netel group

YEAR-END REPORT
JANUARY–DECEMBER 2021

Q4

Continued strong growth with high profitability

1 October – 31 December

- Net sales rose 24.6 per cent to MSEK 717 (575), of which organic growth was -1.8 per cent.
- Adjusted EBITA* amounted to MSEK 66 (62) and the adjusted EBITA margin* to 9.2 per cent (10.8).
- EBITA amounted to MSEK 37 (54) and the adjusted EBITA margin to 5.1 per cent (9.5).
- Operating profit (EBIT) amounted to MSEK 36 (55) and the operating margin to 5.0 per cent (9.5).
- Cash flow from operating activities amounted to MSEK 160 (102).
- Profit for the period amounted to MSEK 9 (30).
- Earnings per share before and after dilution amounted to SEK 0.20 (0.92).

1 January – 31 December

- Net sales rose 31.1 per cent to MSEK 2,418 (1,845), of which organic growth was 7.1 per cent.
- Adjusted EBITA* amounted to MSEK 177 (134) and the adjusted EBITA margin* to 7.3 per cent (7.3).
- EBITA amounted to MSEK 127 (120) and the EBITA margin to 5.2 per cent (6.5).
- Operating profit (EBIT) amounted to MSEK 126 (119) and the operating margin to 5.2 per cent (6.4).
- Cash flow from operating activities amounted to MSEK 114 (131).
- Profit for the period amounted to MSEK 66 (48).
- Earnings per share before and after dilution amounted to SEK 1.87 (1.49).
- Net debt on 31 December amounted to MSEK 318 (360), corresponding to Net debt/Adjusted EBITDA R12 of 1.4 (2.1).
- The order backlog was MSEK 3,488 (2,354).
- The Board proposes to the Annual General Meeting that no dividend be paid to shareholders for the 2021 financial year, to create room for value creating acquisitions, in line with Netel Group's strategy.

Significant events during and after the 1 October–31 December period

- Netel Holding AB (publ) was listed on Nasdaq Stockholm on 15 October.
- Netel acquired 100 per cent of JR Markteknik AB and Täby Maskin & Uthyrning AB on 16 December. The acquisitions represent a key building block in Netel's continued investment in infrastructure contracts that include water & sewage and district heating. Netel took possession of the shares on 3 January 2022.
- During the quarter, Netel Germany signed a number of four-year framework agreements with Deutsche Telekom, amounting to about MSEK 420, for the roll-out of fibre infrastructure in northern Germany.
- Eltek Entreprenad Sverige AB, with operations in Power, was acquired in February 2022.

Key performance indicators

	Oct-Dec		Jan-Dec	
SEK millions	2021	2020	2021	2020
Net sales	717	575	2,418	1,845
Net sales growth (%)	24.6%	-1.0%	31.1%	-0.9%
Adjusted EBITA	66	62	177	134
Adjusted EBITA margin (%)	9.2%	10.8%	7.3%	7.3%
EBITA	37	54	127	120
EBITA margin (%)	5.1%	9.5%	5.2%	6.5%
EBIT	36	55	126	119
EBIT margin (%)	5.0%	9.5%	5.2%	6.4%
Net debt	318	360	318	360
Net debt/Adjusted EBITDA R12 (Ratio)	1.4	2.1	1.4	2.1

**Adjusted EBITA excludes items including costs for the listing on Nasdaq Stockholm and acquisitions.*

CEO's comments

High growth and profitability in line with communicated targets

In the fourth quarter, we continued to broaden the operations into new areas, organically, geographically and through acquisitions, in accordance with our strategy. Net sales rose 25 per cent to MSEK 717 in the quarter and increased 31 per cent to MSEK 2,418 in 2021, compared with the year-earlier periods. Growth was particularly favourable in our established core areas of Power Networks and Mobile, Fibre in Germany and in the new growth area of infrastructure contracts that includes water & sewage and district heating.

Organic growth in the fourth quarter was -2 per cent and 7 per cent in 2021. Excluding new builds of Fibre in Sweden, organic growth in the fourth quarter amounted to approximately 7 per cent. The large difference in organic growth excluding Fibre was due to net sales in new builds of Fibre in Sweden falling about MSEK 50 in the fourth quarter compared with the same period in 2020. The decline is expected to continue at a diminishing rate, corresponding to about MSEK 100 for all of 2022 compared with 2021, since the fibre network has largely been rolled out. Our strategy of broadening the operations geographically and in core areas compensates for this well.

Adjusted EBITA rose 6 per cent to MSEK 66 in the fourth quarter of 2021 and increased 32 per cent to MSEK 177 for the full-year, compared with the year-earlier periods, corresponding to an adjusted EBITA margin of 9.2 per cent (10.8) for the quarter and 7.3 per cent (7.3) for the full year. The margin in the quarter is satisfactory and in line with expectations. The high margin in the fourth quarter 2020 is explained by the fact that we completed a number of very profitable projects in Norway and Finland during the fourth quarter 2020 and that we in the fourth quarter 2021 charged the result with certain start-up costs for the long, large and strategically important framework agreements, signed with Telia and Telenor in 2021.

Demand in our geographic markets continued to strengthen during the quarter.

The activity level in Mobile in the *Sweden segment* was high in the fourth quarter and we can see strong signals that demand will rise in 2022. Brogrund, which we acquired in March 2021 and which is included in Fixed Networks, reported healthy growth in the second half of 2021 and in December we acquired additional operations in Fixed Networks, JR Markteknik and Täby Maskin & Uthyrning ("JR") that will strengthen our offering in the growth area of infrastructure contracts. The business also performed well in Power in the fourth quarter. For example, we signed agreements amounting to approximately MSEK 100 to construct four regional transformer stations for EON and Vattenfall in 2022-2023. The order backlog for 2022 is satisfactory.

The *Finland segment* is continuing to operate in a slightly cautious market but with strong conditions for growth. Demand in the mobile market is in line with the preceding year, but the pace of the fibre roll-out is expected to pick up in 2022 as a result of a number of network owners announcing high ambitions to initiate expansion projects. Demand for the roll-out of the 5G network in 2022 is expected to remain at the same levels as in 2021. The order backlog for Power for 2022 is satisfactory.

The *Norway segment* experienced rising demand in the fourth quarter. We expect it to continue to increase in 2022, mainly in 5G roll-out but also in Fibre. In Power, we signed a large service framework agreement with network owner Elvia worth MSEK 40-50 over a four-year period. In addition, we signed a turnkey construction contract of about MSEK 40 with Norgesnett for production of a station in 2022. It is also gratifying that in the fourth quarter we grew our customer base with a number of new customers, including a project for network owner Mörenett. The order backlog for 2022 is strong.

