

Eltel Group

Interim report January–March 2022

Stockholm, Sweden, 4 May 2022

January–March 2022

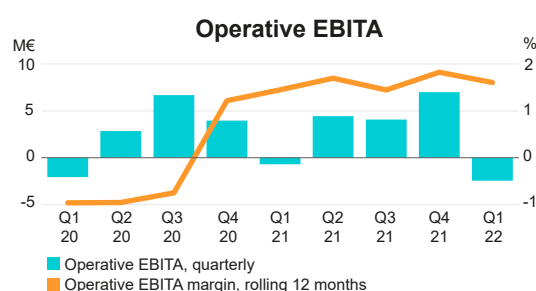
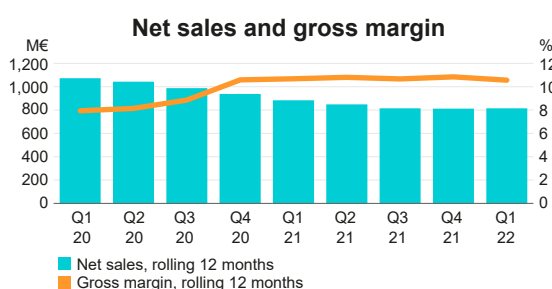
- Net sales EUR 184.0 million (182.0). Total growth 1.1% and organic growth¹⁾ in segments 0.2%
- Operative EBITA²⁾ EUR -2.4 million (-0.7) and operative EBITA margin -1.3% (-0.4)
- Operative EBITA²⁾ in segments EUR 0.7 million (2.4) and operative EBITA margin in segments 0.4% (1.5)
- Operating result (EBIT) EUR -2.5 million (-0.8) and EBIT margin -1.4% (-0.4)
- Net result EUR -4.4 million (-2.7)
- Earnings per share EUR -0.03 (-0.02), basic and diluted
- Cash flow from operating activities EUR -8.8 million (-17.4)
- Net debt³⁾ EUR 135.8 million (146.8)

Significant events during the reporting period

- On 2 February 2022, it was announced that Eltel Denmark signed a frame agreement with Banedanmark regarding installation of hardware and equipment. The agreement is worth about EUR 33 million.
- On 8 February 2022, it was announced that Eltel Finland signed a contract with VALOREM, to build a 110 kV transmission line for a wind farm. The contract is worth about EUR 15 million.
- On 16 February 2022, it was announced that Håkan Dahlström was appointed new President and CEO of Eltel AB effective 1 September 2022. Håkan will succeed Casimir Lindholm, who will remain in his position until Håkan joins Eltel.
- On 1 March 2022, it was announced that Eltel Finland signed a continuation of a current frame agreement with DNA, a leading Finnish telecom service provider, regarding fixed telecom services. The agreement is worth about EUR 30 million.

Financial guidance

- Given the significant uncertainties in the market due to the war in Ukraine and increased inflation, Eltel is no longer in position to give financial guidance for 2022 and therefore removes such guidance. The previous guidance stated that the company expects the full-year 2022 operative EBITA margin to increase compared to 2021.



Key figures

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	184.0	182.0	812.6
Net sales growth, %	1.1%	-23.1%	-13.4%
Operative EBITA ²⁾	-2.4	-0.7	14.8
Operative EBITA margin, %	-1.3%	-0.4%	1.8%
Operative EBITA ²⁾ , segments	0.7	2.4	24.2
Operative EBITA margin, %, segments	0.4%	1.5%	3.3%
Operating result (EBIT)	-2.5	-0.8	14.5
Return on operative capital employed (ROCE), %	17.4%	13.5%	23.6%
Net working capital	-6.7	-4.8	-16.0
Net debt ³⁾	135.8	146.8	122.6
Number of employees, average	5,031	5,368	5,176

1) Adjusted for divested operations and currency effects.

2) Eltel follows the profitability of segments with Operative EBITA. Please see pages 22–23 for definitions of the key ratios.

3) From Q1/2022 onwards, Eltel presents net debt including IFRS 16 leasing liabilities.

Comments by the CEO

Over the past years, we have transformed Eltel into a financially stable company with operational excellence, lower risk and fewer capital-intensive projects, thus laying the foundation for growth. Therefore, I am pleased to see that we for the first time since Q1 2017 turned to growth and increased net sales, despite the currently uncertain market environment.

Going into the quarter, we knew harsh winter conditions and record-high sick leave rates would affect the result year-over-year. We did not, however, foresee the war in Ukraine and the extraordinary inflation, taking down our operative EBITA margin to -1.3% (-0.4). The inflation is hitting all our markets, especially the higher fuel and asphalt prices. In Finland and Poland, where we have a sizeable power business, inflation is additionally seen in materials such as steel.

We are in dialogue with our customers to seek compensation for the unforeseen cost increases. We have had some positive initial discussions and we are cautiously optimistic about the outcome. However, despite the ongoing mitigating actions, there is a risk of the overall impact of inflation remaining negative in 2022.

In Finland, there is a high demand for fibre and 5G in communication. The power transmission market also remains strong.

In Sweden, the growth continued. Ramp up of the smart metering projects progressed and communication revenue grew in local currency. We are also making investments into the efficiency programme “One Eltel”, which will improve our productivity in the future.

Also Norway showed growth again and the order backlog is strong as investments are increasing after a year tainted by delays and postponements of projects.

As we already knew, Denmark suffers from the partial insourcing of a major customer, which took place in Q2 2021. The volume recovery is taking longer than expected and while we are awaiting Denmark to re-enter the growth path, an overview of the cost structure has been initiated.

