans. These assessments underpin the annual strategic considerations that influence market focus and resource allocation.

Operational risks

Risk	Description	Management
Inability to identify, attract and retain highly skilled personnel and senior executives	Netel also relies on its ability to hire and retain highly skilled project managers and technical personnel with the level of expertise necessary to conduct its operations. Netel is dependent upon the skills, experience and efforts of its senior executives. If Netel fails to continue to attract and retain highly qualified employees and senior executives, the company risks being unable to sustain or further develop its business, which could have a material adverse effect on Netel's operating profit.	Netel's decentralised organisation and robust market position are essential factors in why qualified employees are attracted to and remain at Netel. Netel also works to maintain and strengthen its positive culture and strengthen its employer brand. Netel offers competitive compensation and benefits as well as the opportunity for employees to develop and grow within the Group. The employees are given the opportunity for individual career and competence development plans.

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Risk	Description	Management
Lack of succession planning	The Group lacks in succession planning, which involves a risk that key people cannot be replaced within an acceptable time. This can negatively affect the business and delay negotiations and project execution, which can have a negative effect on the financial result as well as employee engagement and the employer brand.	The divisions prepare succession plans to identify key people and skills needs in the short and long term. These plans are used to create a Group-wide picture of existing skills and short- and long-term needs.
Shortage of project managers	Netel's operations and ability to carry out assignments effectively may be affected by a shortage of project managers.	Each business unit has as a standing item at management team meetings the availability of short- and long-term project managers. See also Lack of succession planning and Inability to identify, attract and retain highly skilled personnel and senior executives.
Inability to attract and retain younger employees	There is a risk that Netel will not be able to meet younger employees' expectations regarding, for example, work/life balance, which may make it difficult for Netel to retain younger employees. This complicates succession planning and means that Netel may lose knowledge and lack strong culture bearers in the long term.	Netel works to meet the needs of employees at all ages and stages of life. Through employee interviews and employee surveys, a culture characterised by openness and short decision-making paths and succession planning, Netel is laying the foundation for a strong employer brand. Netel works actively to build the employer brand in both internal and external channels.
Expansion through acquisitions	As part of its business strategy, Netel can make add-on acquisitions. Future acquisitions pose risks, including: integration diverts resources from other operations and disrupts ongoing business; loss of key employees in the acquired companies; inability to retain relationships with the acquired companies' customers; inability to realise synergies and/or strategic advantages of the acquisitions due for example to culture clashes between Netel and the acquired company; and unforeseen liabilities or other claims from the acquired companies. Acquisitions could lead to losses, write-offs or liabilities that adversely affect Netel's financial position or operating profit. In addition, Netel could issue shares as consideration for acquired businesses, which can dilute its current shareholders' percentage of ownership.	Netel's acquisition process includes relevant due diligence processes covering legal, financial, tax and commercial issues. In addition, the company acquired should have strong, competent management, identified revenue synergies and a business culture that matches Netel's way of working and culture. Netel is now developing the acquisition process further by developing a process for integrating acquired companies.
Changes in business forms or project structures	Netel's business is based on projects and framework agreements. The risks associated with different projects and framework agreements vary depending on the type of business form and project structure. Risks associated with different projects vary depending on the size of the projects. Large projects are typically characterised by intensive competition and experienced customers with large procurement resources, resulting in downward pressure on prices. The projects often extend over long periods, are complex and associated with complicated estimates as regards work and use of materials. Small projects are characterised by local competition and stronger local presence. These projects typically entail low risk but also lower earning potential. Depending on the development of the business and the market, the project mix may vary, meaning that the risks associated with Netel's projects may change over time. Changes in business forms or project structures could affect the risk profile for Netel's projects and thereby the earning potential. This can have an adverse effect on the company's financial position and operating profit.	Netel strives to maintain a high share of framework agreements as well as service and maintenance as part of the total business mix with the ambition to reduce project dependency.
Non-exclusive framework agreements and contracts without guaranteed volumes	Several of Netel's framework agreements with customers are non-exclusive and a majority do not provide any guaranteed volumes. This could lead to an unexpected loss of revenue and a reduction in expected backlog, which could have a material adverse effect on Netel's business, financial position and operating profit.	Netel's processes, targets and activities aim to realise the vision that Netel is to be its customers' preferred choice.
Dependence on a limited number of customers	Netel generates a significant portion of its sales from a limited number of customers and any significant loss of business from these customers or other key customers could have a material adverse effect on the company's business, financial position and operating profit	Netel strives to raise the number of customers by landing new customers and expanding into nearby geographical areas. At the same time, Netel focuses on maintaining a balance in terms of customer composition and has a high share of larger blue-chip customers with framework agreements.
Workplace accidents	An accident involving Netel's employees, subcontractors or other third parties could harm Netel's reputation, affect its ability to compete for business, and if not adequately insured or indemnified, could have a material adverse effect on Netel's business, financial position and results of operation.	Netel's sustainability agenda permeates the entire business and is an integrated part of the strategy. Everything that Netel does is to be done in a responsible and sustainable way, adhering to high ethical standards. The company places the same high demands on its subcontractors and suppliers. Good work conditions are one of several prioritised sustainability issues where Netel has set a target that no one is be injured while carrying out assignments for Netel. Consequently, Netel works proactively to prevent and avoid risks at the workplace.
Customer agreements that lack limitations of liability or have high monetary caps	Certain subsidiaries have signed, and may in the future sign customer agreements that lack satisfactory limitations of liability and/or have high monetary caps on Netel's liability. If a subsidiary is found liable for damages, it could have a material adverse effect on the Netel's results of operation, and consequently its financial position.	Netel's policy is to not sign agreements without satisfactory limitations of liability. Existing agreements without satisfactory limitations of liability refer to projects and these projects are carefully overseen to minimise the risk of any deviation that may lead to liability for damages.
Weather conditions	Netel's operations and ability to carry out assignments may be affected by weather factors. An early or late winter with low temperatures has a negative impact on excavation projects, while autumn storms can entail more assignments to secure power lines.	Netel balances the risk by operating in several segments, countries and regions, and by taking into account and managing any risks linked with delivery times in contracts.

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Risk	Description	Management
Replacement of IT systems	In 2024, Netel changed business systems for reporting, monitoring and project accounting in most parts of the Group except Telecom in Norway and the UK and Germany. The change-over has gone according to plan to-date. Unsuccessful implementation in Telecom in Norway could result in delays in invoicing and unplanned costs for actions.	Netel has been preparing for the system change since 2021 and has extensive experience from the change in other parts of the Group.
Cyber attacks or faults in IT systems	Cyber attacks or faults in critical systems can lead to disruptions in key business process that can have adverse effects on Netel's operating profit. Interruptions or errors can also occur during the transition to new IT systems. Disruptions or faults in the IT system may also impact Netel's personal data processing and lead to fines or demands for damages as well as injunctions from supervisory authorities to rectify the error which may adversely affect Netel's reputation and financial position.	Netel has a management model for IT that includes steering, standardised IT processes and an organisation for IT security. IT security work involves continuously risk analysis, preventive measures and the use of security technologies. Standardised processes exist for the implementation of new system, updates to existing systems and day-to-day operations. Most of Netel's IT system are built on well-established systems. Within the Group, training courses and tests in IT security are regularly carried out.
Netel fails to sell the Finnish operations	Netel may fail to find a buyer for the Finnish operations.	Netel may bring the loss-making business back into its accounts or close it down, which will lead to significant costs.

Financial risks

Risk	Description	Management
Risks related to failed calculations and assessments or failed project management	The risk of negative consequences as a result of shortcomings in calculations and assessments or project management is particularly high in projects where the compensation structure is a fixed price. In the case that Netel bears the risk of unforeseen or altered conditions, there is also a risk of contractual penalties. Shortcomings in calculations, project management and related factors may have an adverse effect on Netel's operating profit, and by extension, Netel's financial position.	Netel always endeavours to effectively develop quality project management in critical infrastructure and to have highly qualified employees with specialist knowledge. In order to recruit the industry's best employees, Netel continuously works on its employer brand. Netel's core values are vital in building a strong employer brand and include, among others, that the company encourages employees to take initiative for further development. Netel regularly assesses current calculations and estimates to ensure accurate financial reporting. In addition, Netel strives to continuously improve and streamline project management, which means developing skills and evaluating effective tools such as relevant system support.
Refinancing risk	Refinancing risk refers to the risk that financing cannot be obtained or renewed on the expiry of its term or can only be obtained or renewed at significantly increased costs. Netel primarily finances its business through equity, loans and its own cash flow. There is a risk that additional capital cannot be obtained or can only be obtained at unfavourable terms and conditions. Netel may in the future become in breach of financial covenants and other obligations in the credit and loan agreements that constitute grounds for termination due to general economic environment or disruptions in the capital and/or credit markets. This may affect its ability to finance future business and affect Netel's ability to carry out business opportunities and activities.	In connection with the listing on Nasdaq Stockholm in 2021, Netel received new financing, which has been extended and renegotiated from time to time. In 2022, Netel signed another credit facility with a Swedish state-owned company. On 31 December 2024, Netel had no short-term facilities in relation to the main financing, which is why Netel assesses the refinancing risk in the short and medium term as low. On 31 December 2024, Netel had fulfilled its commitments in the aforementioned facility agreement by a healthy margin. In 2025, Netel will focus on refinancing existing financing.
Inability to effectively manage exposure to interest rate and exchange rate risks	Any increase in interest rates can increase the Netel's financing expenses related to its variable rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt. As Netel continues expanding its business into existing and new markets, it expects that a large and increasing percentage of its net sales and selling expenses will be denominated in currencies other than SEK. As a result, the Netel's currency exchange risk will increase, whereby changes in exchange rates between SEK and other currencies in which the Group does business could result in foreign exchange losses.	Netel works closely with its banking contacts to discuss and manage exposure to both interest rate and exchange rate risks. In connection with the listing on Nasdaq Stockholm, Netel secured new financing in 2021 and 2022, and has not identified any significant short-term interest risks. Furthermore, Netel continuously assesses currency risk and evaluates hedging options from time to time.
Percentage of completion method	Netel's revenue from projects are reported in accordance with the percentage of completion method. This means that Netel reports revenue and profits during the project in proportion to the actual costs' part of forecasted project costs. There is a risk that estimated revenue and profits contain errors and are reported with too high amounts, which may result in adjustments to previously reported project incomes and may have an adverse effect on Netel's financial position.	Netel applies percentage of completion method when revenue and costs can be calculated in a reliable way. The method means that the results are evened out and better reflect reality. Netel regularly assesses current calculations and estimates to ensure updated forecasts of revenue and costs, as well as accurate financial reporting.
Goodwill	Intangible assets in the form of goodwill constitute a significant part of Netel's assets. Goodwill is subject to impairment testing. Reporting impairment includes uncertainty as the company must make forward looking assumptions calculating the recoverable amount based inter alia on assumptions about future cash flows. A negative trend in the business may force the company to report impairment equal to all or part of the carrying amount, which may have a material adverse effect on the Netel's financial position and operating profit.	Netel's has a clear and structure acquisition process. See about under the risk "Expansion through acquisitions." Through thorough acquisition analysis, clear acquisition criteria, structured follow-up, decentralised organisation, active work on succession planning and, for some of the acquisitions, long-term contingent considerations, Netel lays the foundation for continued good development in the acquired company. The impairment test performed shows that, under reasonable assumptions, there is no risk of impairment.
Risk of profitability problems in all or parts of the business	Netel may experience profitability problems in all or parts of its operations. This could lead to problems in signing new or renewed customer contracts, losing suppliers or subcontractors, obtaining finance, recruiting new employees or retaining existing employees.	Netel's overall goal is to grow with profitability. As part of its strategy to grow profitably, Netel works closely with customers and suppliers, continuously analysing market developments, raw material markets and supply chains in the short and long term, monitoring and forecasting project portfolio and execution. Netel works constantly to have a competitive, attractive offering that supports the goal of profitable growth. See also risk management under risks related to industry and markets and operational and other financial risks.

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Legal and regulatory risks

Risk	Description	Management
Non-compliance with applicable regulations	Failure or inability to comply with applicable regulations could subject Netel to penalties and result in a loss of its contracts, which could reduce sales, profit and cash flow.	One of Netel's competitive advantages is the company's extensive experience in managing critical infrastructure projects, which includes knowledge about regulations and guidelines. Netel works to ensure that it has highly qualified employees to maintain its knowledge regarding current regulations and guidelines. The decentralised organisation contributes to Netel's employees having good insight into local regulations and guidelines.
Litigation, administrative and arbitration proceedings	Netel could be involved in legal or arbitration proceedings relating in particular to civil liability, competition, intellectual property and industrial property, taxation, employment and environmental matters. If the outcome of legal, administrative or arbitration proceedings were to be unfavourable, it could have a material adverse effect on the Netel's business, financial position and operating profit.	In the case that Netel is the object of more extensive legal disputes, the precautionary principle is applied and provisions deemed suitable will be made. Netel has well-established collaborations with tax experts within each jurisdiction.

Tax risks

Risk	Description	Management
Taxation and tax laws	Netel is exposed to risks relating to taxation. Netel is subject to complex tax laws in each of the jurisdictions in which the Group operates. Changes in tax laws or interpretation of tax laws could have material adverse consequences on the Group's tax situation, its effective corporate income tax rate and the amount of taxes to be paid.	Netel has well-established collaborations with tax experts within each jurisdiction and applies the precautionary principle is matters of assessment.
Employee reinvestments	To the end of 2023, Netel carried out a number of new share issues, e.g. to enable ownership for key employees and reinvestments of the sellers of acquired companies with continued employment within the Group after the acquisition. If the Swedish Tax Authority would be of the opinion that the shares were acquired below market value, there is a risk that the difference is deemed to be a benefit for the purchaser, entailing an obligation for Netel to pay social security contributions on the same amount, and that a tax penalty is applied to the additional social security contributions. Further, there is a risk that the instruments are disqualified as securities, which would result in social security contributions being levied on any gain following an exit. This may adversely impact Netel's financial position and operating profit.	

Sustainability risks and risk management

Risk	Description	Management
Non-compliance with applicable regulations	Failure or inability to comply with applicable regulations could subject Netel to penalties and result in a loss of its contracts, which could reduce sales, profit and cash flow.	One of Netel's competitive advantages is the company's extensive experience in managing critical infrastructure projects, which includes knowledge about regulations and guidelines. Netel works to ensure that it has highly qualified employees to maintain its knowledge regarding current regulations and guidelines. The decentralised organisation contributes to Netel's employees having good insight into local regulations and guidelines.
Litigation, administrative and arbitration proceedings	Netel could be involved in legal or arbitration proceedings relating in particular to civil liability, competition, intellectual property and industrial property, taxation, employment and environmental matters. If the outcome of legal, administrative or arbitration proceedings were to be unfavourable, it could have a material adverse effect on the Netel's business, financial position and operating profit.	In the case that Netel is the object of more extensive legal disputes, the precautionary principle is applied and provisions deemed suitable will be made. Netel has well-established collaborations with tax experts within each jurisdiction.
Subcontractors and suppliers fail to follow laws and regulations related to labour laws and/or fail to pay taxes and employer's contributions for employees.	There is a risk that subcontractors and suppliers use temporary workforce and circumvent laws and regulations pertaining to labour law.	Code of Conduct for subcontractors and suppliers. Repeat audits of subcontractors and suppliers. Potential termination of relationship in the event of severe violations.
Subcontractors and suppliers participate in forming cartels.	There is a risk that subcontractors form cartels in order to win tenders with Netel.	Netel works to maintain close, long-standing relationships with its subcontractors and suppliers. Code of Conduct for subcontractors and suppliers.
Violations of data protection laws and the Group's privacy policy	Netel's employees could violate data protection laws and the Group's privacy policy.	Netel's employees are to be trained in data protection matters and to sign the Code of Conduct.

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Basis of preparation

The 2024 Sustainability Report was prepared based on the transition to European Sustainability Reporting Standards (ESRS) reporting, which will apply from the 2025 financial year.

The Sustainability Report is based on the principles of completeness, relevance and comparability. It covers all Netel's operations and presents both the direct and indirect impact in the value chain.

Reporting is Group-wide and encompasses all divisions and countries in Netel's continuing operations, unless otherwise stated.

In preparing this report, a double materiality assessment was conducted to identify and prioritise the most relevant sustainability aspects for Netel and its value chain. This analysis formed the basis for the choice of matters and targets covered in the reporting and how these issues are addressed from a risk, opportunity and impact perspective.

Netel used the latest available information to ensure that all data and information presented is accurate and up-to-date. Climate and environmental data was collected in accordance with the GHG Protocol for Scope 1, 2 and 3. Social and governance aspects are based on internal measurements and reporting. To improve comparability over time, historical data was included where possible. Netel intends to clearly present any changes in reporting principles or data collection methods in future reports.

Furthermore, Netel took current legislation and regulations regarding sustainability reporting into account and ensured that the reporting is consistent with the expectations and requirements of stakeholders including investors, customers, employees and other external parties.

BOARD RESPONSIBILITIES AND THE ROLE OF MANAGEMENT IN SUSTAINABILITY

The Board of Directors has overall responsibility for the strategic direction of Netel's sustainability work and decides on policies and guidelines. Sustainability is a standing item in the Audit Committee's meetings, which ensures the Board's monitoring of the area.

The CEO and the Executive Team are responsible for the day-to-day running of Netel and report regularly to the Board. They ensure compliance with sustainability targets and the implementation of sustainability strategies. The Finance Department plays a central role in integrating sustainability targets into Netel's financial monitoring and risk management. There are established systems and processes that enable monitoring of climate-related risks, opportunities and impacts, which are managed as part of Netel's overall risk management.

The CFO, who is responsible for the sustainability work, ensures that sustainability is part of daily operations by working closely with division heads. The CFO ensures that sustainability is regularly addressed in Executive Team meetings and that sustainability aspects are considered in the decisions taken at the operational level.

All Netel employees have a responsibility to work in accordance with the sustainability policies that exist and contribute to achieving the overall sustainability targets.

Sustainability policies and guidelines

Netel works systematically to integrate climate-related and social topics into the business processes through governing documents and policies such as:

- Code of Conduct for suppliers and employees
- Work Environment Policy
- Environmental Policy
- Quality Policy
- Purchasing Policy
- Health and Safety Policy

These documents form a central part of Netel's framework for integrating sustainability into its operations. They underpin Netel's actions to reduce GHG emissions and ensure that its operations are conducted in an ethical, social and responsible manner. Policies are regularly updated and reviewed to ensure that they effectively address impacts and opportunities related to environmental, social and governance matters.

INTERNAL CONTROL OVER SUSTAINABILITY REPORTING

The internal control structure for sustainability reporting is designed to ensure that all sustainability data collected is accurate and reliable. Through clearly defined roles and responsibilities, together with systematic monitoring and review, Netel can ensure that reporting meets the requirements of applicable regulations and stakeholders. Netel is continuously working to improve data collection and monitoring processes, including quality assurance and independent review of sustainability data.

In order to further strengthen control, a reporting structure has been implemented that complies with EU standards and ensures that the sustainability risks are managed in line with Netel's strategic goals and values. Regular training and awareness-raising ensure that all relevant employees are well versed in sustainability requirements and control processes.

Double materiality assessment

To ensure comprehensive and relevant sustainability reporting, Netel has conducted a double materiality assessment. The purpose of the double materiality assessment is to identify and prioritise the sustainability aspects that impact both the environment and society and Netel's financial performance.

METHODOLOGY AND PROCESS

The double materiality assessment was carried out in several steps to ensure that all relevant sustainability issues are taken into account. The analysis covers two perspectives:

Impact materiality

This aspect is about Netel's impact on the outside world – environment, people and society – as a result of its activities or business relationships. Here, the impact is assessed based on severity, including scale (how large the impact is), scope (how many people are affected) and irremediable character (how difficult it is to remedy the damage). Positive and negative impacts are considered and the focus is on identifying and addressing the most material matters.

Financial materiality

The financial aspect focuses on the impact of an issue on Netel's financial performance, value or future financial position. It includes both risks and opportunities linked to factors such as legislation, market trends, climate change or social change. Materiality is assessed based on the financial impact and the likelihood of its occurrence.

DATA COLLECTION AND STAKEHOLDER DIALOGUE

As part of the assessment, an extensive stakeholder dialogue was conducted to gather insights from key stakeholders, including customers, employees, investors and suppliers. Through workshops, data collection and interviews, the sustainability issues deemed most relevant to these groups were identified. The results of these dialogues were compared and fed into the final assessment of material sustainability matters.

In addition, both internal and external information was used to analyse risks, opportunities and impacts related to sustainability matters. This information provided a deeper understanding of which areas are critical to Netel's business model and the long-term sustainability of the business.

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RESULTS AND ANALYSIS

The results of the double materiality assessment led to prioritising the sustainability matters that have the greatest impact on both Netel's financial performance and responsibility with regard to the environment and society. These matters were integrated into Netel's sustainability strategy and reporting.

The assessment also identified potential risks, opportunities and impacts that Netel should consider in its strategic planning going forward. These insights help Netel focus resources and efforts on the areas that both create value for Netel and contribute to a positive impact on society and the environment.

CONTINUOUS FOLLOW-UP

The double materiality assessment is a dynamic process that will be updated regularly to reflect changes in the market, new risks and stakeholder expectations. Netel will continue to develop the assessment to ensure that the company is updated on relevant sustainability matters and continues to meet the business objectives in a sustainable manner. Work will be intensified in 2025 to achieve full reporting in accordance with the ESRS regulations.