The *German segment* had a convincing end to the year. A number of new agreements were signed during the quarter, including a four-year framework agreement of about MSEK 300 with Deutsche Telekom for the fibre roll-out in Hamburg and Schleswig-Holstein in northern Germany, plus two additional agreements for the roll-out of fibre infrastructure in northern Germany that total MSEK 120 over a four-year period. As a result of the agreements with Deutsche Telekom, the customer base has been broadened while customer activity is high. The order backlog was strengthened during the quarter.

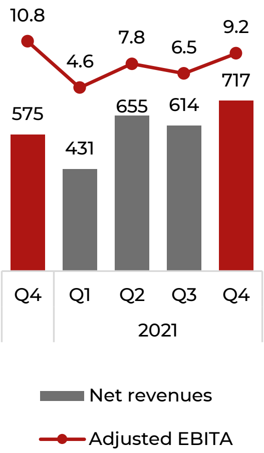
We look forward to continuing growth in 2022. We are expanding and successfully positioning ourselves in such areas as the 5G roll-out, Power, Infrastructure contracts and Fibre in Germany among other countries.

The fourth quarter ended with strong cash conversion and our financial position is strong. Despite this, the Board has decided to propose that no dividend be paid to shareholders for the 2021 financial year. Instead, we will continue to supplement and broaden our operations through strategic acquisitions with the aim of creating added value for shareholders.

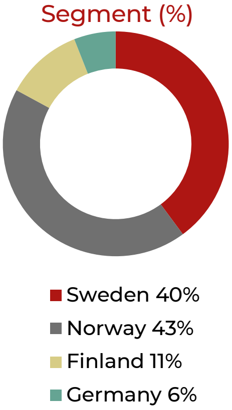
Stockholm, 16 February 2022
Ove Bergkvist
President and CEO

Condensed consolidated financial performance

Net sales
Adjusted EBITA
(MSEK)



Distribution of net sales 2021
Segment (%)



Net sales

Net sales rose 24.6 per cent to MSEK 717 (575) in the fourth quarter 2021 and increased 31.1 per cent to MSEK 2,418 (1,845) in 2021, compared with the year-earlier periods. Organic growth amounted to -1.8 per cent and 7.1 per cent respectively for each period.

The order backlog on 31 December 2021 was MSEK 3,488 (2,354), which is higher than at the end of the third quarter of 2021 and a historically high level. The higher order bookings were primarily due to previously secured large-scale and long-term framework agreements and a number of major agreements signed in the fourth quarter.

Net sales in the *Sweden segment* increased 61.7 per cent during the fourth quarter and 61.7 per cent for all of 2021. The order backlog is satisfactory for 2022.

The level of activity in Mobile was high for the fourth quarter and demand is expected to increase in 2022. The shortage of components continued to be a restrictive factor for the pace of the roll-out, which prolonged the time horizon for 5G expansion to a certain degree. However, operators reported a slight improvement in the delivery situation.

In Fixed Networks, Brogrund Mark AB and Brogrund Entreprenad AB ("Brogrund") were acquired in March 2021 and JR Markteknik and Täby Maskin & Uthyrning ("JR") in December 2021. Brogrund reported healthy growth in the second half of 2021. JR was consolidated from 3 January 2022 and is an additional key building block in Netel's investment in the field of infrastructure contracts.

The operations in Power Networks performed well in the fourth quarter. Agreements amounting to approximately MSEK 100 were signed to construct four regional transformer stations for EON and Vattenfall in 2022-2023.

Net sales for the *Finland segment* declined -5.2 per cent in the quarter and -11.0 per cent in 2021, compared with the year-earlier period.

In the fourth quarter, Netel won a pilot project with a leading telecom operator in Finland for the fibre roll-out in the south of the country. The pace of the fibre roll-out is expected to pick up in 2022 as a result of a number of fibre companies announcing high ambitions to initiate expansion projects. Demand for the roll-out of the 5G network in 2022 is expected to remain at the same levels as in 2021. The order backlog within Power is satisfactory for 2022.

Net sales for the *Norway segment* increased 5.1 per cent during the fourth quarter and 18.2 per cent for all of 2021, compared with the year-earlier periods. Demand remained high in the fourth quarter and is expected to increase in 2022 in Mobile, mainly in the 5G roll-out, but also in Fibre. Focus in the fourth quarter was on optimizing production in the framework agreements with Telia and Telenor under the service agreements signed earlier in the year.

In Power, Netel signed a large agreement in the fourth quarter comprising a service framework agreement with network owner Elvia worth MSEK 40-50 over a four-year period. In addition, a turnkey contract was signed with Norgesnett for about MSEK 40 for production in 2022. The customer base grew in the fourth quarter with a number of new customers, including a project for network owner Mörenett. The order situation is good for 2022.

The *Germany segment* ended the year strongly. A number of new agreements were signed during the fourth quarter, including a four-year framework agreement of about MSEK 300 with Deutsche Telekom for the fibre roll-out in Hamburg and Schleswig-Holstein in northern Germany and two agreements for the roll-out of fibre infrastructure in northern Germany totalling MSEK 120 over a four-year period. The agreements are part of Netel's establishment in the Hamburg area and its environs and strengthens its position in northern Germany.

Net sales increased 119.1 per cent in the fourth quarter and 164.1 per cent for all of 2021, compared with the year-earlier periods, and profitability in most projects is high. Order bookings strengthened during the fourth quarter. As a result of the agreements with Deutsche Telekom, the customer base has been broadened while customer activity is high.

Earnings

Adjusted EBITA margin Oct-Dec 2021

9.2%

Adjusted EBITDA amounted to MSEK 84 (74) for the fourth quarter 2021 and MSEK 220 (171) for the 12 months of the year, corresponding to an adjusted EBITDA margin of 11.7 per cent (12.8) for the quarter and 9.1 per cent (9.3) for the full-year. Adjusted EBITA amounted to MSEK 66 (62) for the quarter and MSEK 177 (134) for 2021, corresponding to an adjusted EBITA margin of 9.2 per cent (10.8) for the quarter and 7.3 per cent (7.3) for the full-year.

EBITDA and EBITA were charged with MSEK 27 (0) for costs for the listing on Nasdaq Stockholm and MSEK 0 (0) for acquisitions in the fourth quarter. In total, items affecting comparability amounted to MSEK 29 (8) for the fourth quarter and MSEK 50 (13) for 2021.

Adjusted EBITA Oct-Dec 2021 (MSEK)

66

Adjusted EBITA excludes costs for the listing on Nasdaq Stockholm and acquisitions

Depreciation/amortisation and impairment amounted to MSEK -19 (-11) for the quarter and MSEK -44 (-39) for 2021.