In Other business, Smart Grids Germany continues to deliver healthy margins in a favourable market. High Voltage, particularly Poland, is moving in the right direction operationally. However, the inflation, mainly steel prices, and lack of resources due to the war in Ukraine, deteriorate the result.

Entering 2022, we continued our committed journey towards leadership within sustainability, in close collaboration with our customers, partners and our supply chain. Planning and preparing for coming development and requirements are key and a competitive advantage going forward.

Our core markets are healthy, and we continue to be a leader in communication throughout the Nordics and in the Finnish power market. In the communication market, 5G and fibre are the main drivers, as well as work to dismantle 3G and copper networks. In power, there is a clear demand to upgrade and modernise power grids in the Nordics.

However, there are significant uncertainties in the market due to the war in Ukraine and increased inflation. Even though we are working hard to mitigate the effects of the inflation, we are no longer in position to give guidance for the operative EBITA margin and therefore remove such guidance. The previous guidance stated that the company expects the full-year 2022 operative EBITA margin to increase compared to 2021. We have also, as a consequence, extended the long-term financial targets for operative EBITA margin and leverage until 2025. The growth target in the Nordics from 2022 onwards remains intact.

Casimir Lindholm, President & CEO



About Eltel and the Group strategy

Eltel in brief

Eltel is a leading Nordic field service provider for communication and power networks. Operations are conducted in the Nordic countries, Poland and Germany within country-based organisations that have full responsibility for their financial results. Within power, Eltel provides maintenance of power grids, upgrades and project work to national transmission system operators and distribution network owners. Within communication, Eltel provides similar services to telecom operators and other owners of communication networks.

Eltel's markets are characterised by a high concentration of customers and competitors offering similar products and services. Eltel competes on price and quality. The markets are regulated and typically have predictable and repetitive demand in line with each country's GDP.

Our strategy – towards sustainable profitable growth

In accordance with our strategy, Eltel is transforming into a primarily Nordic company, based in countries in which it has a market-leading position. A Nordic focus with lower risk and fewer capital-intensive projects will enable Eltel to continue to develop, grow and invest in order to ensure long-term value creation for the company, its shareholders and society at large. Sustainability is key to our success and an integral part of our strategy.

Our strategic focus is on investing in Sustainable Profitable Growth as the transformation continues. This involves:

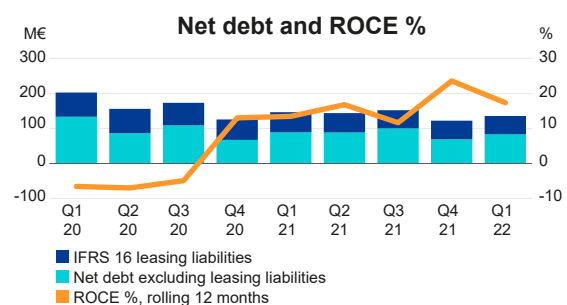
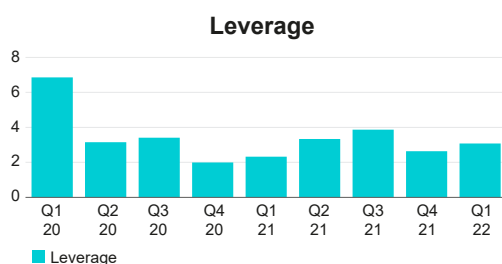
- Increasing market share in the Nordics
- Innovation and new market development
- Replicating successful business models
- Pursuing M&As in the Nordics
- Industry sustainability leadership

Our strategy, in combination with operational excellence, will create the foundation for sustainable growth, profitability and shareholder value.

Eltel's financial targets by end of 2025¹⁾

Group operative EBITA margin	5%
Annual growth in the Nordics from 2022 onwards	2–4%
Leverage	1.5–2.5x net debt/EBITDA
Dividend payout	Subject to leverage target

1) Previous timeline was by end of 2023.



See pages 22–23 for definitions of the key ratios.

Net sales and earnings Group

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	184.0	182.0	812.6
Operative EBITA	-2.4	-0.7	14.8
EBIT	-2.5	-0.8	14.5
Net result	-4.4	-2.7	4.9
Key ratios			
Net sales growth, %	1.1%	-23.1%	-13.4%
Organic growth ¹⁾ , % in segments	0.2%	-	-
Effect of divestments in net sales, MEUR	-	-15.0	-19.2
Currency translation effect in net sales, MEUR	-0.1	2.4	14.6
Operative EBITA margin, %	-1.3%	-0.4%	1.8%
Tax rate, %	-4.1%	-28.5%	43.8%
Earnings per share after dilution, EUR	-0.03	-0.02	0.03

1) Adjusted for divested operations and currency effects.

January–March 2022

Net sales increased by 1.1% to EUR 184.0 million (182.0). In segments net sales increased by EUR 0.4 million and in Other business by EUR 2.0 million. Organic net sales in segments, adjusted for divested operations and currency effects, increased by 0.2%.

Operative EBITA decreased to EUR -2.4 million (-0.7). Operative EBITA margin was -1.3% (-0.4). Operative EBITA in segments was EUR 0.7 million (2.4) and operative EBITA margin was 0.4% (1.5). Main decrease came from Denmark and Sweden. In Other business, operative EBITA was EUR -0.6 million (-0.9).

For further information regarding net sales and operative EBITA development, refer to the respective sections on the segments.

EBIT amounted to EUR -2.5 million (-0.8).

Net financial expenses amounted to EUR -1.8 million (-1.3), including EUR 0.1 million (0.5) currency effect.

Taxes amounted to EUR -0.2 million (-0.6) and the effective tax rate was -4.1% (-28.5).