ESRS standard	Topic within the standard	Impact on the environment and society	Financial materiality	Double materiality
E1 Climate change	Climate change adaptation	Positive and negative	Opportunity and risk	√
	Climate change mitigation	Negative	Risk	√
	Energy	Negative	Not material	
E2 Pollution	Pollution of air	Negative	Not material	
	Pollution of soil	Positive and negative	Not material	
	Microplastics	Negative	Not material	
E3 Water and marine resources	Water	Negative	Not material	
E4 Biodiversity and ecosystems	Ecosystems	Negative	Not material	
	Biodiversity	Negative	Not material	
E5 Resource use and circular economy	Resource use	Negative	Risk	√
	Waste	Negative	Not material	
S1 Own workforce	Working conditions	Positive and negative	Opportunity and risk	√
	Equal treatment	Negative	Opportunity and risk	√
S2 Workers in the value chain	Working conditions	Positive and negative	Opportunity and risk	√
	Equal treatment	Negative	Not material	
	Other work-related rights	Negative	Not material	
S3 Affected communities	Communities' economic, social and cultural rights	Positive	Not material	
G1 Business conduct	Corporate culture	Positive and negative	Opportunity and risk	√
	Corruption and bribery	Negative	Risk	√
	Relationships with suppliers	Positive and negative	Not material	
	IT and cyber security	Negative	Risk	√

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EU Taxonomy

The EU Taxonomy Regulation (2020/852) is a central part of the European Union's work to promote sustainable investments and create a common framework for classifying environmentally sustainable economic activities. The regulation aims to help investors and companies identify and direct investments to activities that contribute to the EU's climate and environmental objectives, while ensuring that these activities do not cause significant harm to other environmental objectives.

Netel continues to report in accordance with the EU Taxonomy Regulation and in 2024 expanded reporting to include a broader assessment of the operations' contributions to sustainable investments. The reporting refers to Netel's operations in Transmission and distribution of electricity (CCM 4.9) and is expanded with the Infraservice operations that conduct infrastructure projects in water and sewage. Water and sewage activities are Taxonomy-eligible but have not yet been assessed to be deemed environmentally sustainable and thus aligned with the EU Taxonomy.

Within the Taxonomy Regulation, both climate-related risks and human rights play a central role in ensuring that economic activities not only contribute to sustainability, but are also carried out in an ethical and responsible manner. Climate-related risks, such as extreme weather and changing climate conditions, need to be taken into account in the design and implementation of activities to ensure that they do not cause long-term damage to the environment or society.

Human rights is another critical aspect of the Taxonomy, which requires companies to comply with international standards on labour rights, gender equality and anti-corruption. These minimum safeguards are a prerequisite for classification as a sustainable activity. Accordingly, the Taxonomy ensures that the green transition takes place with a strong social responsibility, where respect for human rights goes hand in hand with environmental sustainability.

Meeting the criteria

SIGNIFICANT CONTRIBUTIONS TO CLIMATE CHANGE MITIGATION

Netel's projects in the Power Division are performed in Sweden, Norway and Finland and involve work on the national, regional and/or local grids which are part of the interconnected European transmission and distribution system and/or subsystems. None of Netel's projects and services involve work on direct lines to CO_2 intensive production plants.

The activities within transmission and distribution of electricity (CCM 4.9) continue to meet the Taxonomy requirements on a significant contribution to the climate objective of "Climate Change Mitigation." By maintaining and expanding the electricity distribution infrastructure in Sweden, Norway and Finland, Netel enables a sustainable energy transition in Europe. Netel also takes into account potential risks linked to climate and human rights that can affect projects in the short and long term.

In 2024, Netel extended its assessment of the operations to include the Infraservices division and identified potential economic activities that are eligible under the EU Taxonomy Regulation. These activities have been assessed as Taxonomy-eligible and fall under the climate change mitigation (CCM) and climate change adaptation (CCA) objectives.

Netel has not yet completed a full evaluation of its operations with respect to the criteria to be classified as Taxonomy-aligned. This means that even if the identified activities are eligible under the Taxonomy, it remains to be assessed if they meet the technical screening criteria to make a significant contribution to the climate objectives and that they do not cause any significant harm to other environmental objectives (DNSH).

Netel will monitor the further development of the EU Taxonomy and ensure that more parts of its operations are not only Taxonomy-eligible, but also meet the requirements to be classified as Taxonomy-aligned in accordance with EU regulations. The focus will be on evaluating the operations against the technical screening criteria and ensuring that Netel meets both environmental and social requirements under the Taxonomy Regulation for existing and potential additional economic activities.

DNSH TO CLIMATE RISK ADAPTATION

Netel has performed a screening of the relevant climate-related hazards as well as a physical climate risk and vulnerability assessment for the power projects and services. The assessment concludes that the activities have limited exposure to physical climate risk in the geographies of operation. This is due to the fact that the climate-related hazards are relatively low in these areas and that Netel as a contractor (and not grid owner) performs activities through projects which are conducted over a climatically short period of time. Since the climate related risks are assessed not to be material, no adaptation solutions are required to meet the EU Taxonomy criteria. Netel does however recognise that increased awareness in design, planning and execution of the projects is important as the Netel's operations are exposed to climate-related hazards and because Netel's customers are subject to the more long-term impacts of climate change.

DNSH TO TRANSITION TO A CIRCULAR ECONOMY

The responsibility for managing waste and ensuring maximum re-use and recycling rest in some contracts with Netel and in other contracts with the client. Where Netel has the responsibility, Netel follows internal waste management procedures. In 2024, the recycling rate was over 90 per cent. Where the waste management responsibility lies with the client, Netel seeks to ensure that the waste its operations produce is delivered to recognised waste management partners for further sorting and treatment.

DNSH TO POLLUTION PREVENTION AND CONTROL

This provision is only applicable for activities related to above-ground high voltage lines. Where Netel is involved in such types of projects, management systems are in place that comply with the IFC performance standards for the environment, health and safety, as well as applicable norms and regulations for limiting electromagnetic radiation. Limitation of electromagnetic radiation is performed together with the clients by eliminating or minimising the risk.

DNSH TO BIODIVERSITY AND ECOSYSTEMS

Netel's clients are required to complete an Environmental Impact Assessment (EIA) prior to obtaining a concession. Therefore, the responsibility to complete an EIA and ensure implementation of mitigation measures lies with our clients. In some projects, Netel may perform activities in or near biodiversity sensitive areas. In such cases, Netel is required to get a permit from appropriate national authorities before commencement.

MINIMUM SAFEGUARDS

All activities performed by Netel are carried out in compliance with the minimum safeguard requirements to ensure that the activities are conducted ethically and responsibly. This includes compliance with internationally recognised standards for human rights, labour law, environmental protection and generally accepted business practices, including measures against corruption and tax evasion.

Netel has implemented policies and practices in its operations to manage human rights concerns. A risk assessment was carried out to identify the most significant risks in this area. Netel continuously works to improve existing action plans, including a mapping of the value chain and environmental impact.

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Netel has anti-corruption processes in place including policies set out in the Code of Conduct, financial internal controls, whistleblowing procedures and a digital training programme. The training program will also cover competition laws and regulations. Netel complies with national tax laws and regulations of the countries in which it operates, and profits are taxed in the same countries. Netel does not use group structures or individual entities for tax purposes. Netel has not been convicted for any violation in relation to labour law or human rights, tax, corruption or bribery or competition laws in the reporting period.

By following the minimum safeguards, Netel strengthens its sustainability profile and shows that we not only focus on contributing to environmental objectives, but also take responsibility for conducting business with a high level of integrity and ethical standards. This is a prerequisite for being able to classify economic activities as environmentally sustainable and thereby aligned with the EU Taxonomy Regulation.

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TURNOVER

The key figure "turnover" is defined in the provisions of the EU Taxonomy Regulation as net turnover, which must include all activities over which the Group is deemed to have control and decisive influence. Consequently, activities held for sale are included in the definition of net turnover according to the Taxonomy. This means that the reported net turnover under the Taxonomy differs from the net turnover otherwise reported for the Group under IFRS in the financial statements.

All figures below regarding the Taxonomy are presented for the entire Group, including activities held for sale, unless otherwise stated. Information for continuing operations is presented separately as voluntary disclosure in connection with the defined taxonomy tables below. Net turnover under IFRS, as presented in the financial statements, is further explained in Notes 1–3.

In 2024, Netel's total turnover was MSEK 3,284 (3,186) of which 29 per cent (27.1) derived from Taxonomy-aligned or eligible activities related to the economic activity of transmission and distribution of electricity (CCM 4.9).

Sales for water and sewage projects account for 4 per cent of the Group's total turnover. This activity will be further evaluated in the future to assess whether it can be classified as environmentally sustainable.

CAPEX

All figures below regarding capital expenditures are presented for the entire Group, including operations held for sale, in accordance with the definitions in the EU Taxonomy, unless otherwise stated. Information for continuing operations is presented separately as a voluntary disclosure in connection with the defined taxonomy tables.

The Taxonomy KPI on CapEx covers additions to tangible and intangible assets during the financial year. Given Netel's asset-light project management business model with a flexible cost structure, there were few Taxonomy relevant investments made during 2024. Whilst the KPI on CapEx also covers additions to tangible and intangible assets resulting from business combinations, identified intangible assets resulting directly from a purchase price analysis, e.g., goodwill, are excluded. In 2024, total investments in tangible and intangible assets amounted to MSEK 86 (63), excluding goodwill but including investments of right-of-use assets. MSEK 13 (14) of the total investments relate to right-of-use assets for buildings and premises CCM 7.7/CCA 7.7, and whilst these investments are not related to the Taxonomy-eligible economic activity for transmission and distribution of electricity, Netel has decided to include such investments as Taxonomy-eligible investments related to the economic activity for acquisition and ownership of buildings. In 2024, Netel's total CapEx was MSEK 86 (83), of which 15 per cent (22.2) derived from Taxonomy-eligible activities. 0 per cent (0) of the CapEx met the Taxonomy screening criteria and, therefore, no investments are classified as aligned. The EU Taxonomy Regulation also requires CapEx plans to be disclosed as part of Taxonomy reporting.

Netel strives for future development aligned with the EU Taxonomy yet acknowledges the relatively low need for investments in the operating activities given Netel's business model. As a result, no significant investments to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned have been identified.

OPEX

All figures below regarding opex are presented for the entire Group, including operations held for sale, in accordance with the definitions in the EU Taxonomy, unless otherwise stated. Information for continuing operations is presented separately as a voluntary disclosure in connection with the defined taxonomy tables.

The OpEx KPI as defined by the EU Taxonomy has a somewhat different definition in comparison to operating expenses in Netel's consolidated statement of profit or loss, as it focuses on direct non-capitalised costs related to tangible and intangible assets. In 2024, Netel's total operating expenses were MSEK 3,187 (3,053) yet only costs related to maintenance and development of assets have the potential of being defined as Taxonomy-aligned. Again, referring to Netel's asset-light project management business model with few assets under management, Netel has not recognised any eligible operating expenses in 2024. As a result, Netel acknowledges the absence of materiality of Taxonomy-aligned OpEx. Referring to the total operating expenses in 2024, 0 per cent (0) is derived from Taxonomy-eligible activities, and 0 per cent (0) met the Taxonomy criteria.

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Taxonomy reporting table 2024 - Turnover

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transmission and distribution of electricity	CCM 4.9	1,019	29%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	Y	Y	29%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,019	29%	100%	0%	0%	0%	0%	0%	-	Y	-	Y	Y	Y	Y	29%		
Of which Enabling		1,019	29%	100%	0%	0%	0%	0%	0%	-	Y	-	Y	Y	Y	Y	29%	E	
Of which Transitional		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A2)		131	4%	-	-	-	-	-	-								-		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		1,151	33%	-	-	-	-	-	-								-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		2,374	67%																
TOTAL		3,524	100%																

The figures presented in the table above refer to taxonomy-aligned and total net turnover for the entire Group, including operations held for sale. To comply with the requirements of the Taxonomy Regulation, new turnover has been calculated by summing the net turnover from continuing operations (see Note 3) with the net turnover from operations held for sale (see Note 36). The EU Taxonomy applies a different definition of the key figure net turnover, which differs from the Group's consolidated financial reports under IFRS, where operations held for sale are reported separately from continuing operations. This results in discrepancies between the reporting under the EU Taxonomy and the Group's financial reports. The purpose of this adjustment is to ensure that reporting aligns with applicable regulations and provides a fair representation in accordance with the requirements of the Taxonomy Regulation.

Continuing operations

Financial year 2024	2024			Substantial contribution criteria	
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)
A. TAXONOMY-ELIGIBLE ACTIVITIES					
A.1. Environmentally sustainable activities (Taxonomy-aligned)					
Transmission and distribution of electricity	CCM 4.9	953	29%	Y	N
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		131	4%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		1,084	33%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES					
Turnover of Taxonomy-non-eligible activities		2,200	67%		
TOTAL		3,284	100%		

Continuing operations
Restated figures for continuing operations are reported to ensure comparability with the Group's other financial reports. The reported figures in the main tables, in accordance with the EU Taxonomy Regulation, have been adjusted for discontinued operations to present the restated figures for continuing operations.

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Taxonomy reporting table 2024 - CapEx

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which Transitional		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	13	15%	EL	EL	N/EL	N/EL	N/EL	N/EL								22%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		13	15%	-	-	-	-	-	-								22%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		13	15%	-	-	-	-	-	-								22%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		73	85%																
TOTAL		86	100%																

The figures presented in the table above refer to capital expenditures for the entire Group, including operations held for sale. To comply with the requirements of the Taxonomy Regulation, capital expenditures have been calculated by summing the continuing operations and operations held for sale. The purpose of this adjustment is to ensure that the reporting aligns with applicable regulations and provides a fair representation in accordance with the requirements of the Taxonomy Regulation.

Continuing operations

Financial year 2024	2024		
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2024 (4)
A. TAXONOMY-ELIGIBLE ACTIVITIES			
A.1 Environmentally sustainable activities (Taxonomy-aligned)			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	11	13%
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		11	13%
A. CapEx of Taxonomy eligible activities (A.1+A.2)		11	13%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
CapEx of Taxonomy-non-eligible activities		72	87%
TOTAL		83	100%

Continuing operations

Restated figures for continuing operations are reported to ensure comparability with the Group's other financial reports. The reported figures in the main tables, in accordance with the EU Taxonomy Regulation, have been adjusted for discontinued operations to present the restated figures for continuing operations.

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Taxonomy reporting table 2024 - OpEx

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18	Category enabling activity (19)	Category transitional activity (20)
Metric		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which Transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-	-	-	-	-	-	-								-		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		-	-	-	-	-	-	-	-								-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		-	-																
TOTAL		-	-																

The figures presented in the table above refer to operating expenses for the entire Group, including operations held for sale. To comply with the requirements of the Taxonomy Regulation, operating expenses have been calculated by summing the continuing operations and operations held for sale. The purpose of this adjustment is to ensure that the reporting aligns with applicable regulations and provides a fair representation in accordance with the requirements of the Taxonomy Regulation.

Continuing operations

Financial year 2024	2024		
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, 2024 (4)
A. TAXONOMY-ELIGIBLE ACTIVITIES			
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities		-	-
A. OpEx of Taxonomy eligible activities (A.1+A.2)		-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Driftsutgifter hos kvarvarande verksamhet som inte omfattas av taxonomin		-	-
TOTAL		-	-

Contnuing operations

Restated figures for continuing operations are reported to ensure comparability with the Group's other financial reports. The reported figures in the main tables, in accordance with the EU Taxonomy Regulation, have been adjusted for discontinued operations to present the restated figures for continuing operations.

Nuclear energy related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO*
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Netel does not carry out, fund, or has exposure to construction and safe operation of new nuclear installations. However, 2024, Netel has limited exposure to construction and installation works for existing nuclear power plants and nuclear energy production amounting to <1% of Group revenue

Climate change

The climate change statement aims to provide a comprehensive and transparent picture of Netel's climate impact and how we manage climate-related risks and opportunities. By adapting its operations, Netel can contribute to limiting global warming to 1.5°C in line with the Paris Agreement. The Sustainability Report aims to provide insight into Netel's strategy and business model, which are designed to meet future demands and expectations for climate change adaptation.

In the double materiality assessment, Netel has identified climate change as one of the most material matters for both environmental impact and financial sustainability. The assessment shows that Netel's activities have material impacts on GHG emissions. At the same time, the transition to more sustainable operations presents both risks and opportunities.

For climate change mitigation and limiting GHG emissions, Netel is making a positive contribution to Northern Europe's energy transition through its work on the expansion of the electricity grid. Netel promotes the electrification of various sectors, including transport, thereby helps to reduce climate impact and accelerate the transition to a sustainable society. Netel's infrastructure activities thus strengthen both climate and social benefits.

Financially, climate change means an increased exposure to costs linked to changed regulatory requirements, rising energy prices and potential customer requirements on reduced emissions. The transition enables new business opportunities through increased investments in infrastructure.

Implementation of the Greenhouse Gas Protocol (GHG)

The GHG Protocol has been implemented throughout the business in accordance with standardized guidelines and methods. The standards followed are:

- Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard (2004)
- Corporate Value Chain (Scope 3) Standard (2011)
- Scope 2 Guidance (2015)

The reporting takes place via a digital platform to ensure complete, relevant and comparable reporting in accordance with the guidelines of the GHG Protocol.

All greenhouse gases included in the Kyoto Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, NF_3 and SF_6) are covered and Netel uses the designation CO_2e (CO_2 equivalents). The calculations take into account emissions across the entire value chain as far as possible. For emission factors that change annually, such as electricity and district heating, the latest available emission factor is used. In the calculations per employee, the average number of full-time employees in continuing operations during the year was used, which amounted to 837 (814).

Netel has performed a detailed assessment to identify and categorise sources of emissions under the three scopes described in the GHG Protocol. According to the GHG Protocol, the emissions are divided into Scope 1, 2 and 3. Generally speaking, the scopes cover the following:

Scope 1 includes direct GHG emissions over which Netel has direct control. This applies, for example, to GHG emissions from vehicles and machines that Netel owns or leases.

Scope 2 contains indirect emissions from electricity, i.e. consumption of electricity and district heating.

Scope 3 relates to indirect emissions that the company does not control but still causes and is often divided into upstream and downstream emissions, depending on where in the value chain the emissions occur. At the beginning of the value chain, energy consumption in the production of materials such as aluminium, steel and copper is essential. When purchasing materials, Netel has limited insight into the origin and production methods, but it is reasonable to assume that these processes are also energy intensive.

Netel's calculations within Scope 3 cover categories 1–7 and 11:

1. Purchased goods and services
2. Capital goods
3. Fuel and energy related activities
4. Upstream transport
5. Waste management
6. Business travel including hotel stays
7. Employee commuting
11. Use of sold products

Calculations of emissions within Scope 3 have been made based on spend cost data in combination with relevant emission factors. Netel has made the assessment that the majority of the downstream value chain is not within its financial or operational control and is thereby excluded.

Science Based Targets initiative (SBTi)

The Science Based Targets initiative (SBTi) validated Netel's climate targets in December 2024. The science-based targets mean a reduction of 42 per cent in Scope 1-2 emissions by 2030 and a reduction of 90 per cent by 2050 with 2023 as the base year. The corresponding target for Scope 3 means a reduction of 51.6 per cent per MSEK GEVA[1] by 2030 and a reduction of 90 per cent by 2050 with 2023 as the base year. The overall goal is to achieve net-zero emissions across the entire value chain by 2050.

The validated science-based targets give Netel a clear plan to reduce GHG emissions in line with the global climate targets. The targets reflect not only Netel's ambitions to contribute to a more sustainable future, but also its responsibility towards customers, suppliers and society. By working systematically and purposefully to reduce emissions, Netel strengthens its role as a sustainable and responsible actor.

GHG emissions 2024

In accordance with the Group's financial reporting, where operations under divestment are reported separately from continuing operations, Netel reports emissions according to the GHG Protocol in the tables and text primarily for the continuing operations, with supplementary information regarding emissions from operations under divestment unless otherwise stated.

Netel categorises and reports its GHG emissions in Scope 1, 2, and 3 according to the GHG Protocol to provide a comprehensive view of the business' climate impact and enable comparisons over time. To ensure comparability, the validated SBTi targets have been recalculated for the comparison period and the base year 2023.

The emissions for 2023 have been recalculated to align with the 2024 calculation methodology and allow for a fair comparison between the years. The key figure for emissions per kilometer driven has been recalculated based on actual fuel consumption rather than consumption according to WLTP to more accurately reflect the vehicle fleet in 2023 and 2024. In addition to the recalculation of Scope 1, Netel, as part of the SBTi process, has identified Category 11 Use of sold products as significant.

Data collection for the sustainability report is conducted through digital systems and includes both direct and indirect emissions. Fuel consumption in vehicles and machinery is reported through leasing operators, while energy consumption from properties is collected directly from energy providers or estimated when necessary. For Scope 3, data is collected from suppliers and subcontractors, but due to variations in data quality and availability, calculations are supplemented with standard values and estimates based on the Group's purchasing volumes.

In 2024, Netel has carried out a comprehensive mapping of its climate footprint and developed a transition plan to reduce the Group's GHG emissions. The goal is to create a more sustainable business in line with international climate targets.

The reporting aims to ensure transparency, identify areas for improvement, and support the long-term work of integrating sustainability throughout the value chain. By measuring, analysing, and reporting emissions, Netel can develop effective strategies and targets to reduce its climate impact. At the same time, this strengthens the Group's accountability toward customers, suppliers, and society at large.

[1] Total GHG emissions in tCO2eq/EBITDA+personnel costs

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The reporting is a central part of Netel's commitment to actively contribute to the global transition toward a more climate-neutral economy.

Netel's GHG emissions are mainly concentrated in Scope 3, where purchased goods and services constitute a significant portion of total emissions. Scope 1 and 2 primarily consist of fuel consumption in vehicles and machinery.

Scope 1 and 2 (market-based) emissions amount to 3,874 (4,188) tonnes CO_2e, with company cars and machinery being the largest sources. Emissions from company cars generated 2,232 (2,411) tonnes CO_2e. The reduction in Scope 1 emissions is primarily due to Netel having more electric and hybrid vehicles, which is positive for Netel's climate footprint.

Emissions within Scope 2 (market-based) amount to 221 (136) tonnes CO_2e, where the increase is mainly due to the increased use of electric vehicles.

For Scope 1, reporting is based on fuel consumption, with data collected directly from leasing operators. For energy consumption, corresponding information is gathered from energy providers when such data is available. In cases where specific electricity data is lacking, an estimate is made based on office size and average vehicle consumption.