The Group's net financial items amounted to MSEK -13 (-13) for the fourth quarter. Interest expenses amounted to MSEK -9 in the fourth quarter, of which MSEK -1 was attributable to lease liabilities related to IFRS 16. For the 12 months of the year, the Group's net financial items amounted to MSEK -25 (-52). The change in relation to last year was mainly attributable to currency effects. Interest expenses for the full-year amounted to MSEK -27, of which MSEK -3 was attributable to lease liabilities related to IFRS 16.

Profit before tax amounted to MSEK 23 (41) for the fourth quarter and MSEK 100 (67) for the full-year.

Profit after tax amounted to MSEK 9 (30) for the fourth quarter and MSEK 66 (48) for the full-year. The effective tax rate was 33.9 per cent (27.7), corresponding to MSEK -34 (-18) for the 12 months of the year.

Significant events during the 1 January – 31 December period

The pace of 5G expansion increased in all markets. A number of important framework agreements were signed in Norway within fixed networks, including with Telenor and Telia. Two framework agreements within power were signed with two large network owners in Sweden, within stations and networks. Two major projects started in the second quarter for one of Germany's largest operators.

Netel Group carried out four acquisitions during the first quarter.

On 21 January, the Group acquired 100 per cent of the shares and votes in C-E Morberg Anläggning & Energi AB (“Morberg”). The company is active in power contracting in the Mälardalen region with Västerås as its base. The acquisition of Morberg is part of strengthening Netel’s position within the power segment. The acquisition strengthens Netel’s presence in the Västerås area, which creates good conditions for continued growth. C-E Morberg’s net sales in 2020 amounted to MSEK 40 and EBIT to MSEK 7. Morberg is included in the Sweden segment.

On 19 February, the Group acquired 100 per cent of the shares and votes in Oppunda Kraftkonsult AB (“Oppunda”). The company is active in power contracting with a focus on framework agreements within local networks. The business complements Netel’s expertise in power and strengthens its position within the local networks segment outside Stockholm. Oppunda has good conditions for continued growth within existing framework agreements. Oppunda’s net sales in 2020 amounted to MSEK 77 and EBIT to MSEK 11. Oppunda is included in the Sweden segment.

On 4 March, the Group acquired 100 per cent of the shares and votes in Brogrund Mark AB and Brogrund Entreprenad AB (“Brogrund”). Brogrund has a broad product offering with specialist knowledge in infrastructure and offers contracting in water treatment, district heating, power and general groundwork contracts in the Örebro region. The acquisition broadens the expertise of Netel within the infrastructure segment and thereby good opportunities for continued growth. Brogrund’s net sales in 2020 amounted to MSEK 188 and EBIT to MSEK 8. Brogrund is included in the Sweden segment.

On 31 March, the Group acquired 100 per cent of the shares and votes in Svensk Elkraftsentreprenad AB (“SEKE”). SEKE offers contracting within the power plant segment. The acquisition increases Netel’s expertise in power plant contracting in Sweden. SEKE has good growth opportunities. SEKE’s net sales in 2020 amounted to MSEK 148 and EBIT to MSEK 15. SEKE is included in the Sweden segment.

In the third quarter, Netel signed a major agreement for a station project with Vattenfall in Sweden.

New offices were opened in Germany in the third quarter, one in Lübbecke and a fourth office outside Rostock.

In the third quarter, Netel signed a major agreement for a station project with Elvia in Norway.

In the third quarter, Netel in Norway signed an agreement for contingency services with Elvia.

Netel Holding AB (publ) was listed on Nasdaq Stockholm on 15 October. There was widespread interest in subscribing for shares among both Swedish and international institutional investors as well as the general public in Sweden, Norway and Finland, and the offering was substantially oversubscribed. In connection with the listing, Netel secured new financing, which together with the proceeds from the completed new share issue was partly used to repay previous financing.

Netel acquired 100 per cent of JR Markteknik AB and Täby Maskin & Uthyrning AB on 16 December. The acquisitions represent a key building block in Netel's continued investment in infrastructure contracts that include water & Sewage, pipe laying and associated groundwork. Netel took possession of the shares on 3 January 2022.

During the fourth quarter, Netel Germany signed a number of four-year framework agreements with Deutsche Telekom, amounting to about MSEK 420, for the roll-out of fibre infrastructure in northern Germany.

Cash flow and financial position

The Group's cash flow from operating activities amounted to MSEK 160 (102) for the fourth quarter and MSEK 114 (131) for 2021. Cash flow from operating activities was primarily driven by seasonal effects and a high level of production. In total, the quarter was charged with SEK -27 (0) million for costs related to the listing. The full year 2021 was charged with SEK -37 (0) million.

The Group's cash flow from investing activities amounted to MSEK -26 (-0) for the fourth quarter and MSEK -181 (-1) for 2021, mainly attributable to completed acquisitions. The item Acquisition of fixed assets includes SEK -14 (0) million regarding non-recurring investments in systems for the execution of the long and extensive framework agreements with Telia and Telenor in Norway.

The Group's cash flow from financing activities amounted to MSEK 57 (-55) for the fourth quarter and MSEK 244 (-133) for 2021, primarily due to the new share issue carried out in connection with the listing of the company, completed acquisitions and a high rate of production.

Cash flow for the Group for the period amounted to MSEK 191 (46) for the fourth quarter and MSEK 177 (-3) for 2021.

The Group's cash and cash equivalents at the end of the reporting period amounted to MSEK 271 (90) compared with the start of the year.

The Group's net debt, which is defined as the Group's current and non-current interest-bearing liabilities to credit institutions less cash and cash equivalents and current investments, amounted to MSEK 318 at the end of the period, compared with MSEK 360 at the start of the year, corresponding to net debt in relation to adjusted EBITDA R12 of a multiple of 1.4. Net debt excluding lease liabilities in relation to adjusted EBITDA R12 corresponds to a multiple of 1.0, which under the Group's capital structure target for the medium term.

The Group's other current and non-current interest-bearing liabilities primarily comprise bank financing and lease liabilities. These commitments amounted to MSEK 589 at the end of the period, compared with MSEK 450 at the start of the year. The increase was mainly due to completed acquisitions.

The Group's unutilized credit facilities amounted to MSEK 150 at the end of the period, compared with MSEK 130 at the start of the year.

The Group's total assets at the end of the reporting period amounted to MSEK 2,133 (1,511), compared with the start of the year.

The Group's equity at the end of the reporting period amounted to MSEK 911, compared with MSEK 603 the start of the year.

Employees

The number of employees at the end of the reporting period was 658. The average number of employees in the last 12 months was 576.

Financial targets

The Group's financial targets are:

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

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

Capital structure
Net debt (excluding lease liabilities) in relation to adjusted EBITDA R12 of <2.5x. 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 M&A opportunities, financial position, cash flow and organic growth opportunities.

