Netel

Q4

Year-end report 2024

Strong finish for Power and increased order backlog

Fourth quarter

Continuing operations[1]

- Net sales increased 1.5 per cent to MSEK 957 (943), of which organic growth was 1.5 per cent
- Adjusted EBITA amounted to MSEK 57 (66), with an adjusted EBITA margin of 6.0 per cent (6.9)
- EBITA amounted to MSEK 58 (61), with an EBITA margin of 6.0 per cent (6.5)
- Operating profit (EBIT) amounted to MSEK 56 (60), with an operating margin of 5.9 per cent (6.4)
- Profit for the period amounted to MSEK 39 (39)
- Earnings per share for continuing operations before and after dilution amounted to SEK 0.81 (0.81)
- Earnings per share including discontinuing operations before and after dilution amounted to SEK -1.19 (0.75)
- Cash flow from operating activities amounted to MSEK 71 (211)

January–December

Continuing operations[1]

- Net sales increased 3.1 per cent to MSEK 3,284 (3,186) with organic growth of 2.9 per cent
- Adjusted EBITA amounted to MSEK 169 (181), with an adjusted EBITA margin of 5.2 per cent (5.7)
- EBITA amounted to MSEK 152 (169) with an EBITA margin of 4.6 per cent (5.3)
- Operating profit (EBIT) amounted to MSEK 145 (164) with an operating margin of 4.4 per cent (5.2)
- Profit for the period amounted to MSEK 58 (82)
- Earnings per share for continuing operations before and after dilution amounted to SEK 1.20 (1.69)
- Earnings per share including discontinuing operations before and after dilution amounted to SEK -0.96 (0.91)
- Cash flow from operating activities MSEK 115 (268)
- Net debt increased to MSEK 745 (610) and net debt/adjusted EBITDA amounted to 3.2 (2.4)
- The order backlog increased to MSEK 4,023 (3,397)
- The Board proposes to the Annual General Meeting that no dividend be paid to shareholders for the 2024 financial year to further strengthen Netel's financial position.

Significant events during the fourth quarter

- Agreement signed for next phase of the City Line in Örebro.
- Framework agreement signed with Vattenfall Eldistribution covering new geographical area.
- Contract signed with German Unsere Grüne Glasfaser (UGG) for fibre networks worth about MEUR 15.
- New framework agreement signed with Elvia in Norway for design and installation of new control systems worth about MNOK 320.
- Climate targets validated by the Science Based Targets Initiative (SBTi).

Important events after the end of the year

- Decision announced to sell Finnish operations. In this financial report, the Group excluding the Finnish operations is reported as continuing operations and the operations in Finland as operations held for sale.
- New framework agreement with Norrköping Municipality for installation and maintenance of road lighting.

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Continuing operations				
Net sales	957	943	3,284	3,186
Net sales growth (%)	1.5%	5.5%	3.1%	11.8%
Adjusted EBITA	57	66	169	181
Adjusted EBITA margin (%)	6.0%	6.9%	5.2%	5.7%
EBITA	58	61	152	169
EBITA margin (%)	6.0%	6.5%	4.6%	5.3%
EBIT	56	60	145	164
EBIT margin (%)	5.9%	6.4%	4.4%	5.2%
Net debt	745	610	745	610
Net debt/Adjusted EBITDA R12 (Ratio)	3.2	2.4	3.2	2.4

[1] Continuing operations refer to the Group excluding the Finnish operations.

CEO's comments

We are continuing our strategic efforts to increase profitability and strengthen our order backlog

The decision to sell the Finnish operations is an important step in our efforts to build a stronger, more sustainable Netel. This decision will enable us to concentrate resources in Infraservices, Power and Telecom to the larger markets in Sweden and Norway and growth markets of Germany and the UK.

Our markets are driven by strong megatrends in all divisions. This strong underlying trend is reflected in our order backlog, which increased by over MSEK 600 to SEK 4.0 billion during the quarter, including awards in Power and Telecom. Net sales for continuing operations increased during the quarter 1.5 per cent to MSEK 957 (943) thanks to growth in Power in Norway and Telecom in Sweden and Germany. In 2024, growth was favourable for Infraservices and Power in Sweden and Telecom in Norway.

The adjusted EBITA margin declined to 6.0% (6.9) in the quarter and amounted to 5.2% (5.7) for the full-year. During the quarter, we saw a strong finish for Power but a slightly weaker trend for Infraservices and Telecom. The full year was also affected by lower results within Infraservices and Telecom compared to 2023. We are continuing our strategic efforts to improve profitability step by step. In 2024, we implemented comprehensive changes that included organisational changes to divisions, a change of business system and digitalisation projects to enhance efficiency by enabling improved governance, analysis and resource allocation.

Sale of operations in Finland

As part of our activities to build a more sustainable, stronger Netel, we have conducted a comprehensive review and decided to sell our operations in Finland that were operating at a loss. We have not seen the trend we were hoping for in Finland for several years and believe that Netel has greater opportunities of creating value in both 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 operations as usual with our team in Finland. By selling the Finnish operations, we are freeing up resources to focus on the major markets in Sweden and Norway, as well as the larger markets of Germany and the UK.

Market conditions in our divisions

In 2024, net sales in Infraservices increased 8.9 per cent while the EBITA margin declined to 6.4% (8.8). The profitability trend during the year was the result of completed projects with lower margins and a market that generally remains competitive. Measures have been taken in operations that have delivered lower margins including a new management team and activities to optimise cost structures and resource allocation. We continue to see an increased need to modernise infrastructure for heating and water in our markets. In many cases, the needs become acute as we experience the effects of climate change in increased rain levels and floods. We also assess that our market situation will change in line with an increase in housing construction.

Within Power, we have seen positive market development in both Sweden and Norway. We therefore continue with great focus on retaining and attracting new talent to ensure continued growth in a very expansive market.

Within Telecom, we have grown primarily in Norway during the year and we continue to broaden the customer base to include public customers in Sweden and Norway and continue to establish ourselves in the growth markets in Germany and the UK.