Net result for the period was EUR -4.4 million (-2.7). Earnings per share were EUR -0.03 (-0.02).

Overview of segments

Net sales

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Finland	58.8	60.8	299.6
Sweden	43.9	41.1	182.2
Norway	41.6	33.9	160.5
Denmark	18.1	26.2	87.9
Sum segments	162.4	162.0	730.1
Other business	23.5	21.4	91.9
Eliminations	-1.9	-1.4	-9.5
Total net sales	184.0	182.0	812.6

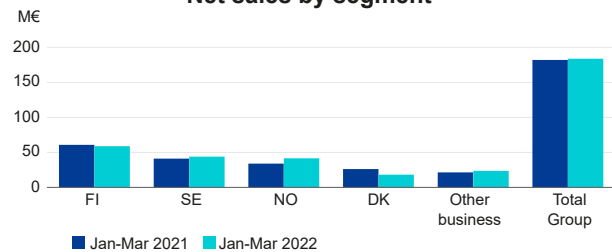
Net sales by segment



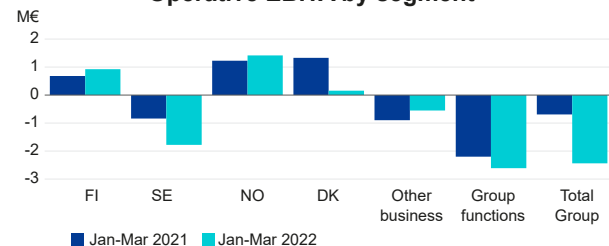
Operative EBITA

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Finland	0.9	0.7	12.7
Sweden	-1.8	-0.8	-1.8
Norway	1.4	1.2	9.2
Denmark	0.2	1.3	4.2
Sum segments	0.7	2.4	24.2
Other business	-0.6	-0.9	-1.8
Group functions	-2.6	-2.2	-7.6
Total operative EBITA	-2.4	-0.7	14.8
Finland	1.6%	1.1%	4.2%
Sweden	-4.1%	-2.0%	-1.0%
Norway	3.4%	3.6%	5.7%
Denmark	0.9%	5.1%	4.8%
Sum segments	0.4%	1.5%	3.3%
Other business	-2.4%	-4.2%	-2.0%
Total operative EBITA-margin, %	-1.3%	-0.4%	1.8%

Net sales by segment



Operative EBITA by segment



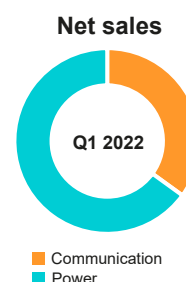
In line with the Nordic strategy, Eltel's main operations in the four Nordic countries are presented as segments. In 2021, the segments represented 90% of the net sales.

Other business includes operations in High Voltage, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International and Rail businesses.

Net sales and EBITA – Segments

Finland

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	58.8	60.8	299.6
Operative EBITA	0.9	0.7	12.7
Number of employees, average	1,491	1,447	1,478
Key ratios			
Net sales growth, %	-3.2%	3.2%	-0.2%
Operative EBITA margin, %	1.6%	1.1%	4.2%



January–March 2022

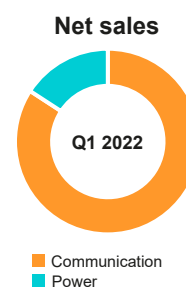
Net sales decreased by EUR 2.0 million, or -3.2%, to EUR 58.8 million (60.8). The communication market remains strong, especially the demand for fibre and 5G. However, net sales were impacted by harsher winter conditions, with deeper ground frost, compared to the previous year. The power transmission market is also strong, but phasing of projects impacted net sales, albeit on a smaller scale.

Operative EBITA increased to EUR 0.9 million (0.7). The operative EBITA margin was 1.6% (1.1). Productivity remained good even though the underlying business was challenged by harsh winter conditions, COVID-19 and cost inflation. Operative EBITA was positively impacted by annual bonus payments received from pension insurance companies.

Sweden

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	43.9	41.1	182.2
Operative EBITA	-1.8	-0.8	-1.8
Number of employees, average	912	972	938
Key ratios			
Net sales growth, %	6.9%	-35.0%	-18.8%
Organic growth ¹⁾ , %	10.3%	-31.0%	-18.4%
Effect of divestments in net sales, MEUR	-	-6.9	-8.5
Currency translation effect in net sales, MEUR	-1.4	2.2	5.9
Operative EBITA margin, %	-4.1%	-2.0%	-1.0%

1) Adjusted for currency effects.



January–March 2022

Net sales increased by EUR 2.8 million, or 6.9%, to EUR 43.9 million (41.1). Organic growth, adjusted for currency effects, was 10.3%. Currency effects had a negative impact of EUR -1.4 million. The increase was driven by smart metering projects. Communication grew in local currency.

Operative EBITA decreased to EUR -1.8 million (-0.8). The operative EBITA margin was -4.1% (-2.0). The positive impact of smart metering projects was offset by investments made in the efficiency programme “One Eltel”, which will improve future productivity. Margin adjustments in older projects in combination with cost inflation and high sick-leave rates due to COVID-19 further burdened the result.

Norway

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	41.6	33.9	160.5
Operative EBITA	1.4	1.2	9.2
Number of employees, average	938	906	919
Key ratios			
Net sales growth, %	22.5%	-27.7%	-9.7%
Organic growth ¹⁾ , %	17.9%	-28.5%	-14.8%
Currency translation effect in net sales, MEUR	1.6	0.4	9.0
Operative EBITA margin, %	3.4%	3.6%	5.7%

1) Adjusted for currency effects.