Parent Company

The Parent Company's net sales amounted to MSEK 10 (0) for the quarter and MSEK 10 (0) for 2021. The Parent Company was charged with personnel costs and certain financial expenses.

Dividend

The Board proposes to the Annual General Meeting that no dividend be paid to shareholders for the 2021 financial year, to create room for value creating acquisitions, in line with Netel Group's strategy.

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 or changed customer behaviour. Interest rate risk also exists for the Group. For a more detailed description of the risks and uncertainties for the Group and the Parent Company, refer to the prospectus that was prepared in connection with the listing of Netel Holding AB on Nasdaq Stockholm on 15 October 2021. Besides these risks, no other material risks are deemed to have arisen.

Legal disputes

Netel AB currently has a dispute with a large Swedish provider of fibre infrastructure. For further information, refer to the prospectus that was prepared in connection with the listing of Netel Holding AB on Nasdaq Stockholm on 15 October 2021.

The share

Netel Holding AB's (publ) share has been listed on Nasdaq OMX Stockholm since 15 October 2021 under the ticker NETEL and has the ISIN SE0015949433. The share price as of the listing on 15 October 2021 was SEK 48. On the final day of trading in December, the share price was SEK 45.8. The highest price paid in the fourth quarter was SEK 53.6 and the lowest price paid was SEK 41.5. 5,605,882 shares were traded in the fourth quarter 2021, corresponding to a turnover rate of 48 per cent during the measurement period.

On 31 December 2021, Netel Holding AB (publ) had approximately 1,727 shareholders, of which the largest were IK Investment Partners (49.39 per cent), Nordnet Pensionsförsäkring (8.31 per cent), Carnegie Fonder (4.46 per cent), AP2 (4.43 per cent) and Swedbank Robur Fonder (4.43 per cent).

On 31 December 2021, the number of shares issued was 46,703,671, all of which were ordinary shares.

Financial statements

Condensed consolidated statement of profit or loss

SEK millions	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating income				
Net sales	717	575	2,418	1,845
Other operating income	2	1	3	2
Total revenue	**719**	**576**	**2,420**	**1,847**
Operating expenses				
Material and purchased services	-451	-386	-1,558	-1,250
Other external expenses	-38	-26	-196	-103
Personnel costs	-176	-98	-496	-337
Depreciation and amortisation	-19	-11	-44	-39
Operating profit/loss (EBIT)	**36**	**54**	**126**	**119**
Profit/loss from financial items				
Net financial items	-13	-13	-25	-52
Earnings before tax	**23**	**41**	**100**	**67**
Taxes	-14	-11	-34	-18
Earnings for the period	**9**	**30**	**66**	**48**
Earnings for the period is attributable to				
Parent company's shareholders	9	30	66	48
Non-controlling interests	-	-	-	-
Earnings per share				
Earnings per share before and after diltution (SEK)*	0.20	0.92	1.87	1.49
Average number of shares before and after dilution (thousands)*	44,542	32,500	35,535	32,500

*Netel Holding AB (publ) was registered with the Swedish Companies Registration Office on 15 July 2021 and became the new Parent Company of the Netel Group on the basis of an issue in kind on 20 August 2021. Accordingly, the Parent Company did not have any ordinary shares outstanding during the historical comparative periods. From the Parent Company registration date until 20 August 2021 there were 500,000 ordinary shares, and the number of ordinary shares increased to 500,002 in connection with the issue in kind. At the end of the third quarter of 2021, a non-controlling interest amounting to approximately 5 per cent of the capital remained in the Group due to this transaction. A decision was made on 27 August 2021 to carry out a share split in Netel Holding AB (publ), which entailed that the number of ordinary shares outstanding increased to 32,500,130. In order to calculate earnings per share for the comparative periods, Netel has used the number of ordinary shares that existed when the company was formed, retroactively adjusted for the share split, from the beginning of each period so that the measure is comparable with the current period.

In connection with the Group's listing on the stock exchange on 15 October 2021, a share exchange took place on the basis of an issue in kind, whereby the non-controlling interest exchanged its shares for newly issued ordinary shares in Netel Holding AB (publ), after which no non-controlling interest exists in the Group at the end of the fourth quarter 2021. A new share issue was also carried out in connection with the listing of the Group, which together with the issue in kind increased the number of ordinary shares outstanding to 46,703,671 at the end of the fourth quarter 2021.

Condensed consolidated statement of comprehensive income

	Oct-Dec		Jan-Dec	
SEK millions	2021	2020	2021	2020
Earnings for the period	9	30	66	48
Other comprehensive income				
Translation differences for the period	11	-1	11	-7
Other comprehensive income for the period	**11**	**-1**	**11**	**-7**
Comprehensive income for the period	**20**	**29**	**78**	**41**
Comprehensive income for the period is attributable to				
Parent company's shareholders	20	29	78	41
Non-controlling interests	-	-	-	-

Condensed consolidated statement of financial position

SEK millions	31 Dec 2021	31 Dec 2020
ASSETS		
Non-current assets		
Goodwill	810	594
Intangible assets	193	179
Property, plant and equipment	125	80
Financial non-current assets	7	0
Deferred tax assets	14	9
Total non-current assets	**1,149**	**863**
Current assets		
Inventories	8	4
Current receivables	705	554
Cash and cash equivalents	271	90
Total current assets	**984**	**648**
Total assets	**2,133**	**1,511**
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the parent company's shareholders	911	603
Equity attributable to non-controlling interests	-	-
Total equity	**911**	**603**
Non-current interest-bearing liabilities	554	371
Non-current non-interest-bearing liabilities	101	58
Total non-current liabilities	**655**	**430**
Current interest-bearing liabilities	35	78
Current non-interest-bearing liabilities	531	400
Total current liabilities	**566**	**478**
Total equity and liabilities	**2,133**	**1,511**

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 2020	**576**	**582,501**	**-278**	**-20,780**	**562,019**	**-**	**562,019**
Profit/loss for the period	-	-	-	48,333	48,333	-	48,333
Other comprehensive income	-	-	-7,084	-	-7,084	-	-7,084
the period	**-**	**-**	**-7,084**	**48,333**	**41,249**	**-**	**41,249**
Transactions with Group owners							
Completed issues	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Closing equity 31 Dec 2020	**576**	**582,501**	**-7,362**	**27,553**	**603,268**	**-**	**603,268**
Opening equity 1 Jan 2021	**576**	**582,501**	**-7,362**	**27,553**	**603,268**	**-**	**603,268**
Profit/loss for the period	-	-	-	66,274	66,274	-	66,274
Other comprehensive income	-	-	11,474	-	11,474	-	11,474
the period	**-**	**-**	**11,474**	**66,274**	**77,748**	**-**	**77,748**
Transactions with Group owners							
Completed issues	112	237,388	-	-7,321	230,179	-	230,179
Effects of Group restructuring*	31	575,804	-4,517	-571,318	-	-	-
Total	**143**	**813,192**	**-4,517**	**-578,639**	**230,179**	**-**	**230,179**
Closing equity 31 Dec 2021	**719**	**1,395,693**	**-405**	**-484,812**	**911,195**	**-**	**911,195**

Netel Group Holding AB approved a new issue of A and B shares on 19 February 2021, which resulted in an increase in share capital from SEK 576,337.44 to SEK 591,373.09. The shares were issued during a reinvestment in connection with a completed acquisition and have not affected cash flow.