Cash flow for the quarter

Operating cash flow amounted to MSEK 71 (211) and was impacted by lower margins and later project completions. During the quarter, we also settled remaining contingent considerations at the same time as we completed investments in our digitalisation projects.

Validated climate targets

In December 2024, our climate targets were validated by the Science Based Targets initiative (SBTi), which confirms our commitment to reducing emissions and contributing to a more sustainable world. We have developed concrete plans and targets that support our strategy and we are actively collaborating with customers, suppliers and other partners to create a common agenda for sustainability.

Future outlook

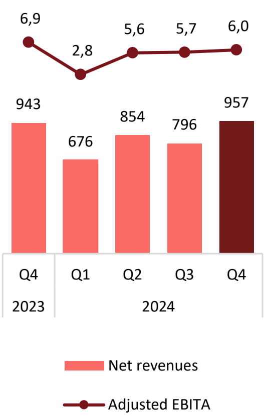
We begin 2025 with a strong order backlog and a clear plan for continued growth and improved profitability. In 2024, we announced several new major framework agreements in all divisions that will commence in 2025 and form the basis for continued growth. Together with the measures we took in 2024 and our focus on digitalisation and enhancing efficiency, this creates good conditions for higher cash flow and a strengthened financial position. Our success is based on our employees' commitment and expertise, and we look forward to continuing to develop together into a stronger and more sustainable Netel. I would also like to express my sincere thanks to all our employees for their committed and professional work during the year.

Jeanette Reuterskiöld
President and

Condensed consolidated financial performance

The Finnish operations are reported 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 notes Key accounting policies and Reports of discontinuing operations. Comments in this report refer to continuing operations unless otherwise stated.

Net sales and adjusted EBITA margin continuing operations



Fourth quarter

Continuing operations

Net sales

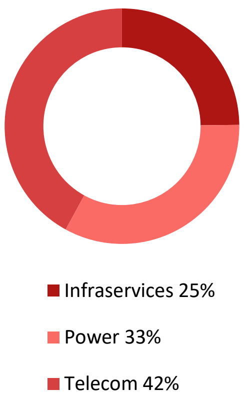
Net sales increased organically by 1.5 per cent to MSEK 957 (943) in the fourth quarter due to growth in Power in Norway and Telecom in Sweden and Germany. Exchange rate effects had a negative impact of 0.9 per cent.

Order bookings were favourable during the quarter and the order backlog increased to MSEK 4,023 (3,397). At the end of the third quarter, the order backlog amounted to MSEK 3,581.

Earnings

EBITDA decreased 9.8 per cent to MSEK 71 (78), with an EBITDA margin of 7.4 per cent (8.3). EBITA decreased 5.8 per cent to MSEK 58 (61), and the EBITA margin was 6.0 per cent (6.5). The margins were impacted by lower profitability in Infraservices and Telecom while Power contributed positively.

Net sales by segment continuing operations



Adjusted EBITDA declined 15.0 per cent to MSEK 70 (82) for the quarter with an adjusted EBITDA margin of 7.3 per cent (8.7). Adjusted EBITA declined 12.6 per cent to MSEK 57 (66) and the margin amounted to 6.0 per cent (6.9). Adjustments have been made for items affecting comparability of MSEK -1 (4).

Depreciation/amortisation and impairment amounted to MSEK -14 (-18).

Net financial items amounted to MSEK -15 (-14) for the quarter. Interest expenses amounted to MSEK -16 (-18), of which MSEK -1 (-1) was attributable to lease liabilities.

Profit before tax decreased 10.5 per cent to MSEK 42 (46) during the quarter.

Profit after tax amounted to MSEK 39 (39). Tax amounted to MSEK -2 (-7), leading to an effective tax rate of 5.8 per cent (16.1).

Net Income discontinuing operations, net after tax amounted to MSEK -97 (-3). Loss after tax including discontinuing operations amounted to MSEK -58 (37).

Cash flow and financial position

Cash flow from operating activities amounted to MSEK 71 (211) for continuing operations. Including discontinuing operations, cash flow from operating activities amounted to MSEK 63 (203).

During the quarter, cash flow from investing activities for continuing operations was MSEK -42 (-3), mainly attributable to paid contingent considerations. Including discontinuing operations, cash flow from investing activities amounted to MSEK -42 (-4).

Cash flow from financing activities amounted to MSEK -10 (-21) for continuing operations. Including discontinuing operations, cash flow from financing activities amounted to MSEK -10 (-21).

Cash flow for the period amounted to MSEK 19 (186) for continuing operations. Including discontinuing operations, cash for the period amounted to MSEK 11 (178).

Cash and cash equivalents for continuing operations at the end of the period amounted to MSEK 261, compared with MSEK 249 at the start of the quarter. Unutilised credit facilities totalled MSEK 302 compared with MSEK 298 at the start of the period, which together with cash and cash equivalents means a total of MSEK 563 in available funds compared with MSEK 547 at the start of the period.

Net debt, which is defined as current and non-current interest-bearing liabilities from credit institutions less cash and cash equivalents and current investments, amounted to MSEK 745 at the end of the quarter compared with MSEK 757 at the start of the quarter. This is equivalent to net debt in relation to adjusted EBITDA R12M of a multiple of 3.2. The leverage ratio calculated in accordance with the Group's financial target was a multiple of 2.84 at the end of the period, which is above the capital structure target in the medium term.

Other current and non-current interest-bearing liabilities primarily comprise bank financing and lease liabilities. These commitments amounted to MSEK 1,006 at the end of the quarter compared with MSEK 1,005 at the start of the quarter.

Total assets amounted to MSEK 2,968 compared with MSEK 3,036 at the start of the quarter and equity to MSEK 1,095 compared with MSEK 1,149 at the start of the quarter. 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.