Scope 3 contributed 55,637 (55,030) tonnes CO_2e, where 92% (93%) relates to emissions from purchased goods and services. Emissions from purchased services amounted to 24,982 tonnes CO_2e, representing 49% of emissions in this category. This reflects the nature of the business as a project management organisation since Netel engages a large number of subcontractors to perform work such as installation, excavation, trenching, and asphalting. In addition to purchased services, 51% of the emissions in this category were generated from purchased materials. The business model means that a significant portion of emissions is generated by external actors.

One of the biggest challenges with sustainability data within Scope 3 is collecting data from subcontractors. Currently, Netel cannot report specific data for each type of contractor and supplier but aims to continuously improve reporting.

Other Scope 3 emissions amount to 4,479 (3,956) tonnes CO_2e and are generated from capital goods, fuel-related activities, transport, waste, business travel, employee commuting, and the use of sold products. The corresponding emissions for operations under divestment are as follows: Scope 1–2 (market-based) emissions total 40 (24) tonnes CO_2e, where the majority of emissions are attributable to Scope 1 company cars. Scope 3 emissions for operations under divestment amount to 5,587 (6,652) tonnes CO_2e, with the majority (97%) attributable to Category 1 Purchased goods and services.

Netel's emissions according to the GHG Protocol

tCO_2eq		Base year 2023	31 Dec 2023	31 Dec 2024	% N / N-1	2030	2050
Scope 1	Gross emissions	4,052	4,052	3,653	-10%	2,350	405
Scope 2	Gross location-based emissions	25	25	24	-3%	14	2
	Gross market-based emissions	136	136	221	63%	79	14
Scope 1–2	**Location-based**	**4,077**	**4,077**	**3,677**	**-10%**	**2,364**	**407**
	Market-based	**4,188**	**4,188**	**3,874**	**-7%**	**2,429**	**419**
Scope 3	3.1. Purchased goods and services	51,074	51,074	51,158	0%	47,499	5,107
	3.2 Capital goods	1,226	1,226	1,862	52%	1,140	123
	3.3 Fuel and energy-related activities (not included in Scope 1 or 2)	1,010	1,010	922	-9%	940	101
	3.4 Upstream transportation and distribution	210	210	337	60%	196	21
	3.5 Waste generated in operations	346	346	576	66%	322	35
	3.6 Business travel	126	126	79	-37%	117	13
	3.7 Employee commuting	917	917	598	-35%	852	92
	3.11 Use of sold products[2]	121	121	105	-13%	113	12
	Total Scope 3 emissions	**55,030**	**55,030**	**55,637**	**1%**	**51,178**	**5,503**
Total emissions continuing operations[1]	**Location-based**	**59,108**	**59,108**	**59,314**	0%	53,543	5,911
	Market-based	**59,218**	**59,218**	**59,511**	0%	53,607	5,922
Discontinuing operations							
Scope 1	Gross emissions	24	24	32	38%		
Scope 2	Gross location-based emissions	3	3	2	-42%		
	Gross market-based emissions	11	11	7	-32%		
Scope 3	Total Scope 3 emissions	6,652	6,652	5,887	-11%		
Total emission including discontinuing operations	**Location-based**	**65,785**	**65,785**	**65,235**	**-1%**		
	Market-based	**65,904**	**65,904**	**65,437**	**-1%**		

[1]Total emissions differ from the data in the annual report for 2023 due to conversions and previously misreported data for business travel. Category 3.11 Use of sold products is new for 2024.

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All tables on this page refer to continuing operations.

KPIs

	Base year 2023	31 Dec 2024	% N / N-1
Net sales, MSEK	3,218	3,284	2%
Number of FTEs, average number during the year	856	837	-2%
Adjusted EBITDA, MSEK	250	232	-7%
Personnel costs, MSEK	687	706	3%
Value added, MSEK	937	938	0%
Scope 3 - GEVA/tCO_2eq/MSEK	48	43	-10%

GHG intensity

	2023		2024	
tCO_2eq	**Per MSEK**	**Per employee**	**Per MSEK**	**Per employee**
Scope 1	1.3	4.7	1.1	4.4
Scope 2 location-based	0.01	0.03	0.01	0.03
Scope 2 market-based	0.04	0.16	0.07	0.26
Scope 1–2 location-based	1.3	4.8	1.1	4.4
Scope 1 –2 market-based	1.3	4.9	1.2	4.6
Scope 3	17.1	64.3	16.9	66.5
Scope 1–3 location-based	18.4	69.1	18.1	70.9
Scope 1 –3 market-based	18.4	69.2	18.1	71.1

Scope 1 and 2

tCO_2eq	2023	2024
Company cars	2,411	2,232
Machinery	1,641	1,421
Total	**4,052**	**3,653**
Electricity market-based	124	175
Heating	11	18
Total facilities	**135**	**193**
Total CO_2e emissions Scope 1-2	**4,188**	**3,846**

Scope 1 Company cars

Number of	2023	2024
Electrical	13	49
Hybrid	23	45
Biodiesel	0	15
Fossil fuel	552	470
Total number of company cars	**588**	**579**
Emissions in grams per driven km	209	206

Climate-related risks

Netel conducted an analysis of climate risks based on IPCC's[1] climate scenarios SSP1-2.6 and SSP3-7.0. The scenarios provide a broad representation of possible future climate developments and have been used to analyse climate-related risks over three time periods: the present, the near future (2030) and the long term (2050). The analysis focused on the geographical areas where Netel operates and on the specific climate-related risks that may affect Netel's operations.

The following climate risks were identified as relevant to Netel's operations and are deemed relevant and applicable to the entire Group:

- **Extreme rainfall and flooding:** Risk of flooding and localised heavy rainfall, which can lead to equipment damage and delays in project implementation.
- **Ground movements and landslides:** Changing precipitation patterns can cause landslides, especially in areas with steep slopes and clay soils.
- **Forest fires:** In dry years, the risk of forest fires increases, which can affect projects in forested areas.
- **Temperature changes:** Cold winters and periods of extreme heat can affect working conditions and productivity and increase the need for adaptations for sensitive equipment.

The analysis shows that Netel's exposure to climate-related risks is limited due to the nature of its operations. Netel operates as a contractor rather than an owner of infrastructure, which reduces the direct impact of physical risks. In addition, the projects are geographically dispersed and of short duration, allowing them to be adapted to prevailing conditions.

In summary, the analysis shows that the identified climate risks do not constitute a material impact on Netel, either operationally or financially, but that continued proactive work with climate adaptation is crucial to maintaining a sustainable and competitive business.

[1] United Nations Intergovernmental Panel on Climate Change

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Pollution

The double materiality assessment identified air and soil pollution and the release of microplastics as a material impact on the environment and society. Pollution arises from transport vehicles, heavy vehicles and the production of materials such as concrete, steel, aluminium and copper. These materials cause significant water, soil and air pollution during extraction, refining and production while transport vehicles contribute GHG emissions, particles, nitrogen oxides, sulphur dioxide and other pollutants that negatively affect both the environment and health. In addition, Netel's use of plastics poses risks linked to the dispersion of primary microplastics, which can have long-term effects on biodiversity and ecosystems.

Netel systematically identifies, analyses and prioritises the most significant environmental aspects to minimise risks and prevent negative impacts. Netel works actively to use recyclable materials, minimise environmentally hazardous chemicals and implement the latest technology to choose environmentally friendly alternatives.

When contaminated soil is identified, for example in Germany and Norway, Netel handles the contaminated mass and replaces it with clean soil, helping to reduce soil contamination. Netel also has a high level of preparedness to handle incidents, such as incorrectly mapped gas pipelines, in order to be able to quickly act and minimise any damage. Cooperation with customers, subcontractors and suppliers is key to ensuring compliance with high environmental standards, and the Code of Conduct sets out requirements for environmental protection that are expected to be followed both locally and internationally.

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Water and marine resources

Water use is most extensive at the initial stage of Netel's value chain, where Netel's ability to influence is limited. This includes water withdrawals and emissions linked to the production of materials such as concrete, aluminium, steel and copper, where especially aluminium and copper are prominent. The production of these materials requires extensive water use at every stage of mineral extraction, processing and production.

Mining, as a key component in the production of these materials, affects water resources in two ways. First, many mining processes require large amounts of water – from drilling to washing minerals – resulting in decreasing groundwater levels in affected areas, drying out rivers and lakes, and water shortages that affect agricultural irrigation and pastures. Second, mining processes risk polluting water by adding chemicals and waste products that can clog rivers and watercourses. This affects both the local ecosystem and the availability of clean water in nearby communities.

In cases where materials are provided by external suppliers, Netel has limited insight into the origin and production methods. Netel is actively working to improve transparency and understanding of the supply chain, with the aim of reducing environmental impact and strengthening sustainability efforts even at stages where Netel has no direct control.

Further down the value chain, Netel takes advantage of customers' environmental analyses to concretely identify and manage potential impacts on aquatic environments and marine resources. By adapting working methods and implementing specific measures, Netel protects water quality and preserves sensitive marine ecosystems. Netel ensures the long-term and responsible management of water and marine resources by following applicable guidelines and working closely with customers and experts.

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Biodiversity and ecosystems

Netel's activities have an environmental impact that includes land use and potential changes to species' habitats during project implementation. Construction and maintenance of infrastructure for electricity, mobile networks, cables and water requires land development. The installation of buried cables often has a greater impact, as this requires the construction of roads for heavy machinery used in excavation. Both construction and operation of electricity networks can disturb sensitive wildlife through noise. Spawning grounds and benthic fauna may be affected by installations, especially for projects in or near sensitive biodiversity areas.

Netel's operations also impact biodiversity through mineral extraction and material production upstream in the value chain. In particular, activities related to the establishment, operation, closure and rehabilitation of mines can cause significant impacts on biodiversity. Impacts include changes to landscapes, removal of vegetation and disruption of animal habitats, which can have long-lasting consequences for ecosystems, vegetation and wildlife, even after the mines have closed.

Netel is aware of these challenges and strives to minimise its impact on biodiversity by adapting its working methods and processes.

Netel is actively working to promote biodiversity and protect ecosystems in its deliveries to customers. Netel studies customers' environmental analyses to identify potential impacts on local nature and the balance of ecosystems. Based on the analyses, measures are implemented to preserve species diversity and protect sensitive natural areas. By following current guidelines and collaborating with customers and experts, Netel helps to create sustainable solutions that protect biodiversity.

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Resource use and circular economy

Netel has a negative impact on circular resource use as it relies on large amounts of virgin materials for its projects. Netel's environmental impact includes high resource use in the construction of infrastructure such as electricity, mobile networks and infraservice networks. Netel purchases resource-intensive materials such as cement, steel, aluminium and copper, but has limited insight into the origin and production methods of the materials supplied by subcontractors. The quality requirements for components and customer-specific requirements in the projects limit Netel's ability to influence the choice of materials and products. In addition, the global demand for strategic materials creates a shortage situation that further complicates resource control.

Netel generates waste from both construction and dismantling of infrastructure. Although waste from construction is often limited because finished components are ordered as needed, other waste, such as contaminated soil masses, may arise. Materials from dismantled infrastructure that cannot be reused as spare parts are also treated as waste. Waste generated in Netel's projects is managed by waste management partners.

The shortage of materials, caused by the transition of the energy and electricity system, leads to higher material costs and longer delivery times, which entails financial risks for Netel in the form of project delays and increased capital costs. However, since material purchases are often specified and paid for by customers in the contracts, Netel's risk exposure is deemed to be limited.

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WORKFORCE

Every employee at Netel is to be treated equally and fairly, without discrimination. Netel is determined to create an inclusive work environment where everyone feels respected and valued. Fairness and equal treatment are fundamental principles that permeate Netel's work and corporate culture. By working actively with these issues, Netel creates a workplace where every individual can thrive and develop.

Netel has zero tolerance for harassment and discrimination. Nobody may be discriminated against on the basis of ethnicity, faith, gender identity or expression, age, nationality, language, political beliefs, marital status, sexual orientation, disability or labour union membership.

Netel strives to create a workplace where employees trust each other and the company. Motivation is a key factor in employee well-being and commitment. Motivation is created when every employee has a clear understanding the operation's vision and goal, as well as the role and importance of their own work. It is also important that employees have the opportunity to influence their work situation and that they have the necessary authority to do their work successfully.

Skills development is a key element in building motivation. By offering continuous development opportunities, Netel strengthens both the employees and the organisation. At Netel, employee appraisals are an important tool in the work to create motivation and trust. Employee appraisals are held at least once a year and provide an opportunity for dialogue on goals, development and the work environment.

Netel also safeguards its culture with an open door policy, meaning that managers and executives are always close at hand. Although Netel has grown, it still operates with the availability and speed of a smaller company.

For new employees, Netel ensures a respectful induction where they are quickly provided with the right tools and knowledge to get into the business and feel welcome as part of Netel.

In 2024, employee loyalty, as measured by the employee net promoter score (eNPS), increased to 7.8 (7.0).

WORKING CONDITIONS

Netel shall offer fair and safe working conditions that ensure a good working environment for all employees. The majority of Netel's employees are covered by collective agreements that guarantee competitive wages and benefits.

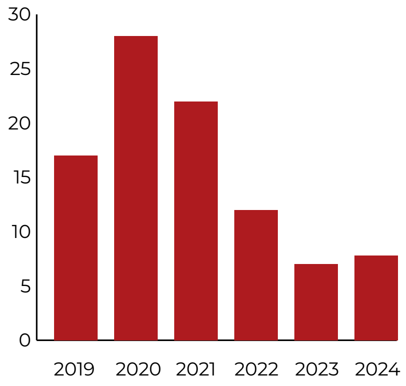
Regular employee surveys are also conducted to gain insights into the working environment and identify areas for improvement.

Netel encourages a healthy work-life balance through digital communication guidelines, which specify when work is expected to be done. These guidelines are particularly important in an industry where projects are often time-critical and demanding. At the same time, it is known that the workload of some projects, especially those linked to the energy transition and network roll-out, can be intense. To reduce the risk of stress and burnout, Netel offers support and resources, such as access to healthcare and opportunities for recuperation.

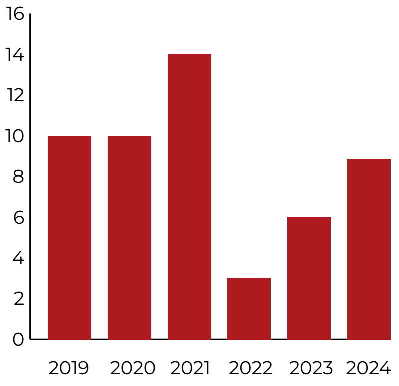
The goal is for no one to be injured while carrying out assignments for Netel. Operations are associated with work environment risks and Netel works proactively to prevent and avoid such risks. Netel also offers training courses and regular updates to occupational health and safety procedures as part of the proactive strategy to prevent accidents and ensure a safe workplace.

The number of work-related accidents refers to accidents that have resulted in more than one day's absence.

Employee loyalty eNPS



Number of accidents



EQUAL TREATMENT

Netel strives to achieve an even gender distribution in various positions and jobs within the entire organisation. The proportion of female employees was 10 per cent (8) and the number of female wage-setting managers was 30 out of a total of 305, or 10 per cent. These imbalances reflect the broader challenges facing the sector. Netel actively works to create a gender equal working environment through fair recruitment processes that ensure that candidates are assessed based on skills and experience.

To promote equal treatment, Netel has policies and guidelines to raise awareness of discrimination and unconscious bias. They aim to create a workplace where every individual is treated with respect and feels included. Netel also encourages a culture of openness and dialogue through whistleblowing functions and other mechanisms to report any incidents of discrimination or harassment.

Netel ensures that all employees have equal access to training and development opportunities and fair compensation agreements, regardless of gender, age, background or other factors. Netel's management continuously follows up these issues to ensure that equal treatment is not only an ambition, but also a reality in the day-to-day work.

Through these actions and its long-term commitment to gender equality and inclusion, Netel continues to work towards being an employer where all employees feel valued and have the opportunity to achieve their full potential.

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For the employee data on this page, the adjustment for the sale of the Finnish operations was only made for 2024. The data refers to 31 December unless otherwise indicated.

Number of employees

	2019	2020	2021	2022	2023	2024
Number of employees	437	414	658	809	856	837
Number of women/men	57/380	50/364	46/612	68/741	71/794	87/750
Share women/men, %	13/87	12/88	7/93	8/92	8/92	10/90

Age and gender distribution

		2019	2020	2021	2022	2023	2024
18–35 years old	Number of women/men	26/166	21/153	20/250	29/296	22/291	35/268
	Share women/men, %	6/38	5/37	3/38	3.5/37	2/34	4/32
36–50 years old	Number of women/men	17/135	17/128	20/197	30/242	34/263	27/275
	Share women/men, %	4/31	4/31	3/30	3.5/30	4/30	3/33
Over 50 years old	Number of women/men	13/79	12/83	7/164	9/203	15/240	25/207
	Share women/men, %	3/18	3/20	1/25	1/25	2/28	3/25

The information refers to the average number of full-time equivalents.

Employee turnover and sick leave

	2019	2020	2021	2022	2023	2024
Employee turnover, %	5.2	3.1	1.2	7.9	16.2	15.6
Sick leave, %	3.1	3.4	3.1	3.1	3.8	3.9

Employee turnover refers to the number of employees who have resigned during the year in relation to the average number of employees during the year. Sick leave is calculated as the number of absent hours due to illness in relation to the total number of worked hours.

New employees

Number of	Infraservices	Power	Telecom	Head office	Total
New employees	23	32	89	5	149

Employees on parental leave

	Infraservices	Power	Telecom	Head office	Total
Number on parental leave	39	12	24	1	76

Refers to the number of employees on parental leave in 2024 measured as an average number of full-time equivalents.

Full- and part-time employees and non-employees

Number of	Infraservices	Power	Telecom	Head office	Total
Full-time employees	155	203	449	12	819
Part-time employees	7	3	1	0	11
Non-employees	14	8	17	6	45

The information refers to the average number of full-time equivalents in 2024. Non-employees refers to consultants who are hired by a Netel company to carry out specific projects.

Number and share of employees covered by collective agreements

	Infraservices	Power	Telecom	Total
Number covered by collective agreements	103	179	382	721
Share covered by collective agreements, %	13%	22%	47%	81%

The information refers to the average number of full-time equivalents in 2024.

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WORKING CONDITIONS

In addition to its own workforce, Netel provides work to more than 2,500 people in four countries. Netel's operations are based on an extensive network of contractors and subcontractors, which means that a large proportion of the workers in the value chain are employed by external actors. This creates particular challenges to ensure fair and safe working conditions throughout the value chain.

Subcontracted workers are exposed to occupational health and safety risks in all Netel divisions. The main risks are linked to working at heights, power lines, extensive driving and handling heavy equipment and machinery. In Germany, there are also specific risks associated with excavation work near gas pipelines or in areas with remnants of war materiel from the world wars. These working conditions pose significant safety challenges that negatively affect workers in the value chain.

In addition, there are risks of unfair working conditions, including undeclared work, long working hours and inadequate wages, especially in the construction sector. The demand for services in the construction sector has increased, which, combined with a shortage of skilled labour, creates risks of unsafe working conditions.

Netel has procedures in place to ensure compliance with occupational health and safety laws and regulations and that workers throughout the value chain have access to safe and fair working conditions. Netel intends to strengthen the supervision and monitoring of working conditions at its partners and suppliers.

EQUAL TREATMENT

Netel operates in an industry where gender imbalance and risks of discrimination exist. Workers in the value chain may face limited opportunities for equal treatment, for example in terms of pay, career development and access to training.

There is an uneven gender representation in the industry and Netel works actively to ensure that recruitment processes, salary negotiations and work environments are free from discrimination. By setting requirements on equal treatment in contracts with subcontractors and conducting regular audits, Netel aims to promote fair conditions throughout the value chain.

In order to raise awareness and reduce the risk of discrimination, Netel conducts training and information initiatives that are aimed at both employees and partners. Netel sees equal treatment as a central part of its social responsibility and works to create an inclusive work environment where everyone has equal opportunities regardless of gender or background.

OTHER RIGHTS

Netel has identified risks of work-related crime that may occur within the value chain. This includes wage dumping, illegal forms of employment and other types of labour exploitation. Such irregularities often affect the most vulnerable workers and can have significant negative consequences for the individuals concerned.

Netel actively works to prevent illegal and unethical practices by strengthening supplier auditing and monitoring processes. Netel sees respect for human rights as an integral part of its operations and strives to ensure that all workers in the value chain are provided with fair and reasonable working conditions and protection from exploitation.

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COMMUNITIES' ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Netel's operations affect societies at several levels where Netel, through its work on infrastructure projects, contributes to both economic growth and societal development. By participating in the expansion of broadband and electricity networks and other critical infrastructure services, Netel plays a central role in supporting economic and social development in society.

Netel works with a large number of contractors and subcontractors, which means that Netel helps to create jobs and promote economic growth in local communities. Netel also helps to support and strengthen labour markets and create new business opportunities for regional companies by hiring local employees and partnering with local suppliers.

ACCESS TO SOCIETAL INFRASTRUCTURE

Netel contributes to ensuring access to basic societal infrastructure, such as electricity, internet and water. Access to electricity, internet and water are seen as basic needs in today's societies and by offering 5G, fibre optics, electricity, water and sewage, district heating and pedestrian and bicycle paths, Netel contributes to strengthening the economic, social and cultural rights of communities.

Infrastructure services are crucial to promoting the development of societies and to ensuring the well-being and quality of life of the citizens.

SOCIAL RIGHTS AND DIGITAL INCLUSION

Netel plays an important role in reducing digital divides and ensuring that more societies have access to modern technology and communication opportunities. Netel's work to expand the internet enables people to access education, work and public services on digital platforms. This is an important element in promoting social inclusion and equality.

Netel also strives to ensure that workers in both its own and subcontractors' ranks have fair working conditions and protected rights, which contributes to sustainable and fair social development. By ensuring that everyone involved in Netel's projects is treated with respect and fairness, Netel supports social sustainability and human rights throughout its value chain.