January–March 2022

Net sales increased by EUR 7.7 million, or 22.5%, to EUR 41.6 million (33.9). Organic growth, adjusted for currency effects, was 17.9%. Currency effects had a positive impact of EUR 1.6 million. The main reason for the growth was increased demand for fibre and 5G towards the end of the quarter as investment levels were picking up. The order backlog is strong for the remainder of the year.

Operative EBITA increased to EUR 1.4 million (1.2) due to higher volumes. The operative EBITA margin decreased to 3.4% (3.6). The quarter was affected by high sick-leave rates due to COVID-19, which peaked in February.

Denmark

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	18.1	26.2	87.9
Operative EBITA	0.2	1.3	4.2
Number of employees, average	475	658	562
Key ratios			
Net sales growth, %	-30.8%	-22.4%	-25.6%
Organic growth ¹⁾ , %	-30.8%	-22.8%	-25.8%
Currency translation effect in net sales, MEUR	0.0	0.1	0.2
Operative EBITA margin, %	0.9%	5.1%	4.8%

1) Adjusted for currency effects.



January–March 2022

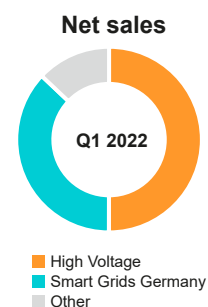
Net sales decreased by EUR 8.1 million, or 30.8%, to EUR 18.1 million (26.2). The decrease mainly resulted from a partial insourcing of an agreement by a major customer in Q2 2021. Slower than anticipated ramp up of new agreements further had an impact.

Operative EBITA decreased to EUR 0.2 million (1.3). The operative EBITA margin was 0.9% (5.1). Main driver was the lower volumes. An overview of the cost structure has been initiated due to the slower than expected recovery of net sales.

Other business

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	23.5	21.4	91.9
Operative EBITA	-0.6	-0.9	-1.8
Number of employees, average	1,067	1,230	1,123

Other business includes operations in High Voltage, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International and Rail businesses.



January–March 2022

Net sales increased by EUR 2.0 million to EUR 23.5 million (21.4). Growth came from the realisation of delayed and postponed volumes from 2021 in High Voltage Poland. Smart Grids Germany also grew in a favourable market.

Operative EBITA increased to EUR -0.6 million (-0.9). Smart Grids Germany continued to perform well. High Voltage is moving in the right direction operationally. However, the high material prices deteriorated the result, which for High Voltage, mainly Poland, was EUR -1.3 million.

Cash flow

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
EBIT	-2.5	-0.8	14.5
Depreciation and amortisation	7.6	8.3	32.1
EBITDA	5.1	7.5	46.5
Changes in working capital	-9.8	-20.9	-10.1
Total financial expenses and taxes	-3.1	-3.0	-6.7
Adjustment for gain/loss on sales of assets and business	0.0	-0.1	-2.6
Other	-0.9	-0.9	-4.8
Cash flow from operating activities	-8.8	-17.4	22.3
Cash flow from investing activities	-0.7	-0.5	-2.9
Cash flow from financing activities	-2.5	11.7	-13.7
Net change in cash and cash equivalents	-11.9	-6.2	5.7
Cash and cash equivalents at beginning of period	32.3	26.0	26.0
Foreign exchange rate effect	0.4	0.5	0.6
Cash and cash equivalents at end of period	20.8	20.3	32.3

Condensed consolidated statement of cash flows is presented on page 15.

January–March 2022

Cash flow from operating activities was EUR -8.8 million (-17.4). Change in net working capital had a negative impact of EUR -9.8 million (-20.9) on cash flow. The change reflects a normal seasonal pattern, which was somewhat diluted by payments received for Polish high voltage projects that were finalised at the end of 2021. At the end of the first quarter, net working capital amounted to EUR -6.7 million (-4.8).

Cash flow has historically displayed a strong seasonal pattern, with weaker cash flow recorded during the period until the end of the third quarter due to higher production activity. Eltel's net working capital level is also impacted by remaining working capital-intensive projects, mainly in high voltage Poland. These projects, and delays in them, result in continued tie up of substantial working capital and are expected to create volatility in the net working capital also going forward.

Net cash flow from investing activities was EUR -0.7 million (-0.5) consisting of net capital expenditure.

Cash flow from financing activities was EUR -2.5 million (11.7). On 17 January 2022, Eltel completed a new, unsecured financing agreement with banks. In connection with the new agreement Eltel drew a EUR 35.0 million term loan and repaid the remaining old term loan of EUR 27.0 million. Utilisation of commercial paper programme was reduced by EUR 5.5 million (increased by 17.0) and payments of lease liabilities amounted to EUR -5.5 million (-6.2).

In March 2022, Eltel issued and purchased 972,000 new class C shares in accordance with the long-term incentive programme LTIP 2021. The share issue and the purchase had a cash flow impact of EUR 1.0 million and EUR -1.0 million, respectively.

Financial position, cash and cash equivalents

Equity at the end of the period was EUR 226.3 million (217.9) and total assets were EUR 609.8 million (667.6). The equity ratio was 39.7% (34.1).