January–December

Continuing operations

Net sales

Net sales rose 3.1 per cent to MSEK 3,284 (3,186) during the year with organic growth of 2.9 per cent, primarily as a result of a favourable performance in Infraservices in the first half of the year, 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), with an EBITDA margin of 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 primarily by lower profitability in Infraservices in the second half of the year and lower volumes resulting in lower profitability in Telecom in Germany and the UK during the year.

Adjusted EBITDA decreased 7.0 per cent to MSEK 232 (250) for the year 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 May 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 by 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 decreased 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), leading 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 and financial position

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 settled 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 period was MSEK -134 (120). Including discontinuing operations, cash for the period amounted to MSEK -192 (92).

Segments

Continuing operations

Netel's segments correspond to the Infraservices, Power and Telecom divisions. Operations in Finland are recognised as discontinuing operations and are not included in the segment reporting.

Infraservices division

	Oct-Dec			Jan-Dec		
MSEK	**2024**	**2023**	**Δ**	**2024**	**2023**	**Δ**
Continuing operations						
Net Sales	238	242	-1.8%	844	775	8.9%
of which						
Sweden	*238*	*242*	*-1.8%*	*844*	*775*	*8.9%*
EBITA	14	28	-50.2%	54	68	-21.1%
EBITA margin	5.9%	11.7%	-5.8	6.4%	8.8%	- 2.4

Net sales decreased 1.8 per cent to MSEK 238 (242) during the quarter. During the year, net sales rose 8.9 per cent to MSEK 844 (775), driven by favourable demand for services in water and sewage, district heating and civil engineering works. During the quarter, Netel noted some increased customer caution and continued high competition. In the last quarter of the year, Netel was awarded the continued development of the Bus Rapid Transit (BRT) project in Örebro, phase 1, section 9, which is to be completed in 2025 and includes stops, lighting and safe passages.

EBITA decreased 50.2 per cent to MSEK 14 (28), with an EBITA margin of 5.9 per cent (11.7) in the quarter. During the year, EBITA decreased 21.1 per cent to MSEK 54 (68), with an EBITA margin of 6.4 per cent (8.8). The decline during the quarter and year was the result of completed projects with lower margins than anticipated and increased competition in the market.

Power division

	Oct-Dec			Jan-Dec		
MSEK	**2024**	**2023**	**Δ**	**2024**	**2023**	**Δ**
Continuing operations						
Net Sales	317	308	3.2%	1,005	1,002	0.3%
of which						
Sweden	*223*	*223*	*0.3%*	*653*	*630*	*3.5%*
Norway	*96*	*85*	*13.3%*	*352*	*371*	*-5.1%*
EBITA	37	30	22.0%	76	73	*4.1%*
EBITA margin	11.6%	9.8%	1.8	7.6%	7.3%	0.3

Net sales grew 3.2 per cent to MSEK 317 (308) in the quarter as a result of a high share of project completions in Norway. Since the projects in Power are often major, sales can vary between the quarters depending on which projects are completed during each period. During the year, net sales rose 0.3 per cent to MSEK 1,005 (1,002) due to higher sales in Sweden while sales in Norway declined somewhat.

During the quarter, a framework agreement was signed for contracting covering power network connections with Vattenfall Eldistribution in northeastern Götaland, which is a new area for Netel. The agreement runs for two years with the possibility of extension and the value of the order is estimated at approximately MSEK 40. Netel also signed a new framework agreement with Norway's leading energy company Elvia, covering the design and installation of new control systems for Elvia's substations. Netel will deliver complete protection and control systems to existing and new substations and has total responsibility for everything from planning and material procurement to assembly, testing and commissioning. The agreement is worth approximately MNOK 320 and runs for four years with an option for an additional 2+2 years.

EBITA increased during the quarter 22.0 per cent to MSEK 37 (30) and the adjusted EBITA margin amounted to 11.6 per cent (9.8) as a result of project completions in Sweden. During the year, EBITA increased 4.1 per cent to MSEK 76 (73), and the EBITA margin increased to 7.6 per cent (7.3). Efforts to increase margins in Norway are continuing according to plan.

Telecom division

	Oct-Dec			Jan-Dec		
MSEK	**2024**	**2023**	**Δ**	**2024**	**2023**	**Δ**
Continuing operations						
Net Sales	402	398	1.1%	1,434	1,408	1.9%
of which						
Sweden	*96*	*85*	*13.0%*	*280*	*282*	*-0.7%*
Norway	*249*	*250*	*-0.5%*	*910*	*824*	*10.5%*
Germany	*50*	*44*	*15.1%*	*174*	*192*	*-9.4%*
UK	*9*	*19*	*-53.3%*	*70*	*110*	*-36.5%*
EBITA	2	7	-71.0%	14	34	-57.5%
EBITA margin	0.5%	1.8%	- 1.3	1.0%	2.4%	-1.4

Net sales grew 1.1 per cent to MSEK 402 (398) in the fourth quarter, primarily due to a healthy trend in Sweden in mobile and net sales in Germany were primarily impacted by the roll-out of fibre for UGG (Unsere Grüne Glasfaser). During the year, net sales rose 1.9 per cent to MSEK 1,434 (1,408) due to a healthy trend in both mobile and fixed networks in Norway. In the UK, the build-up of Netel's market presence impacted the trend during the year.

During the quarter, a contract was signed with the German company UGG covering the roll-out of fibre to over 7,000 households in Muldenstausee, near Leipzig. The new project will start immediately and the roll-out should be completed in 2026. In June this year, Netel announced a contract with UGG to roll our fibre to 5,000 households in Raguhn-Jeßnit, north of Leipzig, worth MEUR 10. The geographical proximity between the projects gives Netel opportunities for synergies.

During the quarter, EBITA declined 71.0 per cent to MSEK 2 (7) and the EBITA margin increased to 0.5 per cent (1.8), primarily due to lower volumes in the UK. During the year, EBITA decreased by 57.5 per cent to MSEK 14 (34) due to lower volumes in Germany and the UK.

Other information

Significant events after the end of the reporting period

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

Employees

The number of employees at the end of the year in continuing operations was 837 (814). The average number of employees for the year in continuing operations was 819 (817).