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LEGAL AND REGULATORY COMPLIANCE

Netel applies a strict zero tolerance policy regarding bribery, corruption, fraud and money laundering throughout the value chain. Netel complies with all applicable international and national standards and laws pertaining to gifts, bribery and corruption. In accordance with these guidelines, Netel acts to combat undeclared work, money laundering, other financial crime and the influence of illegal activities.

Netel employees and partners are prohibited from offering or arranging travel, giving gifts or other services and benefits that may be considered improper or that cannot be audited and reported transparently in accordance with Netel's Code of Conduct. Gifts from suppliers may only be accepted if their value is insignificant. However, employees are always prohibited from accepting cash or the equivalent, such as sponsorship and personal discounts. When visiting suppliers or participating in conferences and exhibitions, Netel covers all travel and accommodation expenses.

Netel rejects anti-competitive practices and strives to ensure healthy competition in tenders, procurement and purchasing. Netel stands against undue influence, bribery, price fixing, cartels, abuse of market dominance and manipulating tenders aimed to distort competition or that are in breach of current competition law. To manage potential conflicts of interest, Netel has clear guidelines. If an employee identifies a conflict of interest that could entail partiality, this should be immediately reported to the line manager. Partiality is deemed to exist if the matter concerns the employee him- or herself, a close relative (such as a spouse or partner, a parent, children or siblings) or if the outcome of the matter may entail special benefit or damage to the employee or a close relative. Partiality may also arise if there are circumstances that may undermine confidence in the employee's impartiality. The individual who is partial is not to take part in making the decision.

Netel Group AB and its subsidiaries are politically neutral. Company funds may not be used to provide funding to political parties, organisations, candidates or holders of public office. However, subsidiaries may make contributions to industry organisations after approval by Netel Group's Board of Directors.

Netel does not offer or give undue advantage, benefit or incentive to public officials, international organisations or any other third party. This applies regardless of whether it takes place directly or through an intermediary.

INDICATORS AND TARGETS

Netel has zero tolerance for bribery, corruption, fraud and money laundering. Netel monitors this through measuring the number of both suspected and verified violations in these areas. The target is to have no instances of suspected or confirmed violations.

Number of suspected bribery

2024	2023	2022	2021	2020
0	0	0	0	0

IT AND CYBER SECURITY

Netel has identified IT and cyber security as a material matter in the double materiality assessment, both in terms of impact on society and the environment and financial impact on Netel's financial position and development. In 2024, Netel continued its digital development and modernised its operations by introducing new support systems in project management and finance. The aim is to strengthen competitiveness and enhance efficiency. With new digital solutions, Netel has increased the level of automation and security in its operations.

Cybersecurity is a key part of Netel's strategy to protect both the operations and data. In 2024, work intensified on cyber security to address the increasingly complex threats in the digital environment. The efforts in 2024 provided valuable insights and a stable foundation to continue development in 2025.

As part of its long-term IT strategy, Netel also aims to reduce its climate impact. Netel is focusing on developing an energy-efficient IT infrastructure and investing in cloud services powered by renewable energy, which helps reduce the carbon footprint while enhancing the sustainability of the business.

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Stakeholder dialogues

Netel's operations are of concern to a vast number of stakeholders. As part of our sustainability efforts, Netel has dialogues with key stakeholders, and their opinions form the basis for our priorities and focus areas in regard to sustainability.

Netel communicates regularly with stakeholder groups in various ways. For example, when planning day-to-day operations, and in discussions about sustainability during business meetings with customers and subcontractors. During customers' supplier audits, Netel gains deep insights into the customers' sustainability demands in both the short and long term. These insights are valuable for Netel's internal priorities and during the Group's dialogues with subcontractors and suppliers.

Netel is a member of the Swedish Construction Federation and a supporting member of Fair Play Bygg in Norway.

Stakeholder	Dialogues	Main topics for dialogue	Priority sustainability topics
Employees	Employee surveys, employee appraisals, workplace meetings, labour union collaboration, manager and employee training.	Work environment, safety, skills development. Attitudes, norms.	Motivated employees. Safe workplaces. Equal and fair working conditions.
Customers	Customer satisfaction surveys, business meetings, customers' supplier audits.	Occupational health and safety. Working conditions. Climate impact. Environmental risks and risks management.	Safe workplaces. Equal and fair working conditions. Reduce climate impact. Focus on the environment. Compliance with Code of Conduct for subcontractors and suppliers.
Owners and investors	Financial reporting, annual general meeting, investor meetings, press releases and news on the website.	Climate impact. Environmental risks and risks management. Governance and follow-up.	Reduce climate impact. Focus on the environment.
Subcontractors and suppliers	Business meetings, assessments, follow-ups and controls. Monitoring of compliance with the Code of Conduct.	Work environment, safety. Working conditions. Climate impact. Environmental risks and risks management. Compliance with the Code of Conduct.	Focus on the environment. Compliance with Code of Conduct for subcontractors and suppliers.
Other stakeholders – the industry, authorities, potential employees	Industry organisations, tradeshows, dialogues with municipalities and local authorities, vocational schools and universities.	Work environment, safety. Working conditions. Environmental risks and risks management.	Safe workplaces. Equal and fair working conditions. Focus on the environment.

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Whistleblower service

Netel has a whistleblower service managed by an external, independent party. Anyone who suspects misconduct and violations of Netel's Code of Conduct can file an anonymous complaint via the whistleblower service. The whistleblower service can be reached at https://netelgroup.whistlelink.com.

Netel does not accept discrimination or retaliation against employees who report suspected Code of Conduct violations. The whistleblower service allows employees, customers, subcontractors, suppliers and other stakeholders to anonymously report suspected violations against the Code.

Number of incidents reported to the whistleblower service

2024	2023	2022	2021	2020
0	0	0	0	0

Certifications

Netel's subsidiaries make independent decisions regarding certifications and other quality seals. Decisions are based on, for example, industry best practise, customer requests and business value. The Group has the following certifications:

BROGRUND MARK AB
Quality, environmental management and occupational health and safety certification in accordance with ISO standards 9001:2015, 14001:2015 and 45001:2015.

BROGRUND ENTREPRENAD AB
Quality, environmental management and occupational health and safety certification in accordance with ISO standards 9001:2015, 14001:2015 and 45001:2015.

OPPUNDA KRAFTKONSULT AB
Quality, environmental management and occupational health and safety certification in accordance with ISO standards 9001:2015, 14001:2015 and 45001:2015.

NETEL AS
Certified in accordance with the environmental management system Miljøfyrtårn.

NETEL UK
Quality certification in accordance with ISO standards 9001:2015, 14001:2015 and 45001:2015.

NETT-TJENESTER AS
Certified in accordance with the environmental management system Miljøfyrtårn.

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Consolidated statement of profit or loss

MSEK	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Continuing operations			
Operating income			
Net sales	2, 3	3,284	3,186
Other operating income		48	32
Total revenue		**3,332**	**3,218**
Operating expenses			
Materials and purchased services		-2,113	-1,993
Other external expenses	4	-299	-314
Personnel costs	5, 6	-706	-673
Depreciation and amortisation	11, 12, 13, 14, 15, 16	-69	-73
Total operating expenses		**-3,187**	**-3,053**
Operating profit/loss (EBIT)		**145**	**164**
Financial income	7	8	13
Financial expenses	7	-83	-75
Net financial items		**-75**	**-63**
Earnings before tax		**70**	**102**
Taxes	9, 23	-12	-19
Net income continuing operations		**58**	**82**
Discontinuing operations	36		
Net income discontinuing operations, net after tax		-105	-38
Earnings for the year		**-47**	**44**
Earnings for the year attributable to			
Parent Company's shareholders		-47	44
Non-controlling interests		-	-
Earnings per share			
Earnings per share before and after dilution, continuing operations (SEK)	10	1.20	1.69
Earnings per share before and after dilution including discontinuing operations (SEK)	10	-0.96	0.91
Average number of shares before and after dilution (thousands)		48,512	48,480

Consolidated statement of comprehensive income

MSEK	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Earnings for the year		-47	44
Items that will be reclassified as profit or loss			
Translation differences on translation of foreign operations		8	-24
Translation differences on translation of discontinuing operations		0	1
Other comprehensive income for the year		**8**	**-25**
Comprehensive income for the year		**-39**	**18**
Comprehensive income attributable to:			
- Parent Company's shareholders		-39	18
- non-controlling interests		-	-
Total comprehensive income for the year		**-39**	**18**

In 2024, Netel replaced a bank loan in Swedish kronor (SEK) and signed a bank loan in Norwegian kronor (NOK) amounting to MNOK 200, corresponding to MSEK 199 at the time of borrowing. The loan is valued at the exchange rate on the balance sheet date. This loan was structured to secure the net investment in the Norwegian subsidiaries including the Parent Company's lending to the companies amounting to an equivalent amount (MNOK 200) that was identified as an expanded net investment. Hedge accounting is applied, which is why gains or losses from currency translation of the loan are recognised in other comprehensive income and accumulated in equity to the extent that the hedge is effective. Any ineffective portion of the hedging relationship is recognised in net financial items in the income statement. Accumulative gains or losses recognised in other comprehensive income are presented in a separate item of equity and reclassified from equity to profit or loss as a reclassification adjustment on divestment or part divestment of the foreign operation. The hedge ratio is 1:1 for the hedge and an economic relationship is deemed to exist since the underlying currency risk in the loan and net investment are well matched. The Group did not recognise any inefficiencies during the period.

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Consolidated statement of financial position

MSEK	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	11	1,242	1,237
Other intangible assets	12	202	199
Total intangible assets		**1,444**	**1,437**
Property, plant and equipment			
Lands and buildings	13	5	5
Plant and machinery	14	68	59
Equipment, tools, fixtures and fittings	15	6	8
Right-of-use assets	16	83	102
Total property, plant and equipment		**162**	**173**
Financial non-current assets			
Other financial assets	18	15	13
Total financial non-current assets		**15**	**13**
Other non-current assets			
Deferred tax assets	23	7	16
Total non-current assets		**1,628**	**1,639**
Current assets			
Inventories			
Raw materials and consumables		2	8
Total inventories		**2**	**8**
Current receivables			
Accounts receivable	19	505	539
Contract assets	20	384	447
Other receivables	0	105	44
Prepaid expenses and accrued income	21	22	22
Total current receivables		**1,015**	**1,052**
Cash and cash equivalents	35	261	446
Total cash and cash equivalents		**261**	**446**
Assets held for sale	36	**62**	
Total current assets		**1,340**	**1,506**
TOTAL ASSETS		**2,968**	**3,146**

MSEK	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	22	1	1
Other contributed capital		1,472	1,471
Reserves	22	-13	-21
Retained earnings including profit/loss for the year		-364	-317
Total equity		**1,095**	**1,133**
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	24, 28	920	951
Lease liabilities	24, 28	38	52
Other non-current liabilities	35	10	26
Deferred tax liabilities	23	70	68
Total non-current liabilities		**1,038**	**1,097**
Current liabilities			
Liabilities to credit institutions	24, 28	8	9
Lease liabilities	24, 28	40	44
Accounts payable		296	335
Contract liabilities	25	132	151
Current tax liabilities		-	23
Other liabilities		163	240
Accrued expenses and deferred income	26	117	114
Total current liabilities		**756**	**916**
Liabilities attributable to assets held for sale		**78**	
TOTAL EQUITY AND LIABILITIES		**2,968**	**3,146**

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Consolidated statement of changes in equity

	Equity attributable to Parent Company's shareholders				
TSEK	**Share capital**	**Other contributed capital**	**Translation reserve**	**Retained earnings including profit/loss for the year**	**Total equity attributable to Parent Company's shareholders**
Opening equity 1 Jan 2023	**742**	**1,460,815**	**4,737**	**-361,342**	**1,104,951**
Earnings for the year	-	-	-	43,926	43,926
Other comprehensive income for the year	-	-	-25,439	-	-25,439
Comprehensive income for the year	**-**	**-**	**-25,439**	**43,926**	**18,487**
Transactions with Group owners					
Completed issues	5	9,995	-	-	10,000
Total	**5**	**9,995**	**-**	**-**	**10,000**
Closing equity 31 Dec 2023	**747**	**1,470,810**	**-20,703**	**-317,415**	**1,133,438**
Opening equity 1 Jan 2024	**747**	**1,470,810**	**-20,703**	**-317,415**	**1,133,438**
Earnings for the year	-	-	-	-46,797	-46,797
Other comprehensive income for the year	-	-	7,573	-	7,573
Comprehensive income for the year	**-**	**-**	**7,573**	**-46,797**	**-39,224**
Transactions with Group owners					
Completed issues	0	881	-	-	881
Total	**0**	**881**	**-**	**-**	**881**
Closing equity 31 Dec 2024	**747**	**1,471,691**	**-13,130**	**-364,212**	**1,095,095**

The annual general meeting decided in May 2024 to introduce a long-term incentive program, which involves a new issue of options where capital has been contributed. See note 6 for further information.

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Consolidated statement of cash flows

MSEK	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Operating activities			
Operating profit	2	56	128
Adjustments for non-cash items	27	38	70
Interest received		5	6
Interest paid		-65	-67
Tax paid		-58	-39
Cash flow from operating activities before changes in working capital		**-24**	**98**
Cash flow from changes in working capital			
Changes in inventories		2	0
Change in operating receivables		8	94
Change in operating liabilities		73	49
Cash flow from operating activities		**59**	**242**
Investing activities			
Acquisition of operations and shares, excluding cash and cash equivalents	35	-124	-74
Acquisition of intangible assets	11, 12	-14	-6
Acquisition of property, plant and equipment	13, 14, 15	-31	-13
Divestment of property, plant and equipment	13, 14, 15	4	11
Acquisition of financial non-current assets	18	2	-1
Cash flow from investing activities		**-162**	**-83**
Financing activities			
Completed contributions		-	-
Completed new share issues		-	-
Borrowings	24, 28	15	50
Amortisation of loans	24, 28	-57	-66
Amortisation of lease liabilities	24, 28	-46	-51
Cash flow from financing activities		**-88**	**-67**
Change in cash and cash equivalents		-192	92
Cash and cash equivalents at the beginning of the year		446	369
Exchange rate difference in cash and cash equivalents		11	-14
Cash and cash equivalents at year-end		**265**	**446**
of which cash and cash equivalents from continuing operations		261	446
of which cash and cash equivalents from discontinuing operations		4	-

Cash flow from continuing operations

MSEK	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Cash flow from operating activities		115	268
Cash flow from investing activities		-162	-82
Cash flow from financing activities		-87	-65
Cash flow from continuing operations for the period		**-134**	**120**

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Income statement for Parent Company

MSEK	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Operating income			
Net sales		27	27
Total revenue		**27**	**27**
Operating expenses			
Other external expenses	4	-6	-7
Personnel costs		**-18**	**-16**
Total operating expenses		-25	-23
Operating profit (EBIT)		**2**	**4**
Profit/loss from financial items			
Interest income and similar profit/loss items	7	63	36
Interest expenses and similar profit/loss items	7	-59	-57
Net financial items		4	-21
Earnings after financial items		6	-18
Appropriations	8	-5	53
Earnings before tax		**1**	**36**
Tax on profit for the year	9	-	-8
Earnings for the year		**1**	**28**

The Parent Company has no items that are recognised under "Other comprehensive income," which is why comprehensive income is the same as profit for the year.

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Balance sheet for the Parent Company

MSEK	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Financial non-current assets			
Participations in Group companies	17	1,622	1,622
Other financial non-current assets		8	7
Total non-current assets		**1,630**	**1,629**
Current assets			
Receivables from Group companies		789	755
Other current receivables		0	0
Cash and cash equivalents		1	84
Total current assets		**790**	**839**
TOTAL ASSETS		2,420	2,469

MSEK	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	22	1	1
		1	1
Non-restricted equity			
Share premium reserve		1,472	1,471
Retained earnings		9	-19
Earnings for the year		1	28
Total free equity		**1,482**	**1,480**
Total equity		**1,483**	**1,480**
Untaxed reserves			-
Untaxed reserves	8	23	23
Total untaxed reserves		23	23
Non-current liabilities			
Liabilities to credit institutions	24, 28	878	934
Other liabilities		9	8
Total non-current liabilities		**888**	**943**
Current liabilities			
Liabilities to credit institutions	24, 28	8	7
Accounts payable		0	0
Current tax liabilities		7	8
Liabilities to Group companies		5	-
Other liabilities		2	2
Accrued expenses and deferred income	26	4	5
Total current liabilities		**27**	**23**
TOTAL EQUITY AND LIABILITIES		2,420	2,469

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Statement of changes in equity for Parent Company

TSEK	Share capital	Share premium reserve	Retained earnings including profit/loss for the year	Total equity
Opening equity 1 Jan 2023	742	1,460,815	5,134	1,466,690
Earnings for the year	-	-	28,043	28,043
Completed issues	5	9,995	-	10,000
Completed mergers	-	-	-24,361	-24,361
Total	**5**	**9,995**	**3,682**	**13,682**
Closing equity 31 Dec 2023	**747**	**1,470,810**	**8,816**	**1,480,372**
Opening equity 1 Jan 2024	**747**	**1,470,810**	**8,816**	**1,480,372**
Earnings for the year	-	-	1,471	1,471
Completed issues	-	881	-	881
Completed mergers	-	-	-	-
Total	**-**	**881**	**1,471**	**2,352**
Closing equity 31 Dec 2024	**747**	**1,471,691**	**10,287**	**1,482,724**

Cash flow statement for the Parent Company

MSEK	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Operating activities			
Operating profit	2	2	4
Adjustments for non-cash items	27	-3	0
Interest received		0	3
Interest paid		-55	-55
Tax paid		-	-
Cash flow from operating activities before changes in working capital		**-55**	**-48**
Cash flow from changes in working capital			
Change in operating receivables		-5	0
Change in operating liabilities		-2	-2
Cash flow from operating activities		-62	-50
Investing activities			
Acquisition of financial non-current assets		2	-1
Cash flow from investing activities		**2**	**-1**
Financing activities			
Completed new share issues	22	-	-
Amortisation of external loans		-53	-
External borrowings raised	24, 28	-	-
Change in intra-Group loans		29	-45
Cash flow from financing activities		**-23**	**-45**
Change in cash and cash equivalents		-83	-96
Cash and cash equivalents at the beginning of the year		84	181
Cash and cash equivalents at year-end		**1**	**84**

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Note 1

General information

This Annual 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 for communication and power networks 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, 145 84 Stockholm.

The Group's composition is shown in Note 17.

The consolidated accounts for the year ending 31 December 2024 (including comparative figures) were approved by the Board for publication on 3 April 2025. The consolidated statements of profit or loss, other comprehensive income and financial position, and the Parent Company's income statement and balance sheet will be adopted at the Annual General Meeting on 8 May 2025.

The consolidated accounts are presented in Swedish kronor (SEK), which is also the Parent Company's functional currency and the accounting currency.

Summary of significant accounting policies

The most significant accounting and valuation policies used in the preparation of the financial statements are summarised below. If the Parent Company applies different policies, these areas described under Parent Company below.

Basis of preparation of the financial statements

The consolidated financial statements and the notes to the accounts have been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's Recommendation RFR 1 Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) as endorsed by the EU. Assets and liabilities are measured at historical cost, except as regards contingent consideration (measured at fair value through profit or loss) and other securities held as non-current assets in the category of financial assets measured at fair value through profit or loss.

The preparation of statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management make certain judgements in when applying the Group's accounting policies. Those areas that include a high level of judgement, that are complex or such areas where assumptions and estimates are of material importance for the consolidated accounts are stated separately below under "Significant assessment and estimates when applying accounting policies."

The financial statements have been prepared on the assumption that the Group conducts its operations on a going concern basis.

Climate change

When preparing the annual accounts, Netel takes into accounts risks and impacts related to climate change. Netel has not identified any material impact on financial assessments and estimates, nor does it currently expect any material climate-related effects in the medium to long term. However, Netel is aware of the changing risks associated with the climate and will regularly assess theses risks and how they affect financial assessments and estimates.

Amended accounting policies

The IASB has published additions and amendments to standards that will apply for financial years beginning on or after 1 January 2024. These changes, which have come into effect and are applicable for 2024, include amendments to IAS 1 regarding the classification of liabilities as current or non-current, as well as some minor changes to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures related to sustainability-related risk information. Amendments to IFRS 16 Leases have also come into effect. The application of these changes has not had a significant impact on the Group's financial statements. New or amended standards that have not yet come into effect, including further changes to IFRS 18, which will replace IAS 1 on the presentation of financial statements and enhanced disclosure requirements related to climate-related risks, are currently assessed as not having a significant impact on the Group's financial statements..

Basis for consolidation

The consolidated accounts include Group companies in which the Group directly or indirectly has a controlling influence by holding 50% of the votes in the Group company or otherwise has a controlling influence. The Group controls an entity when it is exposed to, or has rights to, variable returns from its holdings in the entity and has the ability to affect those returns through its power over the investee. Group companies are included in the consolidated accounts from the date on which the controlling influence is transferred to the Group. They are deconsolidated from the date that control ceases.

All intra-Group transactions and balance-sheet items are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. If the unrealised losses on intra-Group sales of assets are reversed on consolidation, the underlying asset is tested for impairment based on a Group perspective. Amounts recognised in the financial statements for Group companies have been adjusted when required to ensure compliance with the Group's accounting policies.

Profit/loss and other comprehensive income for subsidiaries that have been acquired or divested during the year are recognised from the date that the acquisition or divestment was effected, according to what is applicable.

The Group attributes comprehensive income for subsidiaries to the Parent Company's shareholders and non-controlling interests based on the respective participating interests.