Interest-bearing liabilities and net debt

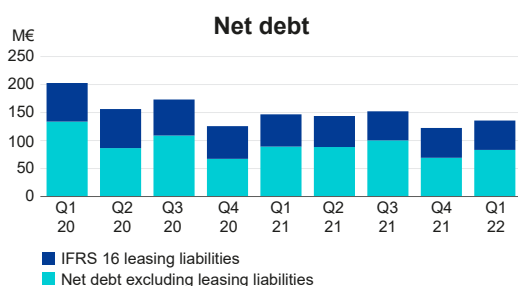
EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Interest-bearing debt	102.3	106.5	99.8
Leasing liabilities	53.5	59.7	54.5
Allocation of effective interest to periods	0.7	0.9	0.6
Less cash and cash equivalents	-20.8	-20.3	-32.3
Net debt	135.8	146.8	122.6

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Non-current interest-bearing debt	34.5	27.1	25.5
Current interest-bearing debt	67.8	79.4	74.2
Total interest-bearing debt	102.3	106.5	99.8
Non-current leasing liabilities	35.1	39.1	35.8
Current leasing liabilities	18.4	20.6	18.6
Total leasing liabilities	53.5	59.7	54.5

Credit facilities

EUR million	31 Mar 2022	Maturity
Term loan, non-current	35.0	Jan 2024 (+ extension option until Jan 2025)
Revolving credit facility	90.0	Jan 2025 (+ extension options until Jan 2027)
Account overdrafts	15.0	Annual renewals
Total committed credit facilities	140.0	
Commercial paper programme	150.0	N/A

Available liquidity reserves, including the committed revolving credit facility, account overdrafts and cash and cash equivalents, amounted to EUR 125.8 million (130.3). Additional to the committed facilities, the Group also has access to short-term debt capital markets via a commercial paper programme of EUR 150 million. At the reporting date, EUR 67.5 million (70.0) of the commercial paper programme was utilised.



Commercial guarantees

On 31 March 2022, the commercial guarantees issued by the banks and other financial institutions on behalf of the Group amounted to EUR 88.7 million (100.6). The amount of commercial guarantees issued on behalf of third parties was EUR 0.0 million (0.1).

Other information

Risks and uncertainty factors

On 24 February 2022, Russia invaded Ukraine. The situation has caused uncertainty and the future is unpredictable. The war has increased inflation which impacts Eltel, especially in regards to fuel and material prices as well as availability and cost of subcontractors.

Eltel has faced significant profitability challenges in its High Voltage business in Poland. Restructuring of the business is ongoing, but there is a risk of negative results also going forward.

Eltel plays an important role in maintaining critical societal functions in difficult situations, such as the current COVID-19 pandemic. However, there is uncertainty about the future impact and duration of the pandemic and, as such, it may continue to have a negative effect on Eltel's business.

There is a risk that the covenants under the existing financing agreement are not met.

For information regarding risks and uncertainties, please refer to Eltel's 2021 Annual Report which was published on 30 March 2022 and is available on Eltel's website at www.eltelgroup.com.

Large agreements announced during the reporting period

On 2 February 2022, it was announced that Eltel Denmark signed a frame agreement to ensure the installation of hardware and equipment in connection with a thorough digitalisation of Banedanmark's signalling programme. The contract is worth about EUR 33 million over a four-year period, and includes an option of one plus one year.

On 8 February 2022, it was announced that Eltel Finland signed an agreement with VALOREM, a green energy operator, to build a 110 kV transmission line for a wind farm in Western Finland. The contract is worth about EUR 15 million.

On 1 March 2022, it was announced that Eltel Finland signed a continuation of a current frame agreement with DNA, a leading Finnish telecom service provider, regarding fixed telecom services. The agreement has a duration of two years, including an option year, and is worth about EUR 30 million.

Financial guidance

Given the significant uncertainties in the market due to the war in Ukraine and increased inflation, Eltel is no longer in position to give financial guidance for 2022 and therefore removes such guidance. The previous guidance stated that the company expects the full-year 2022 operative EBITA margin to increase compared to 2021.

Related party transactions

During the quarter, no significant transactions took place between Eltel and related parties.

Seasonality

Eltel's businesses are generally characterised by seasonal patterns and cyclicalities of the project business that adds volatility to net sales, operative EBITA and cash flow. Seasonality is normally driven by a number of factors, including weather conditions, the timing of customer order placements and completion of work phases. The Eltel Group has historically reported higher revenues and operating profit in the second half of the year. Cash flow has historically displayed a strong seasonal pattern, with weaker cash flow recorded during the period until the end of the third quarter due to higher production activity. At the end of the year, as production volumes decrease, cash flow has normally been stronger. For more details, please refer to quarterly key financial figures for the Group on page 17.

Presentation of the Q1 2022 report

Analysts and media are invited to participate in the Q1 2022 report briefing on 4 May 2022 at 10:00 am CEST where Eltel's President and CEO Casimir Lindholm and CFO Saila Miettinen-Lähde will host a presentation. A live webcast as well as the presentation will be available at www.eltelgroup.com/investors.

For further information, please contact:

Saila Miettinen-Lähde, CFO
Phone: +358 40 548 3695, saila.miettinen-lahde@eltelnetworks.com

Elin Otter, Director, Communications and Investor Relations
Phone: +46 72 59 54 692, elin.otter@eltelnetworks.com

Financial calendar

- Annual General meeting 2022: 11 May 2022
- Half-year report January–June 2022: 26 July 2022
- Interim report January–September 2022: 2 November 2022

This information is information that Eltel AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CEST on 4 May 2022.

Signatures of the CEO

Stockholm, Sweden, 4 May 2022

Eltel AB (publ)

Casimir Lindholm, President and CEO

The information in this interim report has not been reviewed by the company's auditors.