The number of employees at the end of the year in discontinuing operations was 47 (42). The average number of employees for the year in discontinuing operations was 44 (47).

The number of employees is calculated as full-time equivalents.

Financial targets

Revenue growth
Annual growth target of 10 per cent, including inorganic growth.

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

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

Dividend policy

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

Long-term incentive programme LTIP 2024

In May 2024, the Annual General Meeting resolved to implement a long-term incentive programme – LTIP 2024 – for members of the Executive Team and certain other key employees of the Group, totalling eight persons. Some of the participants in the programme will have the opportunity to acquire shares in the company (warrants), while other participants will have the opportunity to receive a cash amount based on the share price (synthetic options). Participants have been offered to purchase the options at market value, with a subsidy in the form of a cash payment equivalent to approximately 50% of the investment amount. The benefit corresponding to the subsidy is recognised as share-based payment in accordance with IFRS 2, meaning personnel costs over the vesting period of three years.

The programme encompasses 750,000 warrants and 214,000 synthetic options. Both warrants and synthetic options may be exercised during the period from 1 June 2027 up to and including 31 August 2027. The subscription/exercise price amounts to 150% of the volume-weighted average price paid during five trading days ending on 17 May 2024, which was SEK 22.39. The terms and conditions of the warrants contain a so-called net strike recalculation clause, which means that the subscription price and the number of shares that each warrant entitles to subscription for will be recalculated before the exercise period.

The fair value on the allotment date amounted to SEK 1.88 for warrants and SEK 1.87 for synthetic options. The maximum number of warrants has been subscribed.

The Group has expensed SEK 176,250 during the year and SEK 58,750 during the quarter in accordance with IFRS 2 for share-related remuneration.

Parent Company

The Parent Company's net sales amounted to MSEK 7 (8) for the quarter and MSEK 27 (27) for 2024. The Parent Company was charged with personnel costs and certain financial expenses.

Risks and uncertainties

There are several strategic, operational and financial risks and uncertainties that could impact the Group's financial results and position. Most of these can be managed by internal procedures, although some are governed by external factors to a greater extent. Risks and uncertainties are related to IT and control systems, suppliers, disputes related to projects, seasonal and weather variations and currencies, but could also arise in the event of new competition, changed market conditions and macroeconomic factors or changed customer behaviour. Interest rate risk also exists for the Group. A weaker macroeconomic situation, higher interest rates and inflation pressure could have a negative impact on demand from customers and entail project delays. Netel cannot currently assess the scope of any potential recession, the level of inflation or expected interest rates. It is thus also difficult to assess the effects on the Group's operations. Netel's business model is based on a low level of the Group's assets being tied up in own operations, for example, in machines, which makes the Group more financially agile during recessions. The Netel Group is also affected by weather factors. An early or late winter with lower temperatures has a negative impact on excavation projects, while autumn storms can lead to more assignments to secure power lines. For a more detailed description of the risks and uncertainties for the Group and the Parent Company, refer to the 2023 Annual Report.

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

2025 Annual General Meeting

The 2025 Annual General Meeting will be held on Thursday, 8 May, in Stockholm, Sweden. Shareholders who wish to have a matter brought before the AGM may submit a proposal to Netel's Chairman of the Board by e-mailing ir@netelgroup.com or writing to Netel Holding AB, Att: Årsstämma 2025, Fågelviksvägen 9, 7th floor SE-145 84 Stockholm, Sweden. To be assured of the proposal reaching the notice and therefore the agenda of the AGM, the proposal must have reached the company by 20 March 2025 at the latest.

Owners

On 31 December 2024, Netel Holding AB (publ) had 3,726 shareholders (2,588), an increase of 44.0 per cent during 2024. The five largest shareholders were 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).

There were a total of 48,511,873 shares and votes in Netel on 31 December 2024. All shares are ordinary shares.

Financial statements

Condensed consolidated statement of profit or loss

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Continuing operations				
Operating income				
Net sales	957	943	3,284	3,186
Other operating income	41	25	48	32
Total revenue	**998**	**969**	**3,332**	**3,218**
Operating expenses				
Material and purchased services	-636	-619	-2,113	-1,993
Other external expenses	-96	-93	-299	-314
Personnel costs	-196	-178	-706	-673
Depreciation and amortisation	-14	-18	-69	-73
Operating profit/loss (EBIT)	**56**	**60**	**145**	**164**
Profit/loss from financial items				
Net financial items	-15	-14	-75	-63
Earnings before tax	**42**	**46**	**70**	**102**
Taxes	-2	-7	-12	-19
Net Income continuing operations	**39**	**39**	**58**	**82**
Discontinuing operations				
Net Income discontinuing operations, net after tax	*-97*	*-3*	*-105*	*-38*
Earnings for the period	**-58**	**37**	**-47**	**44**
Earnings for the period is attributable to				
Parent company's shareholders	-58	37	-47	44
Non-controlling interests	-	-	-	-
Earnings per share				
Earnings per share before and after diltution continuing operations (SEK)	0.81	0.81	1.20	1.69
Earnings per share before and after diltution including discontinuing operations (SEK)	-1.19	0.75	-0.96	0.91
Average number of shares before and after dilution (thousands)	48,512	48,512	48,512	48,480

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

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Earnings for the period	-58	37	-47	44
Other comprehensive income				
Translation differences for the period	12	-1	8	-24
Translation differences discontinuing operations	-4	-5	-0	4
Other comprehensive income for the period	**8**	**-6**	**8**	**-21**
Comprehensive income for the period	**-50**	**30**	**-39**	**23**
Comprehensive income for the period is attributable to				
Parent company's shareholders	-50	30	-39	23
Non-controlling interests	-	-	-	-

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.