Business combinations

The Group applies the acquisition method for recognising business combinations. The purchase price of the business combination is measured at fair value at the acquisition date, which is measured as the sum of the fair values at the acquisition date of the assets, liabilities incurred or assumed and equity interest issued in exchange for control over the acquired business. Acquisition-related costs are recognised in profit or loss as incurred. The purchase price also includes the fair value at the acquisition date of the assets or liabilities that are the result of an agreement of contingent consideration. Changes in fair value for a contingent consideration arising from additional information obtained after the acquisition date on facts and circumstances that existed at the acquisition date, qualify as adjustments during the valuation period and are retroactively adjusted, with the corresponding adjustment of goodwill. However, the revaluation period extends a maximum of twelve months from the point of acquisition.

All other changes in the fair value of a contingent consideration classified as an asset or a liability are reported in accordance with the applicable standard. The identifiable acquired assets and assumed liabilities and contingent assets are measured at fair value at the acquisition date.

Contingent liabilities in a business combination are recognised as if they are existing obligations arising from past events and whose fair value can be reliably calculated.

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Discontinuing operations

Netel announced on 16 January 2025 that the Board of Directors had decided to initiate a process aimed at selling the Finnish operations, a decision for which management resolved to commence preparations during the fourth quarter of 2024.

The Finnish operations are recognised as discontinuing operations in the Group's income statement for 2024. The consolidated statement of profit or loss for 2023 has been restated in accordance with the same principles. Earnings from the Finnish operations have been excluded from the individual rows in the consolidated statement of profit or loss and are instead recognised as net earnings under Discontinuing operations, net after tax, which are attributable in their entirety to the Parent Company's shareholders. Discontinuing operations are included in the consolidated statement of cash flows. Additional information on cash flow regarding discontinuing operations is presented in Note. In the statement of financial position as of 31 December 2024, assets and liabilities attributable to discontinuing operations have been reclassified as Assets held for sale and Liabilities attributable to assets held for sale. The valuation of the discontinuing operations has been made at fair value, with a deduction for selling costs. The statement of financial position for prior periods may not, in accordance with IFRS, be restated and is therefore unchanged.

Translation of foreign currency

All foreign Group companies use the local currency of their country as the functional and accounting currency. Upon consolidation, the items in these companies' balance sheets and income statements are remeasured at the balance sheet date rate and the average exchange rate, respectively. In the consolidated accounts, all amounts are translated to SEK. Transactions in foreign currency are converted in each entity to the entity's functional currency at the exchange rates that apply on the transaction date. At each balance sheet date, monetary items in foreign currency are translated at the closing day rate. Non-monetary items, which are measured at fair value in a foreign currency, are translated to the exchange rate on the day when the fair value was determined. Non-monetary items, valued at the historical costs of a foreign currency, are not translated. Exchange rate differences are recognised in profit or loss for the period in which they arise with the exception of transactions attributable to intra-Group financing as a portion of the net investment in foreign operations and for transactions which constitute a hedge and which meet the conditions for hedge accounting of cash flows or of net investments. These exchange rate differences are initially recognised in other comprehensive income.

When preparing the consolidated accounts, foreign Group companies' assets and liabilities are translated to SEK at the closing day rate. Revenue and expense items are translated at the average exchange rate for the period. Any translation differences that arise are recognised in other comprehensive income and transferred to the Group's translation reserve. Upon divestment of a foreign subsidiary, such translation differences are recognised in profit or loss as part of the sales capital gain/loss. Goodwill and fair value adjustments arising from the acquisition of a foreign operations are treated as assets and liabilities in this business and translated at the closing day rate.

Related parties and related party transactions

Disclosures on related parties are presented in Note 31 Related party transactions. The Group's transactions with related parties, in addition to the disclosures in Note 31, relate only to joint operations and are of limited scope and have been carried out on market terms.

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. From 2024, Netel initiated a reorganisation to highlight synergies, better utilise business opportunities and expertise, and allocate resources between countries based on the nature of the operations. The previous segments Sweden, Norway, Finland, Germany and the UK are replaced by the Infraservices, Power and Telecom divisions which, as of 2024, are recognised as the primary operating segments. The previous segments are recognised as business areas within each respective division. To increase transparency, restated figures are also presented for 2023 in accordance with the new operating segments.

Revenue recognition

Netel is a full-service specialist within critical infrastructure active in Sweden, Norway, Finland, Germany and the UK. Netel provides Infranet project management services for the construction and maintenance of physical telecom, broadband and power networks. The Group provides everything from planning and design to execution and with supplementary services within service and maintenance. The revenue reported is attributable to these types of projects and services. Revenue is valued on the basis of the compensation specified in contracts with customers excluding VAT. The Group reports revenues when the control of a service is transferred to the customer, which depends on the type of service performed according to the description below.

As a basis for the revenue recognition, there are agreements with customers in which the parties' rights and obligations, payment terms and the commercial meaning have been established and approved by both parties. A change to the contract is reported as a separate agreement in cases where the change relates to distinct services and there is an adjustment in accordance with stand-alone selling prices.

Construction agreements

The project activities are carried out in the form of Netel entering into a construction agreement with a client. The business model and contractual structures in regard to clients meet the requirements set out for customer agreements. There is a performance obligation that is transferred as projects are completed in a series. The criteria are assessed as met in order to be able to see that the performance obligation is satisfied over time. The agreements with the customer are mainly at a fixed price or, in part, a fixed price through adjustable quantities. A smaller part of the agreements with customers are on a time and materials basis.

Service and maintenance agreements

Customers receive the benefits of the services rendered as Netel delivers the service, which is why revenue is reported based on the service rendered. Service and maintenance agreements are signed as both framework agreements and individual projects and are generally for between one and five years. The agreements include prices based on both contracted price levels for services rendered and on a time and materials basis.

General principles for revenue recognition

Revenue is recognised over time by measuring the progress against a completion of performance obligations. This is done in accordance with the input method as this best reflects measurement of the progress. The input method reports revenues on the basis of efforts to fulfil performance obligations, where the efforts consist of consumed working hours and expenses incurred to complete the contract.

Payment of services provided is received in accordance with the agreed payment plan or alternatively upon completion, if the accrued revenue exceeds the invoiced amount, an contract asset arises, correspondingly a contractual liability arises if the invoiced amount is greater than the accrued revenue. Normally, the payment terms are 30 days.

When the outcome of a project cannot reasonably be measured, but Netel expects to be covered for expenses incurred, revenue recognition only takes place with the amount corresponding to the project costs incurred that the client expects to reimburse. Expected losses in their entirety are charged to profit for the period.

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Employee benefits

Remuneration of employees such as salaries and social costs, holiday and paid sick leave, etc. are reported as the employees perform services. Pensions are classified as defined contributions or defined benefit pension plans.

The plans where the company's obligation is limited to the fees the company has agreed to pay are classified as defined contribution pension plans. The size of the employee's pension depends on the fees that the company pays to the plan or to an insurance company and the capital return that the fees provide. Netel's obligations regarding fees to the defined contribution plan are recognised as an expense in profit for the year at the rate they are earned.

Defined benefit plans are plans other than defined contribution plans. The Group's ITP 2 plan, financed by an insurance in Alecta, is a multi-employer insurance. Companies must classify a plan that includes several employers as a defined contribution plan and a defined benefit plan based on the terms of the plan. Based on the terms of the ITP 2 plan's commitments for age pension and family pension, both these commitments should be classified as defined benefit commitments, but as there are no prerequisites for reporting an ITP 2 plan that is financed through insurance in Alecta as a defined benefit plan, this plan is reported as a defined contribution plan.

Synthetic options

Commitments for the Group's synthetic options are recognised as personnel expenses over the period in which the service is performed, based on the estimated number of rights expected to be earned. The actual value of the liability is revalued at the end of each reporting period and is recognised as a liability for employee compensation in the balance sheet. Any changes in the fair value are recognised in the income statement as employee compensation expenses. In cases where synthetic options are forfeited because the employee does not meet the service conditions, the liability is removed from the balance sheet, and previously recognised costs are reversed.

Warrants

Commitments for the Group's subscription warrants are recognised as personnel expenses over the period in which the service is performed, based on the estimated number of rights expected to be earned. The actual value is calculated on the allocation date and recognised against equity. The assessment of how many shares are expected to be earned is reviewed at the end of each reporting period, and any discrepancies are recognised in the income statement, with corresponding adjustments made to equity.

Financial income and expenses

Financial income consists of interest income on invested funds, exchange rate gains and other financial income. Interest income is reported as it is earned. Financial expenses refer to interest, fees and other expenses incurred in connection with the raising of interest-bearing liabilities, exchange rate losses and other financial expenses.

Derivatives, to the extent that they are used, are used to hedge the risks of interest and currency exposure to which Netel is exposed. Premium payments for hedging are reported, where applicable, as interest expenses in the period to which they relate.

Income taxes

The tax expense in profit or loss comprises deferred tax and current tax that is not recognised in other comprehensive income or directly in equity. Current tax refers to income tax for the current financial year referring to the taxable earnings for the year and that part of previous years' income tax that has not yet been reported. Current tax is valued at the probable amount according to the tax rates and tax rules that apply on the balance sheet date.

Deferred tax is income tax on taxable earnings pertaining to future financial years resulting from former transactions or events. Deferred tax is calculated on temporary differences. A temporary difference exists when the carrying amount of an asset or liability differs from the tax value. Temporary differences are not considered when attributable to investments in subsidiaries, branches, associated companies or joint venture if the company can control the timing of the reversal of the temporary differences and it is not obvious that the temporary difference will be reversed in the foreseeable future. Differences arising from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, impacts neither tax nor reported profit or loss are not considered as temporary differences.

Deferred tax assets relating to loss carry-forwards or other future tax deductions are recognised to the extent that it is probable that the deductions can be offset against future tax surpluses. Deferred tax liabilities attributable to untaxed reserves are not recognised separately. Untaxed reserves are recognised gross in the balance sheet.

Goodwill

Goodwill is measured in accordance with the principles of IFRS 3 Business combinations, and represents future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is measured at cost less accumulated impairment.

Goodwill is not amortised but tested for impairment on an annual basis, or more frequently if events or changes in conditions indicate the risk of a decline in value. Acquired goodwill in connection with business combinations is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the acquisition. Each entity or group of units to which goodwill has been allocated corresponds to the lowest level of the Group on which the goodwill in question is monitored in the internal governance, which for Netel is the respective segment, which comprises the divisions Infraservices, Power and Telecom.

Brand and other intangible assets

The Netel brand was acquired in connection with the acquisition of Netel Group BC AB and was initially measured at fair value on the acquisition date in accordance with the acquisition method. There is no foreseeable time limit for when the brand would not generate a positive cash flow for the Group, which is why it is recognised as an intangible asset with an indefinite useful life, which means that it is not amortised. The Netel brand is tested annually for impairment.

The fair value of customer relationships is determined based on estimated future cash flows from agreements with existing customers. Customer relationships are recognised at cost less accumulated amortisation and any impairment. The asset is amortised straight-line over the estimated useful life, which amounts to three years.

Technology is recognised at cost less accumulated amortisation and any impairment. The estimated useful life amounts to three years.

Capitalised development costs are recognised at cost less accumulated amortisation and any impairment. The estimated useful life amounts to three to five years.

Intangible assets acquired as part of a business combination are identified and recognised separately from goodwill when they meet the definition of an intangible asset and their fair value can be reliably calculated. The cost of such intangible assets comprise their fair value on the acquisition date.

Subsequently, intangible assets acquired in a business combination are recognised at cost less accumulated amortisation and any accumulated impairment losses in the same way as separately acquired intangible assets.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment. Assets are depreciated linearly over the estimated useful life of the assets. The useful life period is reviewed on each balance sheet date. The following useful lives apply:

- Plant and machinery, 3-10 years
- Equipment, tools, fixtures and fittings, 5 years

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- Right-of-use assets, 2-6 years

Depreciation/amortisation of property, plant and equipment and intangible assets

Brands that have an indefinite useful life are not amortised but tested annually for any impairment. Impairment of goodwill is described under the heading Goodwill above. Other assets are tested for impairment as soon as events or changes in different circumstances indicate that carrying amount value may not be recoverable. If these indications arise, an assessment is made of the asset's recoverable amount, which is the higher of an asset's fair value less selling expenses and the value in use. When assessing the value in use, estimated future cash flows are discounted by a discount factor that takes into account current market assessments of the time value of money and the risks attributable to the asset or cash-generating unit. Impairment takes place at the amount that the asset's carrying amount exceeds the estimated recoverable amount. When assessing the need for impairment, assets are grouped at the lowest levels where there are separately identifiable cash flows (cash-generating units). Impairment is only reversed if there has been a change in the conditions applicable to the calculation when the recoverable amount of the asset was determined in the most recent impairment test. Impairment related to goodwill is not reversed under any circumstances.

Leases

Netel has leases for buildings and premises, cars and machinery and tools. These leases are recognised in the balance sheet except for leases with a term of 12 months or less (short-term leases) and leases of a low value (low-value leases). Netel recognises lease payments in connection with these leases (short-term leases and low-value leases) as an expense linearly over the lease term.

At the start of the lease, the Group assesses whether a contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Upon lease commencement a right-of-use asset (lease asset) and a lease liability are recognised. The right-of-use asset is depreciated linearly over the estimated useful life, which is deemed to correspond to the lease term. Leases are normally valid for 2-6 years. Lease liabilities are recognised at amortised cost and remeasured when changes in future lease payments are made. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease contract if that can be readily determined. If that rate cannot be readily determined, the Group uses the incremental borrowing rate. Netel generally applies the Group's incremental borrowing rate adjusted by a risk premium based on the underlying asset. Interest payments on, and amortisation of, the lease liabilities are recognised in the cash flow. The lease liability is remeasured when changes in future lease payments arise due to a change in index or if Netel changes its estimates regarding purchases, extension or terminations of the lease contract. For lease contracts, Netel makes a qualified assessment as to whether it is reasonably certain that extensions will be used. All leases are assessed individually. The majority of the extension options are excluded in the lease liability because the Group believes that the assets can be replaced without significant costs or interruption to the business.

The Parent Company applies the exemption in RFR2 from applying IFRS 16 and continues to recognise lease payments as operating expenses.

Inventories

Inventories are measured at the lower of cost, calculated at first-in-first-out, and net realisable value. The net realisable value has been calculated as the sales value after deduction for the estimated cost of sale, taking into account obsolescence.

Financial assets and liabilities – financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual terms of the financial instrument. Transactions with financial assets are recognised on the transaction date, which is the date on which the Group undertakes to acquire or sell the assets. Financial assets are derecognised from the balance sheet when the rights in the agreement have been realised, expired or when the Group no longer has control over it. The same applies to part of a financial asset. Financial liabilities are derecognised from the balance sheet when the agreed obligation has been fulfilled or otherwise extinguished. Assets and liabilities are offset only when there is a legal right to offset and there is a right and an intention to settle the items on a net basis. Financial instruments recognised in the statement of financial position include cash and cash equivalents, contract assets, accounts receivable and derivatives on the asset side. Accounts payable, liabilities to credit institutions, contract liabilities and derivatives are recognised on the liability side.

Classification and measurement

Financial assets are classified based on the business model used to manage the asset and the asset's cash flow characteristics. If the financial asset is held within a business model whose objective is to collect contractual cash flows (hold to collect) and the agreed conditions for the financial asset at specific times give rise to cash flows consisting solely of payments of principal and interest on the principal amount, the asset is recognised at amortised cost.

If the objective of the business model instead is achieved by both collecting contractual cash flows and selling financial assets (hold to collect and sell), and the agreed terms of the financial asset at certain times give rise to cash flows consisting solely of payments of principal and interest on the principal amount, the asset is measured at fair value through other comprehensive income.

All other business models where the purpose is speculation, holdings for trading or where the characteristics of the cash flow excludes other business models, are measured at fair value through profit or loss.

The Group applies the Hold to collect business model for accounts receivable, other receivables and cash and cash equivalents. The Group's financial assets are initially measured at fair value and subsequently at amortised cost using the effective interest method, less expected credit losses. Financial liabilities are measured at fair value through profit or loss if it is a contingent consideration to which IFRS 3 applies, holdings for trading or if they are initially identified as liabilities at fair value through profit or loss. Other financial liabilities are measured at amortised cost.

Fair value of financial instruments

The fair value of financial assets and liabilities traded on an active market is determined with reference to the listed market price. The fair value of other financial assets and liabilities is determined according to generally accepted valuation models such as discounting future cash flows and the use of information taken from current market transactions.

For all financial assets and liabilities, the carrying amount is deemed to be a good approximation of its fair value, unless otherwise specified.

Amortised cost and the effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal, plus the accumulated depreciation using the effective interest method of any difference between that principal and the principal outstanding, adjusted for any impairment. The recognised gross amount of a financial asset is the amortised cost of a financial asset before adjustments for any loss allowances.

The effective interest rate is the rate used when discounting all expected cash flow over the expected duration to result in the initial carrying amount of the financial asset or the financial liability.

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Provisions

Provisions for legal claims, guarantees and restoration measures are recognised when the Group has a legal or informal obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been measured reliably. No provisions are made for future operating losses. Provisions are measured at the present value of the amount expected to be required to settle the obligation. To this, a discount rate before tax is used which reflects a current market assessment of the time-dependent value of money and the risks associated with the provision. The increase in provisions due to the fact that time is lapsed is recognised as interest expense.

Capital

Netel defines total capital as equity plus net debt in the balance sheet.

Hedge accounting

Netel does not apply hedge accounting.

Estimates and judgements

When preparing the financial statements, company management and the Board must make judgements and estimates that affect recognised asset and liability items and revenue and expense items, as well as related information about contingent items. These assessments and estimates are based on historical experiences and the various assumptions that management and the Board consider to be reasonable under the current circumstances. The conclusions drawn constitute the basis for decisions concerning the carrying amounts of assets and liabilities, in cases where these cannot be determined without further information from other sources. Actual outcomes may deviate from the judgements and estimates. The estimates and assumptions are reassessed regularly. Changes in estimates and assumptions are recognised in the period in which the change is made and in future periods if these periods are affected. Management believes that the following areas include the most difficult, most subjective or most complicated assessments and estimates that it must make when preparing the financial statements.

Information about assessments and estimates that have the most significant impact on the recognition and measurement of assets, liabilities, revenue and expenses. The outcome of these may deviate considerably. According to management, there is no significant risk for a material adjustment during the coming financial year in relation to carrying amounts.

Revenue recognition

The amount of revenue and associated contract assets and contract liabilities that has been recognised reflects the Executive Team's best estimate of the outcome and degree of completion of each contract. For complex construction agreements, there is significant uncertainty when estimating the expenses for competition and profitability. Netel recognises revenue in projects over time as they are completed, which is measured by the expenses incurred in relation to total expected expenses at a point in time. The Group has a well-established process for monitoring the degree of completion and the expected total expenses per project. The process manages the monitoring and estimates of the risk of loss that may arise in the projects.

Contract assets at the end of 2024 was MSEK 384 (447) and contract liabilities MSEK 132 (151). For more information regarding construction contracts, refer to Note 20.

Revenue recognition – construction agreements

For revenue recognition of construction agreements, estimates must be made of the actual degree of completion, estimated expenses for completing the project and follow-ups against forecasts of final outcomes for the project. Unforeseen events may cause the final result of the projects to be both higher or lower than expected. A provision (low allowance) is made for projects in which losses are expected. Expected losses are expensed as soon as they are known, the uncertain part of the expected loss is recognised as a provision.

Impairment of goodwill and brands, etc.

To test for impairment, the Executive Team calculates the recoverable amount of each asset cash-generating unit based on the expected future cash flows and using an appropriate interest rate to discount the cash flow. Uncertainties arise primarily in estimates and assumptions regarding futures cash flows in relation to growth, margins and other related items affecting cash flow as well as when establishing an appropriate discount rate. The Group has a well developed process for assumptions regarding future cash flows per cash-generating unit and uses WACC as a relevant discount rate, specifically for each cash-generating unit.

At the end of 2024, goodwill amounted to MSEK 1,242 (1,237). Brands amounted to MSEK 179 (179). For more information on impairment testing, refer to Note 11.

Leases

Assumptions on whether or not to exercise the option to extend existing leases have a major impact on the estimated lease asset and lease liabilities. For existing leases, Netel makes a qualified assessment as to whether it is reasonably certain that an additional extension period will be used and estimates the duration of these leases based on expected use within the current business.

Accounts receivable and contract assets

Netel measures the expected credit losses for financial assets classified at amortised cost including accounts receivable and contract assets. Netel applies the simplified model in calculating expected credit losses on accounts receivable using a matrix where a fixed percentage for a reserve is used depending on the number of days a receivable is outstanding. Management is to make overall estimates to ensure that a reasonable loss allowance is recognised.

Netel defines default as being considered unlikely that the counterparty will meet its commitments due to indicators such as financial difficulties and missed payments, see further under Note 19 (Credit risk). A receivable is written off when no possibilities for additional cash flows are deemed to exist.

At the end of 2024, accounts receivable amounted to MSEK 505 (539) and contract assets to MSEK 384 (447).

Parent Company's accounting policies

The Annual Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2 Reporting for Legal Entities. Untaxed reserves are recognised in their entirety without being specified as equity or deferred tax. Group contributions received and paid are recognised as appropriations. Participations in subsidiaries and joint ventures are recognised at cost less any impairment. RFR 2 includes exemptions from applying IFRS 9 in legal entities. The impairment requirements in accordance with IFRS 9 are applied without the exemption for financial non-current assets including receivables from Group companies. The Parent Company also applies the exemption regarding IFRS 16 in RFR 2.

Note 2 Segment reporting

Operating segments

For accounting and monitoring purposes, the Group has divided its operations into three operating segments based on how the Group CEO evaluates the Group's operations. The three operating segments are the Infraservices, Power and Telecom divisions. The Group CEO primarily uses earnings before interest, tax and amortisation (EBITA) in assessing the performance of the operating segments. 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.

From 2024, Netel initiated a reorganisation to highlight synergies, better utilise business opportunities and expertise, and allocate resources between countries based on the nature of the operations. The previous segments Sweden, Norway, Finland, Germany and the UK are replaced by the Infraservices, Power and Telecom divisions which, as of 2024, are recognised as the primary operating segments. The previous segments are recognised as business areas within each respective division. To increase transparency, restated figures are also presented for 2023 in accordance with the new operating segments. Operations in Finland are recognised as discontinuing operations and are not included in the segment reporting. For the comparative year 2023, non-current assets of MSEK 9.2 relating to operations in Finland were not allocated to segments.