Condensed financial information

Condensed consolidated income statement

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	184.0	182.0	812.6
Cost of sales	-167.0	-163.0	-724.5
Gross profit	17.0	19.0	88.1
Other income	0.3	0.7	5.5
Selling and administrative expenses	-19.8	-20.5	-78.1
Other expenses	0.0	-0.1	-1.0
Operating result (EBIT)	-2.5	-0.8	14.5
Financial income	0.0	0.0	0.1
Financial expenses	-1.8	-1.3	-5.8
Net financial expenses	-1.8	-1.3	-5.8
Result before taxes	-4.3	-2.1	8.7
Taxes	-0.2	-0.6	-3.8
Net result	-4.4	-2.7	4.9
Attributable to:			
Equity holders of the parent	-4.4	-2.6	4.3
Non-controlling interest	0.0	-0.1	0.6
Earnings per share (EPS)			
Basic, EUR	-0.03	-0.02	0.03
Diluted, EUR	-0.03	-0.02	0.03

Condensed consolidated statement of comprehensive income

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net profit for the period	-4.4	-2.7	4.9
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Revaluation of defined benefit plans, net of tax	1.6	-0.3	2.6
Items that may be subsequently reclassified to profit and loss			
Net investment hedges, net of tax	0.1	0.5	0.3
Currency translation differences	1.2	1.2	1.3
Total	1.2	1.7	1.6
Other comprehensive income/loss for the period, net of tax	2.9	1.4	4.2
Total comprehensive income/loss for the period	-1.6	-1.3	9.1
Total comprehensive income/loss attributable to:			
Equity holders of the parent	-1.6	-1.2	8.5
Non-controlling interest	0.0	-0.1	0.6

Condensed consolidated balance sheet

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	265.5	265.1	265.0
Intangible assets	38.7	42.0	39.6
Property, plant and equipment	11.1	14.3	11.6
Right-of-use assets	52.3	58.4	53.3
Investments	0.7	0.6	0.7
Deferred tax assets	18.4	19.2	18.4
Trade and other receivables	0.5	0.4	0.5
Total non-current assets	387.2	400.0	389.1
Current assets			
Inventories	17.4	12.6	17.2
Other financial assets	-	35.0	-
Trade and other receivables	184.5	199.8	192.3
Cash and cash equivalents	20.8	20.3	32.3
Total current assets	222.6	267.7	241.8
Assets held for sale ¹⁾	-	0.0	-
TOTAL ASSETS	609.8	667.6	630.8
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the parent	218.6	210.5	220.2
Non-controlling interest	7.7	7.4	7.7
Total equity	226.3	217.9	227.9
Non-current liabilities			
Interest-bearing debt	34.5	27.1	25.5
Leasing liabilities	35.1	39.1	35.8
Retirement benefit obligations	11.3	21.0	14.4
Deferred tax liabilities	10.6	10.8	10.7
Provisions	4.4	2.7	2.7
Other non-current liabilities	0.7	0.5	0.7
Total non-current liabilities	96.5	101.2	89.8
Current liabilities			
Interest-bearing debt	67.8	79.4	74.2
Leasing liabilities	18.4	20.6	18.6
Liabilities to shareholders ²⁾	-	35.0	-
Provisions	3.3	6.8	6.0
Advances received	40.1	28.1	35.8
Trade and other payables	157.3	174.8	178.5
Total current liabilities	286.9	344.7	313.1
Liabilities associated with assets held for sale ¹⁾	-	3.9	-
Total liabilities	383.5	449.8	402.9
TOTAL EQUITY AND LIABILITIES	609.8	667.6	630.8

1) Assets held for sale include German high voltage business on 31 March 2021.

2) Refers to selling shareholders at the time of the listing on 6 February 2015 and to FCCA case that was closed in Q3 2021.

Condensed consolidated statement of cash flows

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Cash flow from operating activities			
Operating result (EBIT)	-2.5	-0.8	14.5
Adjustments:			
Depreciation and amortisation	7.6	8.3	32.1
Gain/loss on sales of assets and business	-	-0.1	-2.6
Defined benefit pension plans	-0.8	-0.9	-3.3
Other non-cash adjustments	-0.1	0.0	-1.5
Cash flow from operations before interests, taxes and changes in working capital	4.1	6.6	39.1
Interest and other financial expenses paid, net	-0.6	-0.5	-4.0
Income taxes received/paid	-2.5	-2.5	-2.7
Total financial expenses and taxes	-3.1	-3.0	-6.7
Changes in working capital:			
Trade and other receivables	8.2	2.0	9.4
Trade and other payables	-17.7	-22.4	-14.4
Inventories	-0.3	-0.5	-5.0
Changes in working capital	-9.8	-20.9	-10.1
Net cash from operating activities	-8.8	-17.4	22.3
Cash flow from investing activities			
Purchases of property, plant and equipment (PPE)	-0.7	-0.6	-4.4
Proceeds from sale of property, plant and equipment (PPE)	-	0.1	5.3
Divestment of business, net of cash disposed of	-	-	-3.8
Net cash from investing activities	-0.7	-0.5	-2.9
Cash flow from financing activities			
Proceeds from issuance of share capital	1.0	-	-
Acquisition of own shares	-1.0	-	-
Proceeds from long-term financial liabilities	35.0	-	-
Proceeds from short-term financial liabilities	3.0	17.0	31.2
Payments of short-term financial liabilities	-8.5	-	-11.0
Payments of financial liabilities, term loans	-27.0	-	-10.0
Proceeds from other financial assets	-	-	35.0
Payments of liabilities to shareholders	-	-	-35.0
Payments of lease liabilities	-5.5	-6.2	-23.8
Dividends to non-controlling interest	-	-	-0.4
Change in non-liquid financial assets	0.5	0.9	0.2
Net cash from financing activities	-2.5	11.7	-13.7
Net change in cash and cash equivalents	-11.9	-6.2	5.7
Cash and cash equivalents at beginning of period	32.3	26.0	26.0
Foreign exchange rate effect	0.4	0.5	0.6
Cash and cash equivalents at end of period	20.8	20.3	32.3