Condensed consolidated statement of financial position

SEK millions	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Goodwill	1,242	1,237
Intangible assets	206	199
Property, plant and equipment	158	173
Financial non-current assets	15	13
Deferred tax assets	7	16
Total non-current assets	**1,628**	**1,639**
Current assets		
Inventories	2	8
Current receivables	1,015	1,052
Cash and cash equivalents	261	446
Assets held for sale	62	-
Total current assets	**1,340**	**1,506**
Total assets	**2,968**	**3,146**
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the parent company's shareholders	1,095	1,133
Equity attributable to non-controlling interests	-	-
Total equity	**1,095**	**1,133**
Non-current interest-bearing liabilities	958	1,003
Non-current non-interest-bearing liabilities	80	93
Total non-current liabilities	**1,038**	**1,097**
Current interest-bearing liabilities	49	53
Current non-interest-bearing liabilities	707	863
Liabilities directly associated with assets held for sale	78	-
Total current liabilities	**835**	**916**
Total equity and liabilities	**2,968**	**3,146**

Condensed consolidated statement of changes in equity

	Equity attributable to the parent company's shareholders						
SEK thousands	**Share capital**	**Other contributed capital**	**Translation reserve**	**Retained earnings including profit/loss for the period**	**Total equity attributable to the parent company's shareholders**	**Non-controlling interest**	**Total equity**
Opening equity 1 Jan 2023	**742**	**1,460,815**	**4,737**	**-361,342**	**1,104,951**	**-**	**1,104,951**
Profit/loss for the period	-	-	-	43,926	43,926	-	43,926
Other comprehensive income	-	-	-25,439	-	-25,439	-	-25,439
Comprehensive income for the period	**-**	**-**	**-25,439**	**43,926**	**18,487**	**-**	**18,487**
Transactions with Group owners							
Completed issues	5	9,995	-	-	10,000	-	10,000
Total	**5**	**9,995**	**-**	**-**	**10,000**	**-**	**10,000**
Closing equity 31 Dec 2023	**746**	**1,470,810**	**-20,703**	**-317,415**	**1,133,438**	**-**	**1,133,438**
Opening equity 1 Jan 2024	**746**	**1,470,810**	**-20,703**	**-317,415**	**1,133,438**	**-**	**1,133,438**
Profit/loss for the period	-	-	-	-46,797	-46,797	-	-46,797
Other comprehensive income	-	-	7,573	-	7,573	-	7,573
Comprehensive income for the period	**-**	**-**	**7,573**	**-46,797**	**-39,224**	**-**	**-39,224**
Transactions with Group owners							
Completed issues	-	881	-	-	881	-	881
Total	-	881	-	-	881	-	881
Closing equity 31 Dec 2024	**746**	**1,471,691**	**-13,130**	**-364,212**	**1,095,095**	**-**	**1,095,095**

Condensed consolidated statement of cash flows including discontinuing operations

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Operating profit/loss	-26	58	56	128
Reversal of non-cash items	-7	21	38	70
Interest received	3	6	5	6
Interest paid	-15	-18	-65	-67
Tax paid	-1	-2	-58	-39
Cash flow from operating activities before changes in working capital	**-46**	**65**	**-24**	**98**
Changes in inventories	2	-0	2	0
Changes in operating receivables	102	129	8	94
Changes in operating liabilities	6	10	73	49
Cash flow from operating activities	**63**	**203**	**59**	**242**
Acquisition of non-current assets	-14	-6	-39	-19
Acquisition of subsidiaries and businesses	-25	-	-124	-74
Sale of non-current assets	-3	2	0	11
Cash flow from investing activities	**-42**	**-4**	**-162**	**-83**
New share issue	-	-	-	-
Amortisation of lease liabilities	-8	-13	-46	-51
Proceeds from current and non-current loans and credits	-	-	14	50
Amortisation of current and non-current loans and credits	-1	-8	-57	-66
Cash flow from financing activities	**-10**	**-21**	**-89**	**-67**
Cash flow for the period	11	178	-192	92
Cash and cash equivalents at the beginning of the period	249	281	446	369
Translation difference in cash and cach equivalents	5	-14	11	-14
Cash and cash equivalents at the end of the period	**265**	**446**	**265**	**446**
of which from continuing operations	*261*	*446*	*261*	*446*
of which from discontinuing operations	*4*	-	*4*	-

Consolidated statement of cash flows for continuing operations

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Cash flow from continuing operations				
Cash flow from operating activities	71	211	115	268
Cash flow from investing activities	-42	-3	-162	-82
Cash flow from financing activities	-10	-21	-87	-65
Cash flow for the period from continuing operations	**19**	**186**	**-134**	**120**

Notes to the financial statements in summary

Key accounting policies

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

Netel Holding AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Annual Accounts Act (1995: 1554). The interim report for the Parent Company has been prepared in accordance with Chapter 9 Interim Reports of the Annual Accounts Act and RFR 2 Reporting for Legal Entities. For the Group and the Parent Company, the same accounting policies, calculation bases and assessments have been applied as in the latest annual report for Netel Holding AB (publ), with the exception of hedge accounting. A more detailed description of the Group's applied accounting policies as well as new and future changes in standards can be found in the latest published annual report. For a complete description of the Group and the Parent Company's applied accounting policies, see Note 1 in the 2023 Annual Report and the description below.

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

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

Hedging of net investment in foreign operations

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 identified 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.

Warrants

Obligations for the Group's warrants are recognised as personnel costs over the period of service based on the estimated number of rights expected to be vested. The fair value is calculated on the allotment date and recognised in equity. The estimate of the number of shares expected to be vested is reassessed at the end of each reporting period and any differences are recognised in profit or loss with corresponding adjustments made in equity.

Synthetic options

Obligations for the Group's synthetic options are recognised as personnel costs over the period of service based on the estimated number of rights expected to be vested. The fair value of the liability is remeasured at the end of each reporting period and recognised as an employee benefit obligation in the balance sheet. Any changes in fair value are recognised in profit or loss as personnel costs. In the event that synthetic options are forfeited due to the employee not meeting the service conditions, the liability is derecognised and previously recognised expenses are reversed.