MSEK 2024	**Infraservices**	**Power**	**Telecom**	**Total segments**	**Group-wide items and eliminations**	**Group total**
Continuing operations						
Revenue from external customers	844	1005	1,434	3,284	0	3,284
Revenue from other segments	-	-	-	-	0	-
Total revenue	**844**	**1,005**	**1,434**	**3,284**	**0**	**3,284**
EBITA	54	76	14	144	8	152
EBITA margin, %	6.4%	7.6%	1.0%	4.4%		4.6%
Non-current assets	**392**	**531**	**683**	**1,606**	**-**	**1,606**

MSEK 2023	**Infraservices**	**Power**	**Telecom**	**Total segments**	**Group-wide items and eliminations**	**Group total**
Continuing operations						
Revenue from external customers	775	1,002	1,408	3,185	1	3,186
Revenue from other segments	-	-	-	-	0	-
Total revenue	**775**	**1,002**	**1,408**	**3,185**	**1**	**3,186**
EBITA	68	73	34	175	-6	169
EBITA margin, %	8.8%	7.3%	2.4%	5.5%		5.3%
Non-current assets	**383**	**561**	**656**	**1,600**		**1,600**

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Note 3 Specification of revenue

Currently, the Group only conducts Infraservices in Sweden. Power operations are conducted in Sweden and Norway. Telecom operations are conducted in all four countries. Telecom only encompasses fibre roll-out and service in the UK and Germany. In Sweden and Norway, Telecom also encompasses roll-out and service of mobile networks. The operations in Finland are recognised as discontinuing operations.

MSEK Jan-Dec 2024	Infraservices	Power	Telecom	Total segments	Discontinuing operations	Group total
Business area						
Sweden	844	653	280	**1777**		**1777**
Norway	-	352	910	**1263**		**1263**
Finland	-	-	-	**0**	241	**241**
Germany	-	-	174	**174**		**174**
UK	-	-	70	**70**		**70**
Group-wide	-	-	-	**0**		**0**
Revenue from contracts with customers	**844**	**1005**	**1434**	**3284**	**241**	**3524**
Type of service						
Framework agreement	214	246	1129	**1589**	236	**1825**
Project	630	759	305	**1695**	5	**1699**
Group-wide	-	-	-	**0**	-	**0**
Revenue from contracts with customers	**844**	**1005**	**1434**	**3284**	**241**	**3524**

MSEK Jan-Dec 2023	Infraservices	Power	Telecom	Total segments	Discontinuing operations	Group total
Business area						
Sweden	775	630	282	**1688**		**1688**
Norway	-	371	824	**1195**		**1195**
Finland	-	-	-	**0**	273	**273**
Germany	-	-	192	**192**		**192**
UK	-	-	110	**110**		**110**
Group-wide	-	-	-	**1**		**1**
Revenue from contracts with customers	**775**	**1002**	**1408**	**3185**	**273**	**3459**
Type of service						
Framework agreement	192	499	919	**1610**	203	**1813**
Project	584	503	489	**1575**	70	**1645**
Group-wide	-	-	-	**0**		**0**
Revenue from contracts with customers	**775**	**1002**	**1408**	**3185**	**273**	**3458**

Contract assets	**31 Dec 2024**	**31 Dec 2023**
Opening balance	447	502-
Changes due to normal operations	-46	-56
Less, discontinuing operations	-17	
Closing balance	**384**	**447**

Contract liabilities	**31 Dec 2024**	**31 Dec 2023**
Opening balance	151	118
Changes due to normal operations	-7	33
Less, discontinuing operations	-12	
Closing balance	**132**	**151**

Revenue recognised for the year	**31 Dec 2024**	**31 Dec 2023**
On the contract liabilities side on 1 January:	151	-
From performance obligations that were satisfied in full or in part in prior periods	-	-

Revenue allocated to unsatisfied or partially satisfied performance obligations expected to be recognised as revenue	**31 Dec 2024**	**31 Dec 2023**
Within one year	384	447
After one year	-	-

Contract assets comprise accrued revenue to which the company's right is conditional on continued performance in accordance with the contract. When the company's right to payment is unconditional, invoices are issued and the asset is recognised as an account receivable. Contract liabilities are advance payments from customers for which performance obligations have not been satisfied. Contract liabilities are recognised as revenue when the performance obligation of the contract is satisfied (or has been satisfied).

Note 4 Auditors' fees

	Group		Parent Company	
MSEK	2023	2022	2023	2022
Deloitte AB				
Audit	4	4	0	0
Other services	0	0	0	0
Total	**4**	**4**	**0**	**0**

Audit assignment refers to the auditor's work on the statutory audit, and auditing activities refers to various types of quality-assurance activities. Other services are such services as are not included in the audit assignment, auditing activities or tax advisory services.

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Note 5 Number of employees and gender distribution

Average number of employees, converted to full-time employees	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Infraservices	165	157	-	-
Of whom, women	17	11	-	-
Of whom, women %	10%	7%	-	-
Power	213	212	-	-
Of whom, women	13	13	-	-
Of whom, women %	6%	6%	-	-
Telecom	448	437	-	-
Of whom, women	55	39	-	-
Of whom, women %	12%	9%	-	-
Group functions	11	8	2	2
Of whom, women	2	2	1	1
Of whom, women %	14%	14%	50%	50%
Total	**837**	**814**	**2**	**2**
Of whom, women	**87**	**65**	**1**	**1**
Of whom, women %	**10%**	**8%**	**50%**	**50%**
Discontinuing operations	**47**	**42**	-	-
Of whom, women	6	5	-	-
Of whom, women %	13%	12%		

Two of the five members of the Board are women, or 40 per cent. Of senior executives, 20 per cent is female.

Note 6 Employees

Salaries, remuneration, etc. Total salaries, remuneration, social costs and pension costs were paid in the following amounts:

MSEK	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Board and CEO:				
Salaries and remuneration	10	7	10	6
Salaries (subsidiaries abroad)	0	0	0	0
Pension costs	1	3	1	3
Pension costs (subsidiaries abroad)	0	0	0	0
	11	**10**	**11**	**9**
Other employees:				
Salaries and remuneration	519	500	3	2
Pension costs	42	39	0	1
	562	**539**	**4**	**3**
Social costs	118	111	4	4
Total Board and other	**691**	**660**	**19**	**15**
Discontinuing operations	**40**	**40**		

The ITP2 insurance is a multi-employer insurance in Alecta, and the premium for the defined benefit retirement and family pension is calculated individually on the basis of such factors as salary, previously earned pension entitlement and estimated remaining period of employment. The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio is normally permitted to vary between 125 and 175 per cent. If Alecta's collective consolidation level falls below 125 per cent or exceeds 150 per cent, action is to be taken to create the conditions for returning the consolidation level to within the normal range. In the case of low consolidation, one step can be to increase the price of new, and extending existing, benefits. In the case of high consolidation, one alternative can be to reduce premiums. At year-end 2024, Alecta's preliminary surplus in the form of the collective funding ratio was 162 per cent (158). Netel's share of the total contributions for the plan, and the Group's share of the total number of active members in the plan, amount to 0.00677 per cent and 0.00789 per cent, respectively. The corresponding figures for 2023 are 0.00709 per cent and 0.00864 per cent, respectively. The expected fees for 2025 for ITP2 insurance signed with Alecta total TSEK 1,113.

Long-Term Incentive Program (LTIP) 2024/2027

The Group introduced an options program in 2024 for members of the executive management team and certain other key individuals. Some of the participants in the program are given the opportunity to acquire shares in the company (subscription options), while others are offered the opportunity to receive a cash compensation based on the share price (synthetic options). The participants have been offered to purchase the options at market value, with a subsidy through a cash payout corresponding to approximately 50% of the investment amount. The benefit corresponding to the subsidy is reported as share-based compensation in accordance with IFRS 2, i.e., as a personnel expense over the vesting period of 3 years.

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Note 6, cont.

The program includes 750,000 subscription options and 214,000 synthetic options. Both synthetic options and subscription options can be exercised during the period from 1 June 2027 to 31 August 31 2027. The subscription price/exercise price amounts to 150 per cent of the volume-weighted average price over five trading days up to and including 17 May 2024, which was SEK 22.39. The terms of the subscription options include a clause for a so-called "net strike recalculation." This means that the subscription price and the number of shares each subscription option entitles the holder to will be recalculated before the exercise period. The fair value on the allocation date amounted to SEK 1.88 for the subscription options and SEK 1.87 for the synthetic options. The fair value has been calculated using the Black-Scholes model based on the following assumptions:

- Stock price: SEK 14.76
- Subscription price/exercise price: SEK 22.39
- Risk-free interest rate: 2.57%
- Volatility: 35%
- Term: 3 years
- Value cap per synthetic option: SEK 74.63 (equivalent to 500% of the volume-weighted average price over five trading days up to and including 17 May 2024).

In 2025, the group has recognised an amount of SEK 176,250 according to IFRS 2 for the share-based compensation.

Remuneration of and other benefits to senior executives

Principles

Annual fees are paid to the Chairman of the Board and Board members in accordance with a decision of the Annual General Meeting. The Board decides on the terms of employment for the CEO. The CEO decides on remuneration of senior executives. Remuneration of the CEO and other senior executives consists of fixed salary, variable remuneration, other benefits and pension provisions.

Termination of employment/Severance pay CEO and Executive Team

If notice of termination is made by Netel, the notice period may not exceed 12 months for the CEO and six months for the other Executive Team members. If a member of the Executive Team is given notice, Netel is liable to pay, including severance pay and remuneration under the notice period, the equivalent of maximum 18 months' base salary and other employment benefits. If notice of termination is made by a member of the Executive Team, the notice period may not exceed six months, with no right to severance pay. Full salary and other employment benefits are paid during the notice period, with deduction for salary and other remuneration received from other employment or activities that the employee has during the notice period.

Remuneration of Board, TSEK		2024	2023
Chairman of the Board*[1]	Alireza Etemad	490	350
Chairman of the Board*	Hans Petersson	187	560
Board member*	Nina Macpherson	385	385
Board member**	Carl Jakobsson	365	365
Board member**[1]	Göran Lundgren	398	365
Board member**	Ann-Sofi Danielsson	138	415
Board member	Therese Lundstedt	210	-
Board member	Jeanette Reuterskiöld	-	315
Total		**2,173**	**2,755**

* Members of Remuneration Committee ** Members of Audit Committee [1] Members of Tender Committee

Remuneration of and other benefits to senior executives, TSEK 2024	Basic salary	Remuneration and other benefits	Pension costs
CEO*	4,750	1,114	1,147
Other members of Executive Team	8,597	2,076	1,608
Total	**13,347**	**3,190**	**2,755**

*Includes final salary for outgoing CEO

Remuneration of and other benefits to senior executives, TSEK 2023	Basic salary	Remuneration and other benefits	Pension costs
CEO*	5,630	85	2,816
Other members of Executive Team	8,456	646	1,523
Total	**14,086**	**730**	**4,339**

*Refers to Jeanette Reuterskiöld and Ove Bergkvist

Note 7 Financial income and expenses

	Group		Parent Company	
MSEK	2024	2023	2024	2023
Financial income				
Interest income, other	5	6	58	36
Profit from sales of subsidiaries	-	-	-	-
Revaluation				
- interest derivatives, fair value	-	0	-	-
Exchange rate gains, net	3	7	5	-
Total financial income	**8**	**13**	**63**	**36**
Financial expenses				
Interest expenses				
- interest-bearing liabilities	-65	-66	-55	-54
- interest derivatives, fair value	0	-	-	-
Exchange rate losses, net	-	-	-	-
Other financial expenses	-18	-9	-4	-3
Total financial expenses	**-83**	**-75**	**-59**	**-57**
Net financial items	**-75**	**-63**	**4**	**-21**

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Note 8 Appropriations

MSEK	Parent Company 2024	Parent Company 2023
Tax allocation reserve	0	-13
Group contributions received	-5	66
Total	**-5**	**53**

Note 9 Tax on profit for the year

MSEK	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Current tax				
Current tax on profit for the year	-14	-26	0	-8
Current tax, correction previous year	-1	0	0	0
Total	**-15**	**-26**	**0**	**-8**
Deferred tax				
Change in tax loss carry-forward	5	1	0	0
Change in temporary differences	0	0	0	0
Untaxed reserves	-2	-1	0	0
Total	**3**	**-2**	**0**	**0**
Additional tax loss carry-forward, discontinuing operations*		7		
Total tax	**-12**	**-19**	**0**	**-8**

*deferred tax attributable to discontinuing operations was not recognised separately in 2023

Reconciliation of tax expense for the year	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Earnings before tax	70	102	1	36
Tax rate, 20.6%	-15	-21	0	-7
Adjustment for foreign tax	1	-1	0	0
Tax effect of:				
Non-taxable income	0	0	0	0
Non-deductible expenses	-4	-5	0	0
Adjustment for tax expenses, acquired companies	0	2	0	0
Previously unrecognised loss carry-forwards	4	-	-	-
Other	**2**	**-1**	**0**	**0**
Total	**-12**	**-26**	**0**	**-8**

Note 10 Earnings per share

MSEK	Group 2024	Group 2023
Earnings attributable to ordinary shareholders		
Earnings for the year attributable to Parent Company's shareholders	-46	44
Earnings per share before and after dilution, continuing operations (SEK)	0.81	0.91
Earnings per share before and after dilution including discontinuing operations (SEK)	**-1.19**	**0.75**
Number of shares		
Average number of shares before and after dilution	48 511 873	48 480 297

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Note 11 Goodwill

MSEK	Group 31 Dec 2024	Group 31 Dec 2023	Parent Company 31 Dec 2024	Parent Company 31 Dec 2023
Opening cost	1,237	1,179	-	-
Acquisition of subsidiaries	0	67	-	-
Exchange rate differences for the year	4	-9	-	-
Closing accumulated cost	**1,242**	**1,237**	**-**	**-**

Goodwill and brand specified by cash-generating units

2024	Goodwill	Brands	WACC
Infraservices	282	40	10.1%
Power	444	59	8.9%
Telecom	516	80	8.5%
	1,242	**179**	

Goodwill and brand specified by cash-generating units

2023	Goodwill	Brands
Infraservices	282	40
Power	444	59
Telecom	511	80
	1,237	**179**

Goodwill and brand specified by cash-generating units according to last year's segment reporting

2023	Goodwill	Brands	WACC
Sweden	1,013	170	9.5%
Norway	143	8	10.3%
Finland	-	1	9.4%
Germany	-	-	9.0%
UK	82	-	10.8%
	1,237	**179**	

Goodwill and brands with indefinite useful lives are tested for impairment annually. The recoverable amounts of the cash-generating units were calculated as the value in use based on management's five-year forecast of net cash flow, for which the most important estimates and assumptions relate to future cash flows in relation to growth, margin and other cash flow affecting items and the determination of the appropriate discount rate. The five-year forecasts are determined by the management of the respective cash-generating unit. Values for specified key assumptions reflect historical experience and development and take into account internal resources and externally available market information such as investment plans within the respective unit and market conditions.

The company reorganised its operating segments from 2024. The previous segments Sweden, Norway, Finland, Germany and the UK were replaced by the new Infraservices, Power and Telecom divisions. This means that the monitoring and recognition of goodwill and impairment tests have been adjusted to reflect this change in the structure of the organisation. The new segments are recognised as the primary operating segments in the Group, which also affects the application of the testing methods for measuring goodwill and testing for any impairment. To ensure transparency, the comparative figures were updated in the Note to reflect this change and to provide a clearer understanding of the new business structure.

For 2024, there are no write-down requirements and no reasonable possible changes regarding estimates and assumptions on which Netel has based the determination of the recoverable amount are deemed to affect the write-down requirement for the year. Netel has not identified any significant impact on impairment requirements or future cash flows from climate-related risks. For the period after five years, annual growth is estimated to be 2.0 per cent (2.0).

Key variables in the calculation of value in use

The following variables are essential and common to all cash-generating units in the calculation of value in use:

- **Revenue**: The historical development of the business, expected economic trends for the infrastructure sector, general macroeconomic development, investment plans from public and municipal buyers, interest rates, and local market conditions.
- **Operating margin**: Historical profitability levels and efficiency of the business, access to key personnel and skilled labor, availability of internal resources, and cost development for wages, materials, and subcontractors.
- **Working capital requirements**: Assessment based on each individual case of whether the level of working capital reflects the business's needs or requires adjustments for the forecast periods. For future development, a reasonable or cautious assumption is that it follows revenue growth. A high degree of self-developed projects may lead to a larger need for working capital.
- **Investment needs**: The investment needs of the business are assessed based on the investments required to achieve the projected cash flows in the baseline scenario, i.e., without expansion investments.
- **Tax burden**: The tax rate in the forecasts is based on Netel's expected tax situation in Sweden, Norway, Germany, and the United Kingdom concerning tax rates.
- **Discount rate**: Projected cash flows and terminal value are discounted to present value using a weighted average cost of capital (WACC). The interest rate on borrowed capital has been adjusted to market conditions for each division. The required return on equity is constructed according to the Capital Asset Pricing Model (CAPM). In the completed calculations of value in use, a weighted after-tax discount rate has been used.

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Note 12 Other intangible assets

Capitalised development expenditure and similar	Group		Parent Company	
MSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Opening cost	31	27	-	-
Acquisitions for the year	14	6	-	-
Exchange rate differences for the year	0	-2	-	-
Less, discontinuing operations	-5	-		
Closing accumulated cost	**40**	**31**	**-**	**-**
Opening amortisation	-11	-7	-	-
Amortisation for the year	-6	-5	-	-
Depreciation for the year, discontinuing operations	-1	0		
Exchange rate differences for the year	0	1	-	-
Less, discontinuing operations	1	-		
Closing accumulated amortisation	**-17**	**-11**	**-**	**-**
Net carrying amount	**23**	**20**	**-**	**-**

Brand, customer relationships and technology	Group		Parent Company	
MSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Opening cost	267	267	-	-
Acquisitions for the year	-	-	-	-
Exchange rate differences for the year	0	-1	-	-
Less, discontinuing operations	-	-		
Closing accumulated cost	267	267	-	-
Closing accumulated cost	**267**	**267**	**-**	**-**
Opening amortisation	-87	-88	-	-
Amortisation for the year	-	-		
Exchange rate differences for the year	0	1	-	-
Less, discontinuing operations	-	-		
Closing accumulated amortisation	-87	-87	-	-
Net carrying amount	**179**	**179**	**-**	**-**
Net carrying amount	**179**	**179**	**-**	**-**

The net carrying amount above includes the following intangible assets: Brand MSEK 179 (179), Customer relationships MSEK 0 (0), technology MSEK 0 (0). There is no foreseeable time limit for when the brand would not generate a positive cash flow for the Group, which is why no regular amortisation takes place. The Netel brand is impairment tested annually; refer also to accounting policies and Note 11.

Note 13 Lands and buildings

	Group		Parent Company	
MSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Opening cost	6	-	-	-
Purchases	0	-	-	-
Acquisitions	-	6	-	-
Sales/disposals	-	-	-	-
Reclassification	-	-	-	-
Exchange rate differences for the year	-	-	-	-
Less, discontinuing operations	-	-	-	-
Closing accumulated cost	**6**	**6**	**-**	**-**
Opening depreciation	-1	-	-	-
Sales/disposals	-	-	-	-
Acquisitions	-	-1	-	-
Reclassification	-	-	-	-
Amortisation for the year	0	0	-	-
Exchange rate differences for the year	-	-	-	-
Less, discontinuing operations	-	-	-	-
Closing accumulated amortisation	**-1**	**-1**	**-**	**-**
Net carrying amount	**5**	**5**	**-**	**-**

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Note 14 Plant and machinery

	Group		Parent Company	
MSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Opening cost	124	114	-	-
Purchases	28	24	-	-
Acquisitions	0	3	-	-
Sales/disposals	-14	-16	-	-
Reclassification	2	0	-	-
Exchange rate differences for the year	2	-1	-	-
Less, discontinuing operations	-2	-	-	-
Closing accumulated cost	**140**	**124**	**-**	**-**
Opening depreciation	-65	-58	-	-
Sales/disposals	9	9	-	-
Acquisitions	0	-2		
Reclassification	-2	0	-	-
Deprecation for the year	-15	-14	-	-
Depreciation for the year, discontinuing operations	0	0		
Exchange rate differences for the year	-1	0	-	-
Less, discontinuing operations	1	-	-	-
Closing accumulated amortisation	**-73**	**-65**	**-**	**-**
Net carrying amount	**68**	**59**	**-**	**-**
Construction in progress	-	-	-	-
Total	**68**	**59**	**-**	**-**

Note 15 Equipment, tools, fixtures and fittings

	Group		Parent Company	
MSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Opening cost	46	45	-	-
Purchases	2	3	-	-
Acquisitions	0	0		
Sales/disposals	-14	0	-	-
Reclassification	-2	0	-	-
Exchange rate differences for the year	0	-2	-	-
Less, discontinuing operations	0	-	-	-
Closing accumulated cost	**31**	**46**	**-**	**-**
Opening depreciation	-38	-34	-	-
Sales/disposals	15	0	-	-
Acquisitions	0	0	-	-
Reclassification	2	0	-	-
Deprecation for the year	-4	-5	-	-
Depreciation for the year, discontinuing operations	0	0		
Exchange rate differences for the year	0	2	-	-
Less, discontinuing operations	0	-	-	-
Closing accumulated depreciation	**-25**	**-38**	**-**	**-**
Net carrying amount	**6**	**8**	**-**	**-**

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Note 16 Right-of-use assets

MSEK	31 Dec 2024	31 Dec 2023
Accumulated cost		
Opening balance	201	209
New acquisitions	38	43
Divestments and disposals	-12	-42
Revaluation	-1	-10
Less, discontinuing operations	-8	-
Closing balance	**218**	**201**
Accumulated depreciation		
Opening balance	-99	-88
Deprecation for the year	-49	-50
Depreciation for the year, discontinuing operations	-3	-3
Divestments and disposals	11	38
Revaluation	1	4
Less, discontinuing operations	3	-
Closing balance	**-135**	**-99**
Net carrying amount	**83**	**102**

Right-of-use assets refer to leased assets in accordance with IFRS 16, which comprise Buildings (rent of premises) of MSEK 30 (41), Vehicles MSEK 48 (54) and Other (tools/machinery) MSEK 4 (7). Depreciation for the year for right-of-use assets for Buildings was MSEK 18 (21), Vehicles MSEK 30 (29), and Other (tools/machinery) MSEK 3 (2). The Group has excluded short-term leases and low-value leases of MSEK 1 (1).