Condensed consolidated statement of changes in equity

EUR million	Equity attributable to shareholders of the parent						Total	Non-controlling interest	Total equity
	Share capital	Other paid-in capital	Accumulated losses	Revaluation of defined benefit plans, net of tax	Hedging reserve	Currency translation			
Equity at 1 Jan 2022	158.8	490.6	-366.2	-38.9	10.9	-35.0	220.2	7.7	227.9
Total comprehensive income for the period	-	-	-4.4	1.6	0.1	1.2	-1.6	0.0	-1.6
Transactions with owners:									
Share capital reduction	-0.2	0.2	-	-	-	-	-	-	-
Proceeds from shares issued	1.0	-	-	-	-	-	1.0	-	1.0
Purchase of own shares	-	-1.0	-	-	-	-	-1.0	-	-1.0
Equity-settled share-based payment	-	-	0.0	-	-	-	0.0	-	0.0
Total transaction with owners	0.7	-0.7	0.0	-	-	-	0.0	-	0.0
Equity at 31 Mar 2022	159.6	489.9	-370.7	-37.3	11.0	-33.8	218.6	7.7	226.3

EUR million	Equity attributable to shareholders of the parent						Total	Non-controlling interest	Total equity
	Share capital	Other paid-in capital	Accumulated losses	Revaluation of defined benefit plans, net of tax	Hedging reserve	Currency translation			
Equity at 1 Jan 2021	158.8	490.6	-370.6	-41.5	10.6	-36.3	211.7	7.5	219.2
Total comprehensive income for the period	-	-	-2.6	-0.3	0.5	1.2	-1.2	-0.1	-1.3
Transactions with owners:									
Equity-settled share-based payment	-	-	0.0	-	-	-	0.0	-	0.0
Total transaction with owners	-	-	0.0	-	-	-	0.0	-	0.0
Equity at 31 Mar 2021	158.8	490.6	-373.2	-41.8	11.2	-35.1	210.5	7.4	217.9

EUR million	Equity attributable to shareholders of the parent						Total	Non-controlling interest	Total equity
	Share capital	Other paid-in capital	Accumulated losses	Revaluation of defined benefit plans, net of tax	Hedging reserve	Currency translation			
Equity at 1 Jan 2021	158.8	490.6	-370.6	-41.5	10.6	-36.3	211.7	7.5	219.2
Total comprehensive income for the period	-	-	4.3	2.6	0.3	1.3	8.5	0.6	9.1
Transactions with owners:									
Equity-settled share-based payment	-	-	0.1	-	-	-	0.1	-	0.1
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-0.4	-0.4
Total transaction with owners	-	-	0.1	-	-	-	0.1	-0.4	-0.3
Equity at 31 Dec 2021	158.8	490.6	-366.2	-38.9	10.9	-35.0	220.2	7.7	227.9

Notes to the condensed consolidated interim financial statements

Accounting principles

This condensed interim report has been prepared in accordance with *IAS 34 Interim Financial Reporting* and applicable regulations in the Swedish Annual Accounts Act. The accounting principles adopted are the same with those of the Group's and the Parent Company's annual financial statements for the year ended 31 December 2021. The new IFRS standards and amendments effective for the first time for 2022 financial year or later are not expected to have any material impact on Group's financial statements.

Key figures

Key figures for the period

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021	Rolling 12-mon
Net sales	184.0	182.0	812.6	814.5
Net sales growth, %	1.1	-23.1	-13.4	-7.8
Operative EBITA	-2.4	-0.7	14.8	13.1
Operative EBITA margin, %	-1.3	-0.4	1.8	1.6
Operative EBITA, segments	0.7	2.4	24.2	22.6
Operative EBITA margin, %, segments	0.4	1.5	3.3	3.1
Items affecting comparability	-	-	-0.1	-0.1
EBITDA	5.1	7.5	46.5	44.1
Operating result (EBIT)	-2.5	-0.8	14.5	12.7
EBIT margin, %	-1.4	-0.4	1.8	1.6
Result after financial items	-4.3	-2.1	8.7	6.5
Net result for the period	-4.4	-2.7	4.9	3.1
Earnings per share EUR, basic and diluted	-0.03	-0.02	0.03	0.02
Return on equity (ROE), % ¹⁾	1.4	3.5	2.2	1.4
Return on operative capital employed (ROCE), % ¹⁾	17.4	13.5	23.6	17.4
Leverage ratio ¹⁾	3.1	2.3	2.6	3.1
Net working capital	-6.7	-4.8	-16.0	-6.7
Number of personnel, average	5,031	5,368	5,176	5,091

Quarterly key figures

EUR million	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021
Net sales	184.0	226.3	193.8	210.4	182.0
Net sales growth, %	1.1	-1.2	-14.5	-14.3	-23.1
Operative EBITA	-2.4	7.0	4.1	4.4	-0.7
Operative EBITA margin, %	-1.3	3.1	2.1	2.1	-0.4
Operative EBITA, segments	0.7	7.3	7.7	6.8	2.4
Operative EBITA margin, %, segments	0.4	3.6	4.4	3.6	1.5
Items affecting comparability	-	-	-	-0.1	-
EBITDA	5.1	14.5	11.9	12.7	7.5
Operating result (EBIT)	-2.5	6.9	4.0	4.3	-0.8
EBIT margin, %	-1.4	3.1	2.1	2.0	-0.4
Result after financial items	-4.3	5.2	2.6	3.0	-2.1
Net result for the period	-4.4	4.1	1.8	1.6	-2.7
Earnings per share EUR, basic and diluted	-0.03	0.02	0.01	0.01	-0.02
Return on equity (ROE), % ¹⁾	1.4	2.2	-2.8	-2.2	3.5
Return on operative capital employed (ROCE), % ¹⁾	17.4	23.6	11.6	16.8	13.5
Leverage ratio ¹⁾	3.1	2.6	3.9	3.3	2.3
Net working capital	-6.7	-16.0	9.8	-7.1	-4.8
Number of personnel, average	5,031	5,065	5,049	5,221	5,368

1) Calculated on a rolling 12-month basis.
Please see pages 22–23 for definitions of the key ratios.