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 President and CEO. An operating segment is a part of the Group that conducts operations that earn revenue and incur costs, and for which discrete financial information is available. The Group is categorised into segments based on the internal structure of its business operations, which means that there are three operating segments: the Infraservices, Power and Telecom divisions.

The same accounting policies are used in the segments as for the Group, except for leases in accordance with IFRS 16. Leasing according to IFRS 16 was not allocated on the division level. Consequently, the divisions' leases are reported as if they were operating leases. The Group presents revenue and earnings before interest, tax and amortisation (EBITA) per segment.

Earnings per share

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

Estimates and judgements

The preparation of the interim report requires that company management makes assessments and estimates and makes assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates are the same as in the latest published annual report. See Note 1 in the 2023 Annual Report for more information.

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.

Changes in 2024

Starting in the first quarter of 2024, Netel carried out a reorganisation to clarify synergies, better utilise business opportunities and expertise as well as allocate resources between countries based on the nature of the operations. The previous segments Sweden, Norway, Finland, Germany and the UK were replaced by the Infraservices, Power and Telecom divisions which, as of the first quarter of 2024, are recognised as the primary operating segments. The previous segments will be reported as business areas within each division. To increase transparency, restated figures are also presented for all of the remaining quarters and full-year 2023 in accordance with the new operating segments.

Discontinuing operations

Netel announced on January 16, 2025, that the Board of Directors had decided to initiate a process aimed at selling the Finnish operations, a decision for which the 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 statement of financial position for prior periods may not, in accordance with IFRS, be restated and is therefore unchanged.

Oct-Dec 2024	**Infraservices**	**Power**	**Telecom**	**Total segments**	**Group-wide items and eliminations**	**Group total**
Continuing operations						
customers	238	317	402	957	-0	957
Revenue from other segments	-	-	-	-	-	-
Total revenue	**238**	**317**	**402**	**957**	**-0**	**957**
EBITA	**14**	**37**	**2**	**53**	**5**	**58**

Oct-Dec 2023	**Infraservices**	**Power**	**Telecom**	**Total segments**	**Group-wide items and eliminations**	**Group total**
Continuing operations						
customers	242	308	398	947	-4	943
Revenue from other segments	-	-	-	-	-	-
Total revenue	**242**	**308**	**398**	**947**	**-4**	**943**
EBITA	**28**	**30**	**7**	**66**	**-4**	**61**

Jan-Dec 2024	**Infraservices**	**Power**	**Telecom**	**Total segments**	**Group-wide items and eliminations**	**Group total**
Continuing operations						
customers	844	1,005	1,434	3,284	-0	3,284
Revenue from other segments	-	-	-	-	-	-
Total revenue	**844**	**1,005**	**1,434**	**3,284**	**-0**	**3,284**
EBITA	**54**	**76**	**14**	**144**	**8**	**152**

Jan-Dec 2023	Infraservices	Power	Telecom	Total segments	Group-wide items and eliminations	Group total
Continuing operations						
customers	775	1,002	1,408	3,185	1	3,186
Revenue from other segments	-	-	-	-	-	-
Total revenue	**775**	**1,002**	**1,408**	**3,185**	**1**	**3,186**
EBITA	**68**	**73**	**34**	**175**	**-6**	**169**

Jan-Mar 2024	Infraservices	Power	Telecom	Total segments	Group-wide items and eliminations	Group total
Continuing operations						
Revenue from external customers	163	204	309	676	-0	676
Revenue from other segments	-	-	-	-	-	-
Total revenue	**163**	**204**	**309**	**676**	**-0**	**676**
EBITA	**9**	**10**	**-4**	**15**	**3**	**17**

Apr-Jun 2024	Infraservices	Power	Telecom	Total segments	Group-wide items and eliminations	Group total
Continuing operations						
Revenue from external customers	223	278	354	855	-0	854
Revenue from other segments	-	-	-	-	-	-
Total revenue	**223**	**278**	**354**	**855**	**-0**	**854**
EBITA	**17**	**20**	**6**	**43**	**-1**	**42**

Jul-Oct 2024	Infraservices	Power	Telecom	Total segments	Group-wide items and eliminations	Group total
Continuing operations						
Revenue from external customers	221	207	368	796	-0	796
Revenue from other segments	-	-	-	-	-	-
Total revenue	**221**	**207**	**368**	**796**	**-0**	**796**
EBITA	**14**	**9**	**10**	**33**	**1**	**34**

Revenue from contracts with customers

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

Oct-Dec 2024	Infraservices	Power	Telecom	Total segments	Discontinuing operations	Group total
Business area						
Sweden	239	223	96	**558**		**558**
Norway	-	96	249	**345**		**345**
Finland	-	-	-	**-**	33	**33**
Germany	-	-	50	**50**		**50**
United Kingdom	-	-	9	**9**		**9**
Group-wide	-1	-2	-2	**-5**		**-5**
Revenue from contracts with customers	**238**	**317**	**402**	**957**	**33**	**990**
Type of service						
Framework agreement	74	108	291	**473**	69	**542**
Project	164	211	114	**489**	-37	**453**
Group-wide	-1	-2	-2	**-5**		**-5**
Revenue from contracts with customers	**238**	**317**	**402**	**957**	**33**	**990**

Oct-Dec 2023	Infraservices	Power	Telecom	Total segments	Discontinuing operations	Group total
Business area						
Sweden	242	223	85	**550**		**550**
Norway	-	85	250	**335**		**335**
Finland	-	-	-	**-**	82	**82**
Germany	-	-	44	**44**		**44**
United Kingdom	-	-	19	**19**		**19**
Group-wide	-	-	-	**-4**		**-4**
Revenue from contracts with customers	**242**	**308**	**398**	**943**	**82**	**1,025**
Type of service						
Framework agreement	50	325	87	**462**	64	**526**
Project	192	-17	311	**486**	17	**503**
Group-wide	-	-	-	**-4**		**-4**
Revenue from contracts with customers	**242**	**308**	**398**	**943**	**82**	**1,025**