The maturity structure for lease liabilities is presented in Note 25.

Amounts recognised in profit or loss	2024	2023
Depreciation of right-of-use assets	-52	-52
Interest expenses for lease liabilities	-3	-4
Expenses attributable to short-term leases	-0	-1
Expenses attributable to low-value leases	-0	-0
Total	**-55**	**-57**
Cash outflow for leases recognised under IFRS 16	**-55**	**-56**

Short-term leases relate to temporary rental of premises, work machines, containers and other. Low-value leases primarily refer to office machinery, vehicles, parking places and other items. On 31 December 2024, the Group did not have any obligations for short-term leases.

Additional disclosures

For the Netel Group, the majority of right-of-use assets and lease liabilities are related to leases of vehicles and premises. Assumptions on whether or not to exercise the option to extend existing leases have a major impact on the recognised right-of-use assets and lease liabilities. For existing lease contracts, Netel makes a qualified assessment as to whether it is reasonably certain that extensions will be used. As of the balance sheet date, an assessment of current leases did not entail any significant adjustment of the amount of the right-of-use assets. Netel takes the following factors into account as most important in assessing whether the leases will be extended: fees for terminating leases, significant remaining value of capitalised improvement costs of third-party properties, historical lease terms and costs and interruptions in the business required to replace the leased asset. The majority of the extension options are excluded in the lease liability because the Group believes that the assets can be replaced without significant costs or interruption to the business.

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Note 17 Participations in Group companies

MSEK	Parent Company 31 Dec 2024	31 Dec 2023
Opening cost	1,622	1,202
Acquisition of participations in Group companies	0	98
Merger	0	323
Shareholders' contributions	-	-
	1,622	**1,622**

Company	Corp. Reg. No.	Registered office	Number of shares	Participation
Direct ownership				
Netel Group AB	556914-7548	Stockholm	12,517,894	100%

Company	Corp. Reg. No.	Registered office	Number of shares	Participation
Indirect ownership				
Netel AB	556592-4056	Stockholm	100,000	100%
Netel AS	983096514	Oslo	5,700,000	100%
Nett-Tjenester AS	995627868	Fredrikstad	100	100%
Telog Eesti OÜ	11904874	Tallinn	1,000	100%
ICT Consulting AB	556961-0826	Stockholm	1,000	100%
Medam AB	556646-7998	Nyköping	5,000	100%
Netel GmbH	HRB18381	Frankfurt (Oder)	25,000	100%
C-E Morberg Anläggning & Energi AB	556784-4138	Strömsholm	1,000	100%
Brogrund Mark AB	556700-6266	Örebro	1,000	100%
Brogrund Entreprenad AB	556854-2301	Örebro	1,000	100%
Oppunda Kraftkonsult AB	556525-2961	Katrineholm	1,000	100%
Svensk Elkraftsentreprenad AB	559096-9712	Norrköping	1,000	100%
JR Markteknik AB	556906-3869	Stockholm	100	100%
Täby Maskin & Uthyrning AB	556918-6231	Stockholm	100	100%
Eltek Entreprenad Sverige AB	556841-3636	Smedjebacken	500	100%
Eltek Kraft & Montage Sverige AB	559263-6681	Smedjebacken	250	100%
Elcenter i Söderköping Aktiebolag	556373-2477	Söderköping	1,000	100%
KMAB Karlskoga Mark AB	556882-2828	Karlskoga	50,000	100%
Netel Ltd	2600095	Buckinghamshire	10,000	100%
Doocey North East Ltd	03387559	Dumfries	200	100%
Netel UK Ltd	SC451995	Dumfries	100	100%
Bredbyns Schakt AB	556203-0741	Örnsköldsvik	1,000	100%
Elektrotjänst i Katrineholm AB	556209-6486	Katrineholm	5,000	100%

Company	Corp. Reg. No.	Registered office	Number of shares	Participation
Discontinuing operations				
Netel Holding Oy	2609959-8	Vantaa	1,000	100%
Netel Oy	230934-4	Helsinki	11,428	100%

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Note 18 Other financial assets

MSEK	Group 31 Dec 2024	Group 31 Dec 2023
Opening cost	13	9
Acquisitions for the year	2	3
Acquisitions	-	0
Reclassification from liabilities	-	-
Measurement at market value	-	-
Closing value	15	13
Other	-	-
Total	**15**	**13**

The Group's other financial assets primarily comprise capital investments.

Note 19 Accounts receivable

	Group		Parent Company	
MSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Accounts receivable	509	544	0	0
Loss allowance IFRS 9	-4	-5	0	0
Total accounts receivable	505	539	0	0
Age analysis of accounts receivable before deduction for loss allowance				
1-30 days past due	62	23	0	0
31-90 days past due	16	4	0	0
> 91 days past due	70	56	0	0
Total accounts receivable past due	**148**	**83**	**0**	**0**
Opening balance, provisions	-5	-6	0	0
Change in loss allowance, accounts receivable	0	1	0	0
Closing balance, loss allowance for credit losses	**-4**	**-5**	**0**	**0**

The average credit terms for accounts receivable are 30 days. A credit assessment takes place when an agreement is entered into with a previously unknown customer.

Note 20 Contract assets

	Group		Parent Company	
MSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Construction contracts	385	448	0	0
Provision, contract assets	-1	-1	0	0
Total contract assets	**384**	**447**	**0**	**0**
Opening balance	447	502	0	0
Invoicing of opening receivables	-367	-486	0	0
Generated revenue for the year that has not been invoiced	349	416	0	0
Impairment	-	-	0	0
Discontinuing operations:				
Invoicing of opening receivables	**-21**	**-42**		
Generated revenue for the year that has not been invoiced	**17**	**44**		
Impairment	**-23**	-		
Less, discontinuing operations	-17			
Total	**384**	**447**	**0**	**0**
Current	384	447	0	0
Non-current	-	-	0	0
Total	**384**	**447**	**0**	**0**
Opening balance, provisions	**-1**	**-1**	**0**	**0**
Change in loss allowance, contract assets	**0**	**0**	**0**	**0**
Closing balance, loss allowance for credit losses	**-1**	**-1**	**0**	**0**

Amounts attributable to construction contracts arise in conjunction with projects that have been generated but not invoiced before the balance sheet date. During the year, projects (both started and not started) for which losses were expected, were recognised as an expense of MSEK 0 (0). All contract assets as of 31 December 2024 are expected to be settled in 2025.

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Note 21 Prepaid expenses and accrued income

	Group		Parent Company	
MSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Prepaid rent	0	0	-	-
Accrued revenue, other	6	3	-	-
Other items	16	19	-	-
Total	**22**	**22**	**-**	**-**

Note 22 Disclosures on share capital and reserves

	Number of shares	Quota value per share SEK
2024		
Number/value at beginning of year	48,511,873	0.02
Number/value at year-end	48,511,873	0.02
2023		
Number/value at beginning of year*	48,208,579	0.02
Number/value at year-end*	48,511,873	0.02

* During 2023 an offset issue was carried out in connection with previously announced acquisitions. The number of ordinary shares outstanding increased 303,294 to 48,511,873 shares at the end of the year.

Reserves	31 Dec 2024	31 Dec 2023
Translation reserve		
Opening balance	-21	5
Translation differences for the year	8	-25
Closing balance	**-13**	**-21**

Translation reserve

The translation reserve includes the exchange rate differences that arise on the translation of foreign operations whose financial statements are prepared in a different currency to the currency in which the consolidated financial statements are presented. Internal financing to foreign operations in foreign currencies is also seen as an extended net investment in these foreign operations and exchange rate effects from these positions are recognised in other comprehensive income together with other translation differences for foreign operations.

Note 23 Deferred tax

	Group		Parent Company	
MSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Deferred tax assets				
Loss carry-forwards	5	14	-	-
Unutilised interest deductions	-	-	-	-
Loss allowance accounts receivable/contract assets	1	1	-	-
Other temporary differences	-	0	-	-
Deferred tax, right-of-use assets	1	1	-	-
Total	**7**	**16**	**-**	**-**
Deferred tax liabilities				
Untaxed reserves	29	27	-	-
Temporary differences, intangible assets	38	38	-	-
Other temporary differences	3	2	-	-
Changed tax rate, tax allocation reserve	-	-	-	-
Changed tax rate, intangible assets	-	-	-	-
Total	**70**	**68**	**-**	**-**

At the end of the year, the Group's tax loss carryforwards amount to a total of MSEK 19, all of which relate to tax loss carryforwards in the United Kingdom. In the previous year, the tax loss carryforwards amounted to MSEK 70 and related solely to Finland. These tax loss carryforwards have been reversed during 2024, and the reversal has been reported as a tax expense in the income statement under Operations during divestiture, see further in note 36. For unused tax loss carryforwards where a deferred tax asset has not been recognised, the amount totals MSEK 0 (18) and pertains to Sweden. The assessment of the possibility to utilise the tax loss carryforwards is based on the company's business plans and profit forecasts for the coming years.

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Note 24 Maturity structure for undiscounted liabilities to credit institutions, lease liabilities and other liabilities

	Group		Parent Company	
TSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Liabilities to credit institutions and lease liabilities				
Repayment within one year				
Loans	0	0	-	-
Lease liabilities	41	45	-	-
Total within one year	**41**	**45**	**-**	**-**
Repayment within two to five years				
Loans	920	951	0	934
Lease liabilities	40	48	-	-
Total within two to five years	**959**	**999**	**0**	**934**
Repayment after five years				
Loans	0	0	-	-
Lease liabilities	1	2	-	-
Total after five years	**1**	**2**	**-**	**-**
Total liabilities to credit institutions and lease liabilities	**1,002**	**1,047**	**0**	**934**
Other liabilities				
Repayment within one year	8	145	-	-
Repayment within two to five years	0	26	-	-
Repayment after five years	0	0	-	-
Total	**8**	**171**	**0**	**0**
Total amortisation within one year	50	190	-	-
Total amortisation within two to five years	959	1,025	0	934
Total amortisation after five years	1	2	-	-

The Group has a revolving facility of MSEK 900 that includes an overdraft facility of MSEK 150 distributed between Sweden (linked to the cash pool) and Norway, with a term until September 2026, as well as a credit facility of MSEK 250 with a term until September 2026.

For non-current loans, there are commitments that must be fulfilled with the creditor with regard to Net debt in relation to Adjusted EBITDA on a rolling 12-month basis and interest coverage rate (adjusted EBITDA R12). These commitments were met during the financial year. In 2024, Netel replaced a bank loan in Swedish kronor (SEK) and signed a bank loan in Norwegian kronor (NOK) amounting to MNOK 200, corresponding to MSEK 199 at the time of borrowing. The loan is valued at the exchange rate on the balance sheet date. This loan was structured to secure the net investment in the Norwegian subsidiaries including the Parent Company's lending to the companies amounting to an equivalent amount (MNOK 200) that was identified as an expanded net investment. Hedge accounting is applied, which is why gains or losses from currency translation of the loan are recognised in other comprehensive income and accumulated in equity to the extent that the hedge is effective. Any ineffective portion of the hedging relationship is recognised in net financial items in the income statement. Accumulative gains or losses recognised in other comprehensive income are presented in a separate item of equity and reclassified from equity to profit or loss as a reclassification adjustment on divestment or part divestment of the foreign operation. The hedge ratio is 1:1 for the hedge and an economic relationship is deemed to exist since the underlying currency risk in the loan and net investment are well matched. The Group did not recognise any ineffectiveness during the period.

Overdraft facilities	Group		Parent Company	
MSEK	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Overdraft facilities granted	150	150	-	-
Of which utilised at balance sheet date	-	-	-	-

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Note 25 Contract liabilities

MSEK	Group 31 Dec 2024	Group 31 Dec 2023	Parent Company 31 Dec 2024	Parent Company 31 Dec 2023
Construction contracts	132	151	-	-
Opening balance	151	118	-	-
Generated during the year	-151	-91		
Invoiced revenue for the year that has not been generated	132	136		
Discontinuing operations:				
Generated during the year	-14	-27		
Invoiced revenue for the year that has not been generated	12	14	-	-
Less, discontinuing operations	-12		-	-
Total	**132**	**151**	**-**	**-**
Current	132	151	-	-
Non-current	-	-	-	-
Total	**132**	**151**	**-**	**-**

Amounts attributable to construction contracts arise in connection with payment exceeding the accrued revenue reported for a construction agreement. Payment is made according to agreed plans. All contract liabilities as of 31 December 2024 are expected to be settled in 2025.

Note 26 Accrued expenses

MSEK	Group 31 Dec 2024	Group 31 Dec 2023	Parent Company 31 Dec 2024	Parent Company 31 Dec 2023
Accrued salaries	72	70	0	2
Accrued social security contributions	16	22	0	1
Project-related reserves	18	18	-	-
Other accrued expenses	11	4	0	1
Total	**117**	**114**	**0**	**5**

Project-related reserves refer to estimated costs for construction projects, less costs that have de facto already been charged to the project in the form of time spent and supplier invoices, taking into account the degree of completion on the closing date.

Note 27 Adjustments for non-cash items

MSEK	Group 31 Dec 2024	Group 31 Dec 2023	Parent Company 31 Dec 2024	Parent Company 31 Dec 2023
Depreciation	72	76	0	0
Provisions	1	2	1	0
Unrealised exchange rate effects	0	0	-5	0
Revaluation of contingent considerations	-37			
Other adjustments	2	-8	1	0
Total	**38**	**70**	**-3**	**0**

Note 28 Reconciliation of liabilities attributable to financing activities

MSEK	Group 31 Dec 2024	Group 31 Dec 2023	Parent Company 31 Dec 2024	Parent Company 31 Dec 2023
Opening balance liabilities to credit institutions	960	972	942	936
Repayment of loans	-57	-66	-53	0
Raising of new loans	15	50	0	0
Non-cash items				
Acquired liabilities and other liabilities	12	2	-1	5
Translation differences	-5		-5	
Dissolution loan arrangement costs	3	1	3	1
Closing balance liabilities to credit institutions	**916**	**960**	**887**	**942**
Opening balance, lease liabilities	96	118	0	0
Amortisation of lease liabilities	-46	-51	0	0
Less, lease liabilities, discontinuing operations	-5			
Non-cash items				
Raising of new lease liabilities	33	29	0	0
Closing balance, lease liabilities	**78**	**96**	**0**	**0**
Total liabilities from financing activities	**994**	**1,056**	**887**	**942**

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Note 29 Pledged assets

MSEK	Group 31 Dec 2024	Group 31 Dec 2023	Parent Company 31 Dec 2024	Parent Company 31 Dec 2023
Equipment with retention of title	-	-	-	-
Floating charges	29	94	-	-
Pledged assets in subsidiaries	-	-	-	-
Total	**29**	**94**	**-**	**-**

Note 30 Contingent liabilities

MSEK	Group 31 Dec 2024	Group 31 Dec 2023	Parent Company 31 Dec 2024	Parent Company 31 Dec 2023
Parent Company guarantees for work performed	95	100	-	-
Bank guarantees provided	158	79	-	-
Guarantees for Group companies	243	247	-	-
Total	**496**	**426**	**-**	**-**
Of which discontinuing operations	89			

Note 3 Related party transactions

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

MSEK	2024	2023
Management		
Sale of goods/services	-	-
Purchase of goods/services	-	-
Interest income	-	-
Interest expenses	-	-
Receivables on balance sheet date	-	-
Liabilities on balance sheet date	-	-

Note 32 Significant events after the end of the financial year

Netel announced on 16 January 2025 that the Board of Directors had decided to initiate a process aimed at selling the Finnish operations, a decision for which management resolved to commence preparations during the fourth quarter of 2024. Through a sale, Netel can focus on Infraservices, Power and Telecom in the larger markets in Sweden and Norway as well as the growth markets of Germany and the UK, where Netel is assessed to have greater opportunities to create value in the short and long term and reach the company's financial targets. The sales process commenced immediately and operations in Finland continue to be operated and developed. Netel expects to complete the process in 2025.

On 29 January 2025, Netel announced that its subsidiary Elcenter i Söderköping had signed a new three-year framework agreement with Norrköping Municipality. The agreement means that Netel expands geographically and will recruit in the area. The agreement covers the installation and maintenance of road lighting in Norrköping Municipality and runs for three years with the possibility of extension of 1+1+1+1 years. The order value is estimated at approximately MSEK 12 per year.

On 7 March 2025, Netel announced the signing of a new two-year framework agreement for the installation, service and maintenance of Tele2's broadband network in Sweden. The new agreement is more comprehensive than the previous one and covers both a larger geographical area and more services.

On 24 March 2025, Netel announced a new agreement with the Norwegian electricity company Glitre Nett. The agreement covers the expansion of a transformer station and is valued at approximately MSEK 50.

Other than the above, no significant changes have occurred regarding the Group's financial position or financial results after 31 December 2024.

Note 33 Key performance indicators not defined under IFRS

MSEK unless otherwise stated	2024	2023
Net sales growth (%)	3.1%	11.8%
Organic net sales growth (%)	2.9%	4.8%
EBITDA	215	238
EBITDA margin (%)	6.5%	7.5%
EBITA	152	169
EBITA margin (%)	4.6%	5.3%
Items affecting comparability	18	12
Adjusted EBITDA	232	250
Adjusted EBITDA margin (%)	7.1%	7.8%
Adjusted EBITA	169	181
Adjusted EBITA margin (%)	5.2%	5.7%
Net debt	745	610
Net debt/adjusted EBITDA R12 (ratio)	3.2	2.4
Equity ratio (%)	36.9%	36.0%
Order backlog	4,023	3,397

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Note 34 Derivation of key performance indicators not defined by IFRS

MSEK, unless otherwise stated	2024	2023
Organic net sales growth		
Net sales, previous period	3,186	2,850
Acquired net sales	4	201
Organic net sales	3,280	2,985
Total net sales growth (%)	**3.1%**	**11.8%**
Organic net sales growth (%)	**2.9%**	**4.8%**
Adjusted EBITDA	2024	2023
MSEK		
Net sales	3,284	3,186
Operating profit (EBIT)	145	164
Depreciation and amortisation and impairment of property, plant and equipment and intangible assets	69	73
EBITDA	**215**	**238**
EBITDA margin (%)	**6.5%**	**7.5%**
Items affecting comparability		
Acquisition-related costs	-	7
Other items affecting comparability	18	5
Total items affecting comparability	**18**	**12**
Adjusted EBITDA	**232**	**250**
Adjusted EBITDA margin (%)	**7.1%**	**7.8%**
Adjusted EBITA		
Net sales	3,284	3,186
Operating profit (EBIT)	145	164
Amortisation and impairment of intangible assets	6	4
EBITA	**152**	**169**
EBITA margin (%)	**4.6%**	**5.3%**

MSEK, unless otherwise stated	2024	2023
Items affecting comparability		
Acquisition-related costs		7
Other items affecting comparability	18	5
Total items affecting comparability	**18**	**12**
Adjusted EBITA	**169**	**181**
Adjusted EBITA margin (%)	**5.2%**	**5.7%**
Net Debt/adjusted EBITDA (R12)		
Non-current interest-bearing liabilities	958	1,003
Current interest-bearing liabilities	49	53
Total interest-bearing liabilities	1,006	1,056
Cash and cash equivalents	261	446
Net debt	**745**	**610**
Adjusted EBITDA, R12	**232**	**250**
Net debt/adjusted EBITDA R12 (Ratio)	**3.2**	**2.4**
Equity ratio		
Total equity (MSEK)	1,095	1,133
Total assets (MSEK)	2,968	3,146
Equity ratio (%)	**36.9%**	**36.0%**

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Note 35 Financial instruments and financial risk management

Netel's financial instruments measured at fair value mainly refer to contingent considerations and fund holdings. 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 0 (17) and Current non-interest-bearing liabilities in the amount of MSEK 2 (145). 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.

MSEK	31 Dec 2024	31 Dec 2023
Fund holdings		
Opening balance	6	5
Business combinations	-	-
Purchases	0	1
Sales	-	-
Change in value recognised in profit or loss	-	-
Translation differences	-	-
Closing balance	**6**	**6**

MSEK	31 Dec 2024	31 Dec 2023
Contingent consideration		
Opening balance	162	173
Business combinations	0	9
Paid	-124	-20
Change in value recognised in profit or loss	-37	1
Translation differences	1	-1
Closing balance	**2**	**162**

MSEK	31 Dec 2024	31 Dec 2023
Other liabilities measured at fair value		
Opening balance	-1	0
Change in recognised liabilities	0	0
Change in value recognised in profit or loss	1	-1
Translation differences	-	-
Closing balance	**0**	**-1**

The financial risks to which Netel is exposed primarily consist of:

- Financing and liquidity risk regarding capital management
- Interest risk for loans
- Currency risks related to foreign subsidiaries
- Credit risk

Netel's Board bears ultimate responsibility for the management, exposure and follow-up of the Group's financial risks. The Board has adopted a policy on how the Group is to manage and control these risks. The finance policy is updated annually or as needed. The Board monitors and evaluates risks and the quality of the financial reporting through the Audit Committee. The Finance Department within the Group is responsible for ensuring the Group's financing and management of cash liquidity, financial assets and financial liabilities. The Board monitors how the Finance Department exercises and monitors risk management and internal control using monthly reporting.