Netel Group Holding AB approved a new issue of A and B shares on 4 March 2021, which resulted in an increase in share capital from SEK 591,373.09 to SEK 602,855.11. The shares were issued during a reinvestment in connection with a completed acquisition and have not affected cash flow.

Netel Group Holding AB approved a new issue of A and B shares on 29 March 2021, which resulted in an increase in share capital from SEK 602,855.11 to SEK 623,967.26. The shares were issued during a reinvestment in connection with a completed acquisition and have not affected cash flow.

Netel Holding AB (publ) decided on a new issue of ordinary shares in connection with the listing of the Group in 15 October 2021, which resulted in an increase in share capital from SEK 654,415 to SEK 718,518.

The issue took place in connection with the listing of the Group and totalled SEK 200,000,016. Direct issue costs were settled directly against equity.

*In the third quarter of 2021, a restructuring of the Netel Group was carried out whereby Netel Holding AB (publ) became the new Parent Company of the Group instead of the former Parent Company Netel Group Holding AB. The consolidated accounts prepared for the new Parent Company are presented as a continuation of the consolidated accounts that were previously prepared by Netel Group Holding AB. An Extraordinary General Meeting on 20 August 2021 resolved to carry out an issue in kind, and consideration other than cash, in the form of about 81 per cent of the shares in Netel Group Holding AB, about 95 per cent of the shares in NTL Management AB and about 90 per cent of the shares in NTL Co-Invest AB, was provided to Netel Holding AB (publ). An Extraordinary General Meeting in August 2021 also resolved to carry out a share split whereby every 1 existing share was split into 65 shares. For the calculations of earnings per share, the number of shares has been corrected as if the share split took place at the beginning of the first period recognised in the financial statements. At the end of the third quarter of 2021, a non-controlling interest amounting to approximately 5 per cent of the capital remained in the Group due to this transaction. In connection with the Group's listing on the stock exchange on 15 October 2021, a share exchange took place on the basis of an issue in kind, whereby the non-controlling interest exchanged its shares for newly issued ordinary shares in Netel Holding AB (publ), after which no non-controlling interest exists in the Group at the end of the fourth quarter 2021. The effects of this restructuring on equity are recognised on the line *Effect of Group restructuring* in the *Condensed consolidated statement of changes in equity*. A new share issue was also carried out in connection with the listing of the Group, which together with the issue in kind increased the number of ordinary shares outstanding to 46,703,671 at the end of the fourth quarter 2021.

Condensed consolidated statement of cash flows

SEK millions	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating profit/loss	36	54	126	119
Reversal of non-cash items	17	11	43	39
Interest received	-	1	-	1
Interest paid	-11	-11	-27	-26
Tax paid	-11	-3	-27	-10
Cash flow from operating activities before changes in working capital	**32**	**52**	**114**	**122**
Changes in inventories	0	4	-3	-0
Changes in operating receivables	65	-28	-56	-1
Changes in operating liabilities	63	74	59	10
Cash flow from operating activities	**160**	**102**	**114**	**131**
Acquisition of non-current assets	-25	-3	-28	-4
Acquisition of subsidiaries and businesses	-0	-	-153	-
Sale of non-current assets	-	3	-	3
Cash flow from investing activities	**-26**	**-0**	**-181**	**-1**
New share issue	193	-	193	-
Amortisation of lease liabilities	-7	-9	-34	-35
Proceeds from non-current loans and credits	223	-11	475	-
Amortisation of non-current loans and credits	-352	-35	-390	-98
Cash flow from financing activities	**57**	**-55**	**244**	**-133**
Cash flow for the period	191	46	177	-3
Cash and cash equivalents at the beginning of the period	77	44	90	97
Translation difference in cash and cach equivalents	4	-1	5	-4
Cash and cash equivalents at the end of the period	**271**	**90**	**271**	**90**

Notes to the financial statements in summary

Key accounting policies

This interim report covers the Swedish Parent Company Netel Holding AB (publ), Corp. Reg. No. 559327-6263, and its subsidiaries. The activities of the company and its subsidiaries (the "Group") include the provision of construction and maintenance of communications and electricity infrastructure in Sweden, Norway, Finland and Germany, within the business areas of Fixed Networks, Power and Mobile. 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 with the former Parent Company Netel Group Holding AB, Corp. Reg. No. 559062-6049, with the exception of operating segments and earnings per share as described in more detail below. 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 Notes 2 and 5 in the 2020 Annual Report, which are also applied for the current Parent Company Netel Holding AB (publ).

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

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

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM is the function responsible for allocating resources and assessing the earnings of the operating segments. In the Group, this function has been identified as the Group CEO. An operating segment is a part of the Group that conducts activities from which it can generate revenue and incur costs and for which independent financial information is available. The Group's division into segments is based on the internal structure of the Group's business activities, which means that the Group's operations have been divided into four segments: *Sweden, Norway, Finland* and *Germany*.

The same accounting policies are used in the segments as for the Group. From the end of the fourth quarter 2021, this means that the segments also follow the Group's accounting policies with respect to leases according to IFRS 16. This is a change compared with prior periods for which leases according to IFRS 16, which are not allocated at segment level but are IFRS-adjusted at Group level. Consequently, the segment's leases were previously reported as if they were operating leases. Recognised earnings before interest, tax, depreciation and amortisation (EBITDA) for segments is affected as a result of leases being recognised with straight-line depreciation of the right-of-use asset over the useful life under IFRS 16. This also entails that the Group presents earnings before interest, tax and amortisation (EBITA) per segment. Comparative figures for comparable periods were restated and are presented in accordance with the Group's accounting policies.

Earnings per share

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

Estimates and assessments

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 3 in the 2020 annual report for more information on the Group's estimates and assessments.