Jan-Dec 2024	Infraservices	Power	Telecom	Total segments	Discontinuing operations	Group total
Business area						
Sweden	844	653	280	**1,777**		1,777
Norway	-	352	910	**1,263**		1,263
Finland	-	-	-	**-**	241	241
Germany	-	-	174	**174**		174
United Kingdom	-	-	70	**70**		70
Group-wide	-	-	-	**-**		-
Revenue from contracts with customers	**844**	**1,005**	**1,434**	**3,284**	**241**	**3,524**
Type of service						
Framework agreement	214	246	1,129	**1,589**	236	1,825
Project	630	759	305	**1,695**	5	1,699
Group-wide	-	-	-	**-**	-	-
Revenue from contracts with customers	**844**	**1,005**	**1,434**	**3,284**	**241**	**3,524**

Jan-Dec 2023	Infraservices	Power	Telecom	Total segments	Discontinuing operations	Group total
Business area						
Sweden	775	630	282	**1,688**		**1,688**
Norway	-	371	824	**1,195**		**1,195**
Finland	-	-	-	**-**	273	**273**
Germany	-	-	192	**192**		**192**
United Kingdom	-	-	110	**110**		**110**
Group-wide	-	-	-	**1**		**1**
Revenue from contracts with customers	**775**	**1,002**	**1,408**	**3,185**	**273**	**3,459**
Type of service						
Framework agreement	192	499	919	**1,610**	203	**1,813**
Project	584	503	489	**1,575**	70	**1,645**
Group-wide	-	-	-	**-**		**-**
Revenue from contracts with customers	**775**	**1,002**	**1,408**	**3,185**	**273**	**3,458**

Reports for discontinuing operations

On January 16, 2025, Netel announced that the Board of Directors had decided to initiate a process aimed at selling the Finnish operations, a decision for which the management resolved to commence preparations during the fourth quarter 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 in 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 of revenue and costs in relation to risks and opportunities in ongoing projects and the ongoing sales process, which is recognised in profit or loss for the fourth quarter of 2024.

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Discontinuing operations				
Net sales	33	82	241	273
Other operating income	-0	-0	-	0
Total revenue	**33**	**82**	**241**	**273**
Operating expenses				
Material and purchased services	-76	-69	-250	-253
Other external expenses	-28	-5	-38	-14
Personnel costs	-11	-10	-40	-40
Depreciation and amortisation	-0	-1	-3	-3
Operating profit/loss (EBIT)	**-83**	**-2**	**-90**	**-37**
Profit/loss from financial items				
Net financial items	-0	-0	-1	-1
Earnings before tax	**-83**	**-3**	**-91**	**-38**
Taxes	-14	-0	-14	-0
Net Income fom discontinuing operations	**-97**	**-3**	**-105**	**-38**

SEK millions	31 Dec 2024
Assets held for sale	
Tangible and intangible non-current assets	9
Inventories	3
Current receivables	45
Cash and cash equivalents	4
Total assets held for sale	**62**
Liabilites directly associated with assets held for sale	
Current interest-bearing liabilities	2
Current non-interest-bearing liabilities	76
Total Liabilites directly associated with assets held for sale	**78**

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Cash flow from discontinuing operations				
Cash flow from operating activities	-8	-8	-56	-26
Cash flow from investing activities	-	-1	-	-1
Cash flow from financing activities	0	1	-2	-2
Cash flow for the period from discontinuing operations	**-8**	**-7**	**-58**	**-29**

Financial instruments

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

Fair value measurement

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

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

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

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

Fund holdings

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

Contingent consideration

For some of the Group's business combinations, there are contingent considerations. The contingent considerations are dependent on the average EBITA for the business combinations over one to three years. The considerations will be settled in cash.

The contingent considerations are included in the items Non-current non-interest-bearing liabilities and Current non-interest-bearing liabilities in the amount of MSEK 61 (164). 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.

Fund holdings	31 Dec 2024	31 Dec 2023
Opening balance	**6**	**5**
Investments	1	1
Divestments	-	-
Change in value recognised through profit or loss	-	-
Translation difference	-	-
Closing balance	**7**	**6**

Contingent considiration	31 Dec 2024	31 Dec 2023
Opening balance	**162**	**173**
Acquisition of subsidiaries and businesses	-	9
Paid considirations	-124	-20
Change in value recognised through profit or loss	-37	1
Translation difference	1	-1
Closing balance	**2**	**162**

Other liabilities recognised at fair value	31 Dec 2024	31 Dec 2023
Opening balance	**-1**	**-**
Changes in recognised liabilities	-	-
Change in value recognised through profit or loss	1	-1
Translation difference	-	-
Closing balance	**0**	**-1**

Transactions with related parties

No significant changes took place during the year for the Group or the Parent Company in relationships or transactions with related parties compared to what has been described in Note 32 of the 2023 Annual report for Netel Holding AB (publ).

Management	31 Dec 2024	31 Dec 2023
Sales of goods and services	-	-
Purchase of goods and services	-	-
Interest income	-	-
Interest expenses	-	-
Receivables (closing)	-	-
Debt (closing)	-	-

Condensed income statement for the Parent Company

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Operating income				
Net sales	7	8	27	27
Other operating income	-	-	-	-
Total revenue	**7**	**8**	**27**	**27**
Operating expenses				
Personnel costs	-5	-6	-18	-16
Other external expenses	-1	-1	-6	-7
Operatin profit (EBIT)	**1**	**0**	**2**	**4**
Net financial items	0	-18	4	-21
Earnings after financial items	**1**	**-18**	**6**	**-18**
Appropriations	-5	53	-5	53
Earnings before tax	**-4**	**35**	**1**	**36**
Taxes	1	-7	-	-8
Earnings for the period	**-3**	**28**	**1**	**28**

Condensed balance for the Parent Company

SEK millions	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Shares in subsidiaries	1,622	1,622
Financial non-current assets	8	7
Total non-current assets	**1,630**	**1,629**
Current assets		
Receivables from Group companies	789	755
Other current assets	-	0
Cash and cash equivalents	1	84
Total current assets	**790**	**839**
Total assets	**2,420**	**2,469**
EQUITY AND LIABILITIES		
Equity		
Share capital	1	1
Other equity	1,482	1,480
Total equity	**1,483**	**1,480**
Total untaxed reserves	**23**	**23**
Non-current interest-bearing liabilities	878	934
Non-current non-interest-bearing liabilities	9	8
Total non-current liabilities	**888**	**943**
Current interest-bearing liabilities	9	7
Current non-interest-bearing liabilities	19	15
Total current assets	**27**	**23**
Total equity and liabilities	**2,420**	**2,469**

Stockholm, 7 February 2025

Jeanette Reuterskiöld
President and CEO

This report is unaudited.