Financing and liquidity risk

Financing risk refers to the risk that Netel cannot raise sufficient financing at a reasonable cost. Financing risk is managed by Netel signing non-current credit agreements with banks with a high credit rating.

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Note 35, cont.

Maturity analysis, financial liabilities

Group 2024, MSEK	Nominal amount	Due 2025	Due 2026-2027	Due 2028-2029	Due >2030
Bank loans	1,047	70	945	22	11
Other interest-bearing liabilities	8	8	-	-	-
Liabilities for lease commitments	82	41	33	6	1
Total interest-bearing liabilities	**1,137**	**119**	**978**	**28**	**12**
Accounts payable	296	296	-	-	-
Total non-interest-bearing liabilities	**296**	**296**	**-**	**-**	**-**

Maturity analysis, financial liabilities

Group 2023, MSEK	Nominal amount	Due 2024	Due 2025-2026	Due 2027-2028	Due >2029
Bank loans	1,117	65	1,046	6	-
Other interest-bearing liabilities	171	145	17	9	-
Liabilities for lease commitments	96	45	44	4	2
Total interest-bearing liabilities	**1,384**	**255**	**1,107**	**19**	**2**
Accounts payable	335	335	-	-	-
Total non-interest-bearing liabilities	**335**	**335**	**-**	**-**	**-**

Cash and cash equivalents – Liquidity risk

Netel has cash and cash equivalents in banks with high credit ratings. The credit provision is calculated according to the general model with an assumption of low credit risk. Given the short maturity and stable counterparties, the amount is immaterial. Accordingly, liquidity risk refers to the risk that Netel will experience difficulties in fulfilling its payment obligations as a result of insufficient liquidity. Netel continuously and in detail monitors expected inflows and outflows of cash and cash equivalents in the Group and prepares short and long-term liquidity forecasts every month. Available liquidity is presented below.

Available liquidity

Group, MSEK	31 Dec 2024	31 Dec 2023
Cash and bank balances	261	446
Unutilised overdraft facilities	302	244
Available liquidity	**563**	**690**

Maturities of current liabilities are managed using the current cash flow, which includes accounts receivable that at the end of the year amounted to MSEK 505 (539).

Interest-rate risk

Interest-rate risk is the risk that changes in the market interest rate will adversely affect the Group's net interest and cash flow. Interest is regularly fixed on parts of the Group's loans, which means that future financial expenses will be affected by changes in market interest rates. In order to reduce this risk, Netel may enter into derivative contracts such as interest rate swaps intended to counteract major fluctuations in the variable interest rate. Netel had no interest rate swaps on 31 December 2024. The average interest rate on outstanding interest-bearing liabilities on 31 December 2024 was as follows:

Average interest rate	2024		2023	
Group, MSEK	Liability amount	Average interest	Liability amount	Average interest
Bank loans	928	6.68%	960	5.59%
Other interest-bearing liabilities	8	0.00%	26	0.00%
Lease liabilities	78	3.45%	96	3.72%
Total	**1,015**		**1,082**	

A change in the market interest rate of 1 percentage point would mean a change in interest expenses of MSEK +/-10.1 (10.6).

Currency risk

Currency risk refers to the risk that fair values and cash flows relating to financial instruments fluctuate when the value of foreign currencies changes. Although Netel operates in Norway and Finland, the business is mainly of a local nature in terms of currency risks since revenue and expenses in the projects are both met in the same currency. The Group is also exposed to the risk of fluctuations in currency when translating foreign subsidiaries. Currency risk is currently not considered to have a material impact on Netel's financial position.

Note 35, cont.

Credit risk

Credit risk refers to the risk of losing money because the counterparty cannot fulfil its obligations. The counterparty risks Netel is primarily exposed to are attributable to balances in bank accounts and outstanding accounts receivable and contract assets.

Credit risks in financial activities

To limit the risk of exposure to bank balances, banks with a high credit rating according to the rating institutions Standard & Poors and Moody's are used. Cash and cash equivalents are covered by the general model for calculating loss allowances. The exemption for low credit risk applies to cash and cash equivalents.

Credit risks in accounts receivable

The credit risk with regards to accounts receivable and contract assets is managed by diversifying the risk of the types of projects and entering into contracts with known, reliable customers. A large part of the customer stock is concentrated in a smaller number of larger customers, but the assessment is that the risk in concentration to fewer customers is offset by less risk in the customer's ability to pay. The Group's accounts receivable and contract assets are subject to the simplified model for impairment. The expected credit losses for accounts receivable and contract assets are calculated using a provision matrix based on past events, current conditions and forecasts for future financial conditions and the time value of the money, if applicable. The starting point in this method is that the maturity/age intervals create the basis for the risk assessment. For each maturity date interval, receivables are collectively valued and the older the receivable, the greater the probability of default, which is reflected in the calculation. A risk factor is added to the maturity which is done individually in groups of similar credit risk characteristics. These individual groups are made up of Netel's customer types, geography, business area, etc. This risk factor is based not only on historical statistics, but also takes into account current conditions and expectations regarding future conditions.

Contract assets consist of generated revenue in projects that have not been invoiced and are deemed to be in the same risk category as accounts receivable not past due. Expected credit losses amount to the following:

Expected credit losses

Group, MSEK	31 Dec 2024	31 Dec 2023
Accounts receivable	-4	-5
Contract assets	-1	-1

For more information, see Note 19 and Note 20.

Measurement of financial assets and liabilities

Interest derivatives are measured at fair value through profit and loss. Other financial assets and liabilities are measured at amortised cost.

Group, measurement	31 Dec 2024		31 Dec 2023	
Balance-sheet items, MSEK	Amortised cost	Fair value through profit or loss	Amortised cost	Fair value through profit or loss
Assets				
Currency futures (asset)	-	-	-	-
Accounts receivable	505	-	539	-
Other receivables	105	-	44	-
Cash and cash equivalents	261	-	446	-
Liabilities				
Currency futures (liabilities)	-	0	-	1
Liabilities to credit institutions non-current and current	1,006	-	1,056	-
Other non-current liabilities	0	-	26	-
Accounts payable	296	-	335	-
Other current liabilities	163	-	240	-
Accrued expenses and deferred income	117	-	114	-

Gains and losses net on financial instrument measured through profit or loss.

The table below shows the impact of financial instruments on the consolidated income statement.

Group, measurement	31 Dec 2024		31 Dec 2023	
Balance-sheet items, MSEK	Amortised cost	Fair value through profit or loss	Amortised cost	Fair value through profit or loss
Net financial items				
Interest income	5	-	6	-
Interest expenses	-65	-	-66	-
Exchange rate differences	3	-	7	-
Unrealised changes in value	-	-1	-	0
Total impact on net financial items	**-57**	**-1**	**-54**	**0**

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Note 36 Discontinuing operations

On 16 January 2025, Netel announced that management, in consultation with the Board of Directors, had made a decision in the fourth quarter of 2024 to initiate a process with the aim of selling the Finnish operations. Through a sale, Netel can focus on Infraservices, Power and Telecom in the larger markets in Sweden and Norway as well as the growth markets of Germany and the UK, where Netel is assessed to have greater opportunities to create value in the short and long term and reach the company's financial targets. The sales process commenced immediately and operations in Finland continue to be operated and developed. Netel expects to complete the process in 2025.

In the tables below, Finnish operations are recognised as discontinuing operations separately from the Group's continuing operations. As a direct consequence of the decision of initiating the process of selling the Finnish operations, Netel has evaluated assessments and assumptions in the operations and estimated the costs related to the sales process with the aim of completing the process in 2025. The evaluation has led to adjustments in revenues and costs in relation to risks and opportunities in the ongoing sales process, which are reported in the result for the fourth quarter of 2024.

Amounts in MSEK	2024	2023
Earnings for discontinuing operations		
Net sales	241	273
Other operating income	-	0
Total revenue	**241**	**273**
Operating expenses		
Materials and purchased services	-250	-253
Other external expenses	-38	-14
Personnel costs	-40	-40
Depreciation and amortisation	-3	-3
Operating profit/loss (EBIT)	**-90**	**-37**
Profit/loss from financial items		
Net financial items	-1	-1
Earnings after financial items	**-91**	**-38**
Taxes	-14	-0
Earnings for the period, discontinuing operations	**-105**	**-38**

Amounts in MSEK	31 Dec 2024
Assets held for sale	
Tangible and intangible assets	9
Inventories	3
Accounts receivable	28
Contract assets	17
Cash and cash equivalents	4
Total assets held for sale	**62**
Liabilities directly associated with assets held for sale	
Current interest-bearing liabilities	5
Accounts payable	16
Contract liabilities	12
Other liabilities	12
Accrued expenses and deferred income	33
Total liabilities directly associated with assets held for sale	**78**

Amounts in MSEK	2024	2023
Cash flow for discontinuing operations		
Cash flow from operating activities	-56	-26
Cash flow from investing activities	-	-1
Cash flow from financing activities	-2	-2
Cash flow for the period from discontinuing operations	**-58**	**-29**

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Definitions and grounds for using alternative performance measures

Key performance indicators	Definition	Reason for use
EBITA*	Earnings before amortisation of intangible assets	The measure is used to analyse the profitability generated by the underlying operations
EBITA margin*	EBITA as a percentage of net sales	The measure is used to illustrate the underlying operations' profitability
EBITDA*	Earnings before interest, taxes, depreciation and amortisation.	The measure is used to analyse the profitability generated by the underlying operations
EBITDA margin*	EBITDA as a percentage of net sales	The measure is used to illustrate the underlying operations' profitability
Adjusted EBITA*	EBIT before amortisation of intangible assets, adjusted for items affecting comparability	The measure is used to used to illustrate the underlying operations' underlying profitability
Adjusted EBITA margin*	Adjusted EBITA as a percentage of net sales	The measure is used to illustrate the underlying operations' underlying profitability
Adjusted EBITDA*	Earnings before interest, taxes, depreciation and amortisation, adjusted for items affecting comparability	The measure is used to used to illustrate the underlying operations' underlying profitability
Adjusted EBITDA margin*	Adjusted EBITDA as a percentage of net sales	The measure 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

Key performance indicators	Definition	Reason for use
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
Earnings 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

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	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Sales, MSEK								
Net sales	957	796	854	676	943	819	794	630
Net sales growth (%)	1%	-3%	8%	7%	5%	18%	15%	11%
Earnings, MSEK								
EBITDA	71	52	59	33	78	68	62	30
EBITA	58	34	42	17	61	50	44	13
EBIT (operating profit)	56	33	41	16	60	49	43	12
Adjusted EBITDA	70	63	64	35	82	70	64	33
Adjusted EBITA	57	45	48	19	66	53	46	17
Margin								
EBITDA margin	7.4%	6.5%	6.9%	4.9%	8.3%	8.2%	7.8%	4.8%
EBITA margin	6.0%	4.3%	5.0%	2.5%	6.5%	6.1%	5.6%	2.1%
EBITA margin	5.8%	4.1%	4.8%	2.4%	6.4%	6.0%	5.4%	1.9%
Adjusted EBITDA margin	7.3%	7.9%	7.5%	5.2%	8.7%	8.6%	8.1%	5.3%
Adjusted EBITA margin	6.0%	5.7%	5.6%	2.8%	6.9%	6.4%	5.8%	2.6%
Segments								
Net sales, MSEK								
Infraservices	238	221	223	163	242	198	198	137
Power	317	207	277	204	308	258	247	189
Telecom	402	368	354	309	398	358	348	303

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
EBITA, MSEK								
Infraservices	14	14	17	9	28	18	17	5
Power	37	9	20	10	30	25	19	-1
Telecom	2	10	6	-4	7	7	9	10
Other								
Order backlog, MSEK	4023	3581	3761	3332	3397	3476	3258	2974
Net debt, MSEK	745	757	756	738	610	798	788	789
Net debt/adjusted EBITDA R12 (ratio)	3.2	3.1	3.0	2.9	2.4	3.0	3.1	3.0
Average number of FTEs (R12)	819	815	818	821	817	806	792	760
Number of employees at the end of the period, converted to full-time employees	837	811	821	818	814	814	836	826

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Multi-year summary for the Group

MSEK unless otherwise stated	2024	2023	2022	2021	2020
Net sales	3,284	3,186	2,850	2,148	1,542
Earnings after financial items	79	106	176	97	66
Earnings after financial items, as a percentage of net sales	2.4%	3.3%	6.2%	4.5%	4.3%
Total assets	2,968	3,146	3,119	2,133	1,568
Equity ratio	36.9%	36.0%	35.4%	42.7%	38.3%

Multi-year summary for the Parent Company

MSEK unless otherwise stated	2024	2023	2022	2021	2020
Net sales	27	27	20	10	-
Earnings after financial items	6	-18	4	-37	-
Total assets	2,420	2,469	2,440	1,876	-
Equity ratio	61%	60%	60%	72%	-

Multi-year summary for the Group

	2024	2023	2022	2021	2020
Sales					
Net sales, MSEK	3,284	3,186	2,850	2,148	1,542
Net sales growth	3%	12%	33%	39%	-1%
Earnings, MSEK					
EBITDA	215	238	251	162	185
EBITA	152	169	192	121	118
EBIT (operating profit)	145	164	188	121	116
Adjusted EBITDA	233	250	272	211	198
Adjusted EBITA	170	181	213	170	131

Multi-year summary for the Group

	2024	2023	2022	2021	2020
Margin					
EBITDA margin	6.5%	7.5%	8.8%	7.5%	12.0%
EBITA margin	4.6%	5.3%	6.7%	5.6%	7.7%
EBITA margin	4.4%	5.2%	6.6%	5.6%	7.5%
Adjusted EBITDA margin	7.1%	7.8%	9.5%	9.8%	12.8%
Adjusted EBITA margin	5.2%	5.7%	7.5%	7.9%	8.5%
Segments					
Net sales, MSEK					
Infraservices	844	775	687	292	-
Power	1,005	1,002	671	535	345
Telecom	1,434	1,408	1,491	1,321	1,196
EBITA, MSEK					
Infraservices	54	68	61	12	-
Power	76	73	41	57	30
Telecom	14	34	92	53	87
Other					
Order backlog, MSEK	4,023	3,397	3,050	2,919	1,809
Net debt, MSEK	745	610	722	318	360
Net debt/adjusted EBITDA R12 (ratio)	3.20	2.44	2.66	1.51	1.82
Average number of FTEs (R12)	819	817	727	529	371
Number of employees at the end of the period, converted to full-time employees	837	814	761	609	377

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Proposed appropriation of profits

TSEK	
The following profits are at the disposal of the Annual General Meeting:	
Share premium reserve	1,471,691
Retained earnings	8,816
Earnings for the year	1,471
Total	**1,481,978**
The Board of Directors proposes that retained earnings be appropriated as follows:	
To be carried forward	1,481,978
Total	**1,481,978**

For more information about the results and financial position of the Group and Parent Company, see the annual report. The income statements and balance sheets will be presented for approval by the Annual General Meeting on 8 May 2025.

The Board of Directors and CEO certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair view of the Group's financial position and results. The annual accounts have been prepared in accordance with generally accepted accounting standards and provide a true and fair view of the Parent Company's financial position and results.

The Directors' Report for the Group and Parent Company provides a true and fair overview of the development of the Group's and Parent Company's business, financial position and results and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, 3 April 2025

Alireza Etemad
Chairman of the Board

Carl Jakobsson
Board member

Göran Lundgren
Board member

Therese Lundstedt
Board member

Nina Macpherson
Board member

Jeanette Reuterskiöld
CEO

Our auditor's report was submitted on 3 April 2025

Deloitte AB
Jenny Holmgren
Authorised Public Accountant

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To the general meeting of the shareholders of Netel Holding AB (publ)
corporate identity number 559327-6263

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Netel Holding AB (publ) for the financial year 2024-01-01 - 2024-12-31 31 with exception for the sustainability report and the corporate governance statement on pages 27-33 and 38-59. The annual accounts and consolidated accounts of the company are included on pages 4, 9-14,17, 19-23, 34-37 and 60-96 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material
respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. Our opinions do not include the sustainability report and the corporate governance statement on pages 27-33 and 38-59.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company’s audit committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER

Ongoing construction contracts and revenue recognition

Netel recognises revenue over time based on management’s assessment of the outcome of the completion rate for each contract. This means that the reported revenue and results recognised for ongoing projects are dependent on assumptions and judgements for items included in the projects. For complex ongoing construction contracts, there is an uncertainty when assessing the costs of completion and profitability. The precision of the revenue recognition requires good processes for calculation, reporting, analysing and forecasting. The significant amounts combined with the critical estimates and judgements made by management mean that this is a key audit matter. Our audit procedures included, but were not limited to:

- Review of the company’s accounting principles for revenue recognition
- Review of the company’s procedures and internal control related to project and revenue recognition
- Review of a selection of the projects to ensure revenue recognition in the correct period and that there is robust documentation that reflects the estimates and judgements on which revenue recognition is based
- Analytical review of the recorded revenue and review of margin analyses and comparisons to previous reporting periods
- Review of the completeness of the relevant notes in accordance with IFRS

Valuation of goodwill

As of December, 31 2024, Netel accounts for goodwill in the consolidated balance sheet amounting to MSEK 1 242. The value of the goodwill is dependent on future income and profitability in the cash-generating units, to which the goodwill refers, and is assessed at least once a year. Management bases its impairment test on several judgements and estimates such as growth, EBIT development and cost of capital (WACC) as well as other complex circumstances. Incorrect judgements and estimates can have a significant impact on the group’s results and financial position. Management has not identified any need for impairment for any cash-generating unit within the group. For further information, please refer to note 11, which described how management has performed the impairment test together with important estimates and judgements. Our audit procedures included, but were not limited to:

- Review and assessment of the group’s procedures and model for impairment tests of goodwill and evaluation of the reasonability of judgements and estimates made, that the procedures are consistently applied and that there is integrity in calculations
- Evaluation of the reasonability of the of the identified cash generating units
- Verification of input data in calculations including information from business plans for the forecast period
- Test of head room for each cash-generating unit by performing sensitivity analyses
- Review of the completeness in relevant disclosures to the financial reports. When performing the audit procedures our valuation experts have been involved.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-3, 5-8, 15-16, 18, 24-25, 38-59 and 100-101. The other information also consists of the Remuneration Report that we obtained before the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and

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consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar This description forms part of the auditor´s report"

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Netel Holding AB (publ) for the financial year 2024-01-01 - 2024-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor´s report.

The auditor's examination of the Esef report

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Netel Holding AB (publ) for the financial year 2024-01-01 - 2024-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Netel Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor´s opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 27-33 and that it is prepared in accordance with the Annual Accounts Act.

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

A statutory sustainability report has been prepared.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 38-59 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard Rev 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of Netel Holding AB (publ) by the general meeting of the shareholders on the 2024-05-02 and has been the company's auditor since 2010.

Stockholm April 3, 2025

Deloitte AB

Jenny Holmgren
Authorized public accountant

This is a translation of the Swedish language original.
In the event of any differences between this translation and the Swedish language original, the latter shall prevail

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25 years' experience of critical infrastructures

2000
Netel is founded by Peab, one of the Nordic region's largest construction companies.

2001
Netel is the first company to sign an agreement for expansion of the Swedish 3G mobile communications network. Netel subsequently laid the foundation for a relationship with one of the largest operators in the Nordic region, a relationship that remains stable today.

2002
Netel starts operating in Norway and builds a nationwide 2G network for mobile communications.

2006
Netel enters the Swedish fixed networks market.

2009
Netel expands rapidly during the first decade of 2000, establishing itself as a leading full-service specialist in services for fixed and mobile networks. The company becomes a strong name in the industry and a prominent critical infrastructure contractor.

2010
Peab restructures its business and Netel is divested to management. Netel enters the Norwegian fixed networks market.

2013
Netel acquires additional capital when Axcel, a Nordic private equity firm, acquires a major shareholding.

Over the next three years, revenue triples to approximately SEK 1.4 billion. Most of the growth is organic. Netel also makes six acquisitions.

2015
Mobile and fixed networks operations are established in Finland through the acquisition of Telog.

2016
Netel initiates a new growth strategy and starts diversifying its business. The first step is the launch of power operations in Finland.

IK Investment Partners acquires Netel to promote continued growth in the Nordic region and expansion in Northern Europe.

2017
Netel continues to develop its growth and diversification strategy to become less dependent on the telecom market. The company decides to continue to grow geographically in the power area, to enter the German market and to focus on service offerings and framework agreements.

As a consequence of the new strategy, Netel starts its power operations in Sweden and establishes itself in the Norwegian power market through the acquisition of Nett-Tjenester.

2018
Operations start in Germany and Netel signs its first German infrastructure contract.

2019
Netel signs contracts with another of Germany's largest operators.

2021
Netel is listed on Nasdaq Stockholm Mid-Cap Index.

A total of six acquisitions - two each in the power and telecom sectors, and two in the new area of district heating, water and sewage.

2022
Netel enters the attractive, rapidly growing UK fibre market through two acquisitions, and five acquisitions in Sweden in power, district heating, water and sewage.

2023
Netel signs significant agreements with, among others, the Swedish Defence Materiel Administration (FMV). Elektrotjänst i Katrineholm is acquired.

2024
New customers and expanded cooperation with existing customers. New organisation for increased synergies.

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2025 Annual General Meeting

Netel's 2025 Annual General Meeting will be held at 11:00 a.m. on Thursday, 8 May, at Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm, Sweden.

Financial calendar

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25 April	Interim report January – March
11 July	Interim report January – June
24 October	Interim report January – September

2026

6 February	Interim and year-end report 2025

Financial information

Netel's financial statements and annual reports can be read and downloaded at netelgroup.com.

Printed documents can be ordered by email info@netelgroup.com or by letter to Netel Group, Fågelviksvägen 9, 7 tr, SE-145 84 Stockholm, Sweden.

IR Contact

JEANETTE REUTERSKIÖLD, PRESIDENT AND CEO
Mobile: +46 702 28 03 89
jeanette.reuterskiold@netel.se

FREDRIK HELENIUS, CFO
Mobile: +46 730 85 52 86
fredrik.helenius@netel.se

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