Operating segments

For accounting and monitoring purposes, the Group has divided its operations into four operating segments based on how the Group CEO evaluates the Group's operations. The four operating segments are Sweden, Norway, Finland and Germany. The Group CEO primarily uses earnings before interest, tax and amortisation (EBITA) in assessing the performance of the operating segments. This is a change in relation to prior periods when earnings before interest, tax, depreciation and amortisation (EBITDA) were used to assess the performance of the operating segments. Accordingly, the Group monitors the operating segments including the effects of right-of-use assets and lease liabilities, which means that the accounting policies for the segments have been updated with respect to till IFRS 16 and thus follow the Group's accounting policies. Recognised EBITDA for segments is affected as a result of leases being recognised with straight-line depreciation of the right-of-use asset over the useful life under IFRS 16. The segment's leases were previously reported as if they were operating leases and lease payments were distributed straight-line over the lease term and included in EBITDA. This entails that the Group also reports EBITA per segment. Comparative figures for comparable periods were restated and are presented in accordance with the Group's accounting policies.

Other adjustments at Group level are included under Group-wide items and eliminations, for example, transaction costs and other Group-wide costs that are not allocated at segment level. The Group CEO does not follow up any balance sheet items at segment level.

Jan-Dec 2021	Sweden	Norway	Finland	Germany	Total segments	Group-wide items and eliminations	Group total
Revenue from external customers	970	1,048	270	145	2,433	-15	2,418
Revenue from other segments	-	-	-	-	-	-	-
Total revenue	**970**	**1,048**	**270**	**145**	**2,433**	**-15**	**2,418**
EBITA	**60**	**98**	**5**	**18**	**181**	**-54**	**127**

Jan-Dec 2021	Sweden	Norway	Finland	Germany	Total segments	Group-wide items and eliminations	Group total
Revenue from external customers	600	886	303	55	1,845	0	1,845
Revenue from other segments	-	-	-	-	-	-	-
Total revenue	**600**	**886**	**303**	**55**	**1,845**	**0**	**1,845**
EBITA	**15**	**82**	**5**	**6**	**107**	**13**	**120**

Revenue from contracts with customers

Jan-Dec 2021	Sweden	Norway	Finland	Germany	Group total
Business area					
Fixed networks	512	596	6	145	1,259
Power	285	308	205	-	799
Mobile	157	141	59	-	357
Group-wide					
Revenue from contracts with customers	**954**	**1,045**	**270**	**145**	**2,415**
Type of service					
Framework agreement	434	675	189	24	1,323
Project	535	373	81	121	1,110
Group-wide					-15
Revenue from contracts with customers	**970**	**1,048**	**270**	**145**	**2,418**

Jan-Dec 2020	Sweden	Norway	Finland	Germany	Group total
Business area					
Fixed networks	440	479	60	55	1,035
Power	41	304	187	-	532
Mobile	125	102	56	-	283
Group-wide					
Revenue from contracts with customers	**606**	**885**	**303**	**55**	**1,850**
Type of service					
Framework agreement	266	516	154	-	936
Project	333	371	150	55	909
Group-wide					0
Revenue from contracts with customers	**606**	**885**	**303**	**55**	**1,845**

Financial instruments

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

Fair value measurement

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

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

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

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

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

Contingent consideration
For some of the Group's business combinations, there are contingent considerations. The contingent considerations are dependent on the average EBITA for the business combinations over one to three years. The considerations will be settled in cash. The contingent considerations are included in the items Non-current non-interest-bearing liabilities in the amount of MSEK 32 (0). 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 2021	31 Dec 2020
Opening balance	**-**	**-**
Investments	3	-
Divestments	-	-
Change in value recognised through profit or loss	-	-
Translation difference	-	-
Closing balance	**3**	**-**

Contingent considiration	31 Dec 2021	31 Dec 2020
Opening balance	**-**	**-**
Acquisition of subsidiaries and businesses	32	-
Paid considirations	-	-
Change in value recognised through profit or loss	-	-
Translation difference	-	-
Closing balance	**32**	**-**

Other liabilities recognised at fair value	31 Dec 2021	31 Dec 2020
Opening balance	**-**	**-**
Changes in recognised liabilities	-	-
Change in value recognised through profit or loss	0	-
Translation difference	-	-
Closing balance	**0**	**-**

Business combinations

On 21 January 2021, the Group acquired 100 per cent of the shares and votes in C-E Morberg Anläggning & Energi AB ("Morberg"). The company is active in power contracting in the Mälardalen region with Västerås as its base. The acquisition of Morberg is part of strengthening Netel Group's position within the power segment. The acquisition also strengthens Netel's presence in the Västerås area, which creates good conditions for continued growth. C-E Morberg's net sales in 2020 amounted to MSEK 40 and EBIT to MSEK 7. Morberg is included in the Sweden segment.

On 19 February 2021, the Group acquired 100 per cent of the shares and votes in Oppunda Kraftkonsult AB ("Oppunda"). The company is active in power contracting with a focus on framework agreements within local networks. The business complements Netel Group's expertise in power and strengthens its position within the local networks segment outside Stockholm. Oppunda has good conditions for continued growth with existing customers and within existing framework agreements. Oppunda's net sales in 2020 amounted to MSEK 77 and EBIT to MSEK 11. Oppunda is included in the Sweden segment.

On 4 March 2021, the Group acquired 100 per cent of the shares and votes in Brogrund Mark AB and Brogrund Entreprenad AB ("Brogrund"). Brogrund has a broad product offering with specialist knowledge in infrastructure and offers contracting in water treatment, central heating, power and general groundwork in the Örebro region. The acquisition broadens the expertise of Netel Group within the infrastructure segment and provides access to new customers and thereby good opportunities for continued growth. Brogrund's net sales in 2020 amounted to MSEK 188 and EBIT to MSEK 8. Brogrund is included in the Sweden segment.

On 31 March 2021, the Group acquired 100 per cent of the shares and votes in Svensk Elkraftsentreprenad AB ("SEKE"). SEKE offers contracting within the power plant segment. The acquisition increases Netel Group's expertise in power plant contracting. SEKE has good growth opportunities. SEKE's net sales in 2020 amounted to MSEK 148 and EBIT to MSEK 15. SEKE is included in the Sweden segment.

Netel acquired 100 per cent of JR Markteknik AB and Täby Maskin & Uthyrning AB on 16 December. The acquisitions represent a key building block in Netel's continued investment in infrastructure contracts that include water & Sewage, pipe laying and associated groundwork.

Acquired net assets at acquisition date	C-E Morberg Anläggning & Energi AB Fair value	Oppunda Kraftkonsult AB Fair value	Brogrund Fair value	Svensk Elkrafts-entreprenad AB Fair value	Total
Intangible assets	-	-	-	-	-
Property, plant and equipment	-	0	11	0	12
Right-of-use assets	-	-	-	-	-
Financial non-current assets	-	-	2	-	2
Deferred tax assets	-	-	-	-	-
Inventories	-	-	-	-	-
receivables	6	17	28	31	81
Cash and cash equivalents	5	8	15	21	48
Interest-bearing liabilities	-	-	-7	0	-7
Lease liabilities	-	-		-	-
Deferred tax liabilities	-1	1	-1	-2	-4
liabilities	-5	-11	-21	-33	-69
Identified net assets	**5**	**15**	**26**	**17**	**62**
Goodwill	26	60	19	98	204
Total consideration	**31**	**75**	**45**	**115**	**266**
The consideration consists of					
Cash	20	58	32	80	190
Equity instruments	-	10	8	20	38
Contingent consideration	5	7	5	15	32
Vendor loan note	7	-	-	-	7
Total consideration	**31**	**75**	**45**	**115**	**266**

For information on the contingent consideration, see Note 5 Financial instruments.