Selected financial information

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

Alternative performance measures not defined under IFRS

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Continuing operations				
Net sales growth (%)	1.5%	5.5%	3.1%	11.8%
Organic sales growth (%)	1.5%	2.0%	2.9%	4.8%
EBITDA	71	78	215	238
EBITDA margin (%)	7.4%	8.3%	6.5%	7.5%
EBITA	58	61	152	169
EBITA margin (%)	6.0%	6.5%	4.6%	5.3%
Items affecting comparability	-1	4	18	12
Adjusted EBITDA	70	82	232	250
Adjusted EBITDA margin (%)	7.3%	8.7%	7.1%	7.8%
Adjusted EBITA	57	66	169	181
Adjusted EBITA margin (%)	6.0%	6.9%	5.2%	5.7%
Net debt	745	610	745	610
Net debt/Adjusted EBITDA R12 (Ratio)	3.2	2.4	3.2	2.4
Equity ratio (%)	36.9%	36.0%	36.9%	36.0%
Order backlog	4,023	3,397	4,023	3,397

Reconciliation of growth in net sales

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Continuing operations				
Net sales previous period	943	895	3,186	2,850
Acquired net sales	-	31	4	201
Organic net sales	957	913	3,280	2,985
Total net sales growth (%)	1.5%	5.5%	3.1%	11.8%
Organic net sales growth (%)	1.5%	2.0%	2.9%	4.8%

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

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Continuing operations				
Net sales	957	943	3,284	3,186
Operating profit/loss (EBIT)	56	60	145	164
Depreciation and amortisation of tangible and intangible assets	14	18	69	73
EBITDA	71	78	215	238
EBITDA margin (%)	7.4%	8.3%	6.5%	7.5%
Items affecting comparability				
Acquisition-related costs	-	0	-	7
Other items affecting comparability	-1	4	18	5
Total items affecting comparability	-1	4	18	12
Adjusted EBITDA	70	82	232	250
Adjusted EBITDA margin (%)	7.3%	8.7%	7.1%	7.8%

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

	Oct-Dec		Jan-Dec	
SEK millions	**2024**	**2023**	**2024**	**2023**
Continuing operations				
Net sales	957	943	3,284	3,186
Operating profit/loss (EBIT)	56	60	145	164
Depreciation and amortisation of intangible assets	2	1	6	4
EBITA	58	61	152	169
EBITA margin (%)	6.0%	6.5%	4.6%	5.3%
Items affecting comparability				
Acquisition-related costs	-	0	-	7
Other items affecting comparability	-1	4	18	5
Total items affecting comparability	-1	4	18	12
Adjusted EBITA	57	66	169	181
Adjusted EBITA margin (%)	6.0%	6.9%	5.2%	5.7%

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

SEK millions	31 Dec 2024	31 Dec 2023
Continuing operations		
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

Reconciliation of equity ratio

SEK millions	31 Dec 2024	31 Dec 2023
Total equity	1,095	1,133
Total assets	2,968	3,146
Equity ratio (%)	**36.9%**	**36.0%**

Definitions and reasons for use

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

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

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

Webcast presentation and teleconference

Jeanette Reuterskiöld, President and CEO, and Fredrik Helenius, CFO, will present the interim report on Friday, 7 February at 9:00 a.m. (CET) in a webcast. Questions may be asked both online and by phone. Presentation material is also available at https://netelgroup.com/en/investors/reports-and-presentations/. The presentation will be held in English.

If you want to participate through the webcast, use the link https://netel-group.events.inderes.com/q4-report-2024. It will be possible to submit written questions during the webcast. If you want to ask questions orally via teleconference, please register through the link https://conference.inderes.com/teleconference/?id=5008493. After registration, you will receive a telephone number and ID to log in to the conference. It will be possible to ask questions orally during the teleconference.

Financial information

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

Calendar

Annual and Sustainability Report 2024	Week beginning 31 March
First quarter 2025	25 April
Second quarter 2025	11 July
Third quarter 2025	24 October
Fourth quarter and Year-end Report 2025	6 February 2026

This information is such that Netel Holding AB (Publ) is obliged to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons below, on 7 February 2025 at 7:30 a.m. CET.

For further information, contact:

Jeanette Reuterskiöld, President and CEO
+46 70 228 0389
jeanette.reuterskiold@netel.se

Fredrik Helenius, CFO
+46 73 085 5286
fredrik.helenius@netel.se

Åse Lindskog, IR
+46 73 024 4872
ase.lindskog@netelgroup.com

Netel in brief

With over 20 years of experience, Netel is a leader in the development and maintenance of critical infrastructure in Infraservices, Power and Telecom in Northern Europe. We are involved in the entire value chain from design, production and maintenance of our customers' facilities. We are dedicated to securing an accessible and reliable future, where technology unites and transforms society. Netel reported net sales of MSEK 3,284 in 2024 and the number of employees in the Group is approximately 840. Netel has been listed on Nasdaq Stockholm since 2021. Read more at netelgroup.com.

FOUNDED IN	EMPLOYEES	NET SALES IN 2024	ADJUSTED EBITA IN 2024
2000	837	3,284 MSEK	169 MSEK

Netel