Impact of acquisitions on cash and cash equivalents	C-E Morberg Anläggning & Energi AB	Oppunda Kraftkonsult AB	Brogrund	Svensk Elkrafts-entreprenad AB	Total
Cash consideration paid	-20	-58	-32	-80	-190
Cash and cash equivalents acquired	4	7	7	19	37
Total	**-16**	**-51**	**-25**	**-61**	**-153**
Costs related to acquisitions	-1	-2	-3	-2	-8
Total impact on cash and cash equivalents	**-17**	**-53**	**-27**	**-63**	**-160**

In connection with the acquisition of Morberg, goodwill of MSEK 26 arose in the form of a difference between the transferred consideration and the fair value of the acquired net assets. Goodwill mainly refers to human resources. Goodwill is not expected to be tax deductible. Transaction costs related to the acquisition of Morberg amounted to MSEK 1. The transaction costs were recognised as an expense in profit or loss under Other external expenses. During the eleven months leading up to the balance sheet date, Morberg contributed MSEK 59 to the Group's revenue and SEK 2 to the Group's profit after tax. If the acquisition had occurred as of 1 January 2021, company management estimates that the Group's revenue would have been MSEK 2,422 and that profit for the period would have been MSEK 66.

In connection with the acquisition of Oppunda, goodwill of MSEK 60 arose in the form of a difference between the transferred consideration and the fair value of the acquired net assets. Goodwill mainly refers to human resources. Goodwill is not expected to be tax deductible. Transaction costs related to the acquisition of Oppunda amounted to MSEK 2. The transaction costs were recognised as an expense in profit or loss under Other external expenses. During the ten months leading up to the balance sheet date, Oppunda contributed MSEK 62 to the Group's revenue and SEK 5 to the Group's profit after tax. If the acquisition had occurred as of 1 January 2021, company management estimates that the Group's revenue would have been MSEK 2,427 and that profit for the period would have been MSEK 67.

In connection with the acquisition of Brogrund, goodwill of MSEK 19 arose in the form of a difference between the transferred consideration and the fair value of the acquired net assets. Goodwill mainly refers to human resources. Goodwill is not expected to be tax deductible. Transaction costs related to the acquisition of Brogrund amounted to MSEK 3. The transaction costs were recognised as an expense in profit or loss under Other external expenses. During the ten months leading up to the balance sheet date, Brogrund contributed MSEK 233 to the Group's revenue and SEK 5 to the Group's profit after tax. If the acquisition had occurred as of 1 January 2021, company management estimates that the Group's revenue would have been MSEK 2,443 and that profit for the period would have been MSEK 67.

In connection with the acquisition of SEKE, goodwill of MSEK 98 arose in the form of a difference between the transferred consideration and the fair value of the acquired net assets. Goodwill mainly refers to human resources. Goodwill is not expected to be tax deductible. Transaction costs related to the acquisition of SEKE amounted to MSEK 2. The transaction costs were recognised as an expense in profit or loss under Other external expenses. During the nine months leading up to the balance sheet date, SEKE contributed MSEK 88 to the Group's revenue and SEK 7 to the Group's profit after tax. If the acquisition had occurred as of 1 January 2021, company management estimates that the Group's revenue would have been MSEK 2,467 and that profit for the period would have been MSEK 69.

Transactions with related parties

Repayment of MSEK 15 including accrued interest was paid in the fourth quarter 2021 to Wirsén Asset Management AB (a company wholly-owned by David Wirsén, part of the senior management in the Group) from Netel Group Holding AB. There were no other significant changes for the Group or the Parent Company in relationships or transactions with related parties compared to what has been described in Note 36 of the 2020 annual report (Netel Group Holding AB).

Management	31 Dec 2021	31 Dec 2020
Sales of goods and services	-	-
Purchase of goods and services	-	-
Interest income	-	-
Interest expenses	0	-
Receivables (closing)	-	-
Debt (closing)	-	14

Significant events after the balance sheet date

On 16 December Netel acquired 100 per cent of JR Markteknik AB and Täby Maskin & Uthyrning AB. The acquisitions represent a key building block in Netel's continued investment in infrastructure contracts that include water & Sewage, pipe laying and associated groundwork. Netel took over the shares in each company on January 3, 2022, and in connection with this, an offset issue of shares was carried out, whereby the number of outstanding ordinary shares increased by 637,852 to a total of 47,341,523.

In February, the Swedish operations of Netel Holding AB ("Netel") signed an agreement to acquire 100 per cent of Eltek Entreprenad Sverige AB ("Eltek"). Through the acquisition, Netel's offering within Power Networks has diversified to also cover services for handling higher voltages of up to 400 KV for transformer stations, among other things. In 2020, Eltek generated sales of approximately MSEK 30 with good profitability.

Other than the above, no significant changes have occurred regarding the Group's financial position or financial results after 31 December 2021.

Condensed income statement for the Parent Company

	Oct-Dec		Jan-Dec	
SEK millions	2021	2020	2021	2020
Operating income				
Net sales	10	-	10	-
Other operating income	-	-	-	-
Total revenue	**10**	**-**	**10**	**-**
Operating expenses				
Personnel costs	-25	-	-25	-
Other external expenses	-23	-	-23	-
Operatin profit (EBIT)	**-38**	**-**	**-38**	**-**
Net financial items	1	-	1	-
Earnings after financial items	**-37**	**-**	**-37**	**-**
Appropriations	-	-	-	-
Earnings before tax	**-37**	**-**	**-37**	**-**
Taxes	-	-	-	-
Earnings for the period	**-37**	**-**	**-37**	**-**

Condensed balance for the Parent Company

SEK millions	31 Dec 2021	31 Dec 2020
ASSETS		
Non-current assets		
Shares in subsidiaries	1,202	-
Financial non-current assets	7	-
Total non-current assets	**1,209**	**-**
Current assets		
Receivables from Group companies	655	-
Other current assets	2	-
Cash and cash equivalents	8	-
Total current assets	**664**	**-**
Total assets	**1,873**	**-**
EQUITY AND LIABILITIES		
Equity		
Share capital	1	-
Other equity	1,358	-
Total equity	**1,359**	**-**
Untaxed reserves	-	-
Total untaxed reserves	**-**	**-**
Non-current interest-bearing liabilities	475	-
Non-current non-interest-bearing liabilities	4	-
Total non-current liabilities	**479**	**-**
Current interest-bearing liabilities	2	-
Current non-interest-bearing liabilities	33	-
Total current assets	**35**	**-**
Total equity and liabilities	**1,873**	**-**

The Board of Directors and the CEO assure that this Year-end report provides a fair review of the Group's and the Parent Company's operations, financial position and results and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, 16 February 2022

Hans Petersson
Chairman

Göran Lundgren
Board member

Nina Macpherson
Board member

Alireza Etemad
Board member

Carl Jakobsson
Board member

Maria Brunow
Board member

Ove Bergkvist
CEO

This report has not been audited by the company's auditors.

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	2021	2020	2021	2020
Net sales growth (%)	24.6%	-1.1%	31.1%	-0.9%
Organic sales growth (%)	-1.8%	-1.1%	7.1%	-0.9%
EBITDA	54	66	170	158
EBITDA margin (%)	7.6%	11.4%	7.0%	8.5%
EBITA	37	54	127	120
EBITA margin (%)	5.1%	9.5%	5.2%	6.5%
Items affecting comparability	29	8	50	13
Adjusted EBITDA	84	74	220	171
Adjusted EBITDA margin (%)	11.7%	12.8%	9.1%	9.3%
Adjusted EBITA	66	62	177	134
Adjusted EBITA margin (%)	9.2%	10.8%	7.3%	7.3%
Net debt	-	-	318	360
Net debt/Adjusted EBITDA R12 (Ratio)	-	-	1.4	2.1
Equity ratio (%)	-	-	42.7%	39.9%
	-	-	3,488	2,354

Reconciliation of growth in net sales

	Oct-Dec		Jan-Dec	
SEK millions	2021	2020	2021	2020
Net sales previous period	575	582	1,845	1,861
Acquired net sales	152	-	441	-
Organic net sales	565	575	1,977	1,845
Total net sales growth (%)	**24.6%**	**-1.1%**	**31.1%**	**-0.9%**
Organic net sales growth (%)	**-1.8%**	**-1.1%**	**7.1%**	**-0.9%**

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

	Oct-Dec		Jan-Dec	
SEK millions	2021	2020	2021	2020
Net sales	717	575	2,418	1,845
Operating profit/loss (EBIT)	36	54	126	119
Depreciation and amortisation of tangible and intangible assets	19	11	44	39
EBITDA	**54**	**66**	**170**	**158**
EBITDA margin (%)	**7.6%**	**11.4%**	**7.0%**	**8.5%**
Items affecting comparability				
Listing-related costs	27	-	37	-
Acquisition-related costs	-0	-	8	-
Other items affecting comparability	2	8	5	13
Total items affecting comparability	**29**	**8**	**50**	**13**
Adjusted EBITDA	**84**	**74**	**220**	**171**
Adjusted EBITDA margin (%)	**11.7%**	**12.8%**	**9.1%**	**9.3%**

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

	Oct-Dec		Jan-Dec	
SEK millions	2021	2020	2021	2020
Net sales	717	575	2,418	1,845
Operating profit/loss (EBIT)	36	54	126	119
Depreciation and amortisation of intangible assets	1	-	1	2
EBITA	**37**	**54**	**127**	**120**
EBITA margin (%)	**5.1%**	**9.5%**	**5.2%**	**6.5%**
Items affecting comparability				
Listing-related costs	27	-	37	-
Acquisition-related costs	-0	-	8	-
Other items affecting comparability	2	8	5	13
Total items affecting comparability	**29**	**8**	**50**	**13**
Adjusted EBITA	**66**	**62**	**177**	**134**
Adjusted EBITA margin (%)	**9.2%**	**10.8%**	**7.3%**	**7.3%**

Reconciliation of net debt and net debt/adjusted EBITDA R12 (Ratio)

SEK millions	31 Dec 2021	31 Dec 2020
Non-current interest-bearing liabilities	554	371
Current interest-bearing liabilities	35	78
Total interest-bearing liabilities	589	450
Cash and cash equivalents	271	90
Net debt	**318**	**360**
Adjusted EBITDA R12	220	171
Net debt/Adjusted EBITDA R12 (Ratio)	**1.4**	**2.1**

Reconciliation of equity ratio

SEK millions	31 Dec 2021	31 Dec 2020
Total equity	911	603
Total assets	2,133	1,511
Equity ratio (%)	**42.7%**	**39.9%**

Definitions and reasons for use

Key performance indicators	Definition	Reason for use
EBITA*	EBIT 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 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 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 used to illustrate the underlying operations' underlying profitability
Items affecting comparability*	Items affecting comparability are revenue and expenses of a non-recurring character such as capital gains from divestments, transaction costs in connection with M&As or capital raises, external costs in conjunction with IPO preparations, larger integration costs for acquisitions or planned reconstructions, and expenses following strategic decisions and major reconstructions that result in a discontinuation of operations	Items affecting comparability are used to highlight the income items that are not included in the operating activities to create a clear view of the underlying earnings trend
Cash flow from operating activities	Cash flow attributable to the company's main income-generating operations	The measure is a performance measure defined by IFRS

	and operations other than investing activities and financing activities	
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 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 performance measure is an alternative performance measure according to ESMA's guidelines

Other information

Teleconference for publication of interim report

Ove Bergkvist, President and CEO, and Peter Andersson, CFO, will hold a teleconference in connection with the publication of the Year-end report at 11:00 a.m. (CET) on Wednesday, 16 February. The teleconference will be held in English. To participate in the conference, call +46856642695 or visit https://tv.streamfabriken.com/netel-group-q4-2021. Presentation material is available from the Group's website: https://netelgroup.com/en/investors/reports-and-presentations/

Interim reports on www.netelgroup.com

The complete interim report for January–December 2021 and previous reports are available on https://netelgroup.com/en/investors/reports-and-presentations/.

Financial calendar

Future reports	
2021 Annual Report	2022, week beginning 11 April
First quarter 2022	4 May 2022
2022 Annual General Meeting	4 May 2022
Second quarter 2022	25 August 2022
Third quarter 2022	9 November 2022

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 16 February 2022 at 7:00 a.m. CET.

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Netel Group in brief

Netel Group constructs physical telecom, broadband and power networks in the Nordic region and Germany. We are a full-service solution provider – everything from planning and project design to execution and maintenance – for telecom operators, network owners, property owners, construction companies, housing companies and cooperative housing associations. We are one of the leading companies in our markets.

FOUNDED IN	EMPLOYEES IN 2021	NET SALES IN 2021	ADJUSTED EBITA IN 2021
2000	576	2,418 MSEK	177 MSEK

netel group

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