Net sales by segment

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Finland	58.8	60.8	299.6
Sweden	43.9	41.1	182.2
Norway	41.6	33.9	160.5
Denmark	18.1	26.2	87.9
Other business ¹⁾	23.5	21.4	91.9
Eliminations	-1.9	-1.4	-9.5
Net sales, total	184.0	182.0	812.6

1) Other business includes operations in High Voltage, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International and Rail businesses.

Net sales by segment by business

EUR million		Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Finland	Communication	20.6	20.6	111.3
	Power	38.2	40.1	188.4
Sweden	Communication	36.9	37.1	163.1
	Power	6.9	4.0	19.1
Norway	Communication	41.5	33.9	160.0
	Power	0.1	0.1	0.4
Denmark	Communication	13.5	19.0	65.2
	Power	4.6	7.2	22.7
Other business	Communication	3.1	3.3	13.6
	Power	20.4	17.1	73.1
	Other operations	0.0	0.9	5.3
Eliminations		-1.9	-1.4	-9.5
Net sales, total		184.0	182.0	812.6

Internal net sales consist mainly of net sales from communication in Lithuania, reported in other business. There are no material internal net sales in any of the segments.

Net sales by business

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Communication	114.1	112.8	505.1
Power	70.0	68.3	302.3
Other operations	0.0	0.9	5.3
Net sales, total	184.0	182.0	812.6

Net sales by service split

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Project delivery	47.0	37.2	150.7
Upgrade services	91.5	97.0	452.2
Maintenance	45.4	47.8	209.7
Net sales, total	184.0	182.0	812.6

Reconciliation of segment results

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Operative EBITA by segment			
Finland	0.9	0.7	12.7
Sweden	-1.8	-0.8	-1.8
Norway	1.4	1.2	9.2
Denmark	0.2	1.3	4.2
Sum segments	0.7	2.4	24.2
Other business	-0.6	-0.9	-1.8
Group functions	-2.6	-2.2	-7.6
Operative EBITA, Group	-2.4	-0.7	14.8
Valuation as held for sale	-	-	-0.1
Total items affecting comparability in EBITA	-	-	-0.1
Amortisation of acquisition-related intangible asset	-0.1	-0.1	-0.3
Operating result (EBIT)	-2.5	-0.8	14.5
Financial expenses, net	-1.8	-1.3	-5.8
Result before taxes	-4.3	-2.1	8.7

Net working capital and operative capital employed

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Inventories	17.4	12.6	17.2
Trade and other receivables	184.5	199.8	192.3
Provisions	-7.7	-9.5	-8.6
Advances received	-40.1	-28.1	-35.8
Trade and other payables	-157.3	-174.8	-178.5
Other	-3.4	-4.7	-2.6
Net working capital	-6.7	-4.8	-16.0
Intangible assets excluding acquisition-related allocations	11.5	14.4	12.3
Property, plant and equipment	11.1	14.3	11.6
Right-of-use assets	52.3	58.4	53.3
Operative capital employed	68.2	82.3	61.2

Assets and liabilities held for sale are not included (on 31 March 2021 German high voltage business).

Personnel by segment

	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Finland	1,491	1,447	1,478
Sweden	912	972	938
Norway	938	906	919
Denmark	475	658	562
Other business	1,067	1,230	1,123
Group functions	148	156	155
Total personnel, average	5,031	5,368	5,176
Total personnel, end of period	5,023	5,330	5,046

Contract balances

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Trade receivables	76.9	82.1	102.0
Contract assets	89.4	95.4	71.2
Total assets related to contracts with customers	166.3	177.5	173.2
Advances received	40.1	28.1	35.8
Total liabilities related to contracts with customers	40.1	28.1	35.8

Trade receivables and contract assets are included in the trade and other receivable line in the above net working capital table. Advances received represent contract liabilities.

Acquisitions, divestments and assets held for sale

January–March 2022

During January–March 2022 there were no acquisitions, divestments or assets held for sale.

Full-year 2021

During January–December 2021 there were no acquisitions.

In 2021 the following divestment was completed:

On 22 March 2021, Eltel signed an agreement to divest its German high voltage business to ENACO GmbH, a German service provider in the energy sector. The transaction was completed on 30 April 2021 and it had a negative cash flow effect of EUR 3.8 million and impact on Group EBIT of EUR -0.1 million in Q2 2021. Eltel has as part of the divestment engaged ENACO as a subcontractor for the completion of certain projects, which are expected to be completed during 2022.

Assets and liabilities held for sale

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Total assets held for sale	-	0.0	-
Liabilities			
Trade and other liabilities	-	3.9	-
Total liabilities held for sale	-	3.9	-

Deferred taxes

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Deferred tax assets	18.4	19.2	18.4
Deferred tax liabilities	-10.6	-10.8	-10.7
Net deferred tax assets	7.8	8.4	7.7

There were no changes, other than currency impact, in deferred tax assets for losses carried forward during January–March 2022. In December 2021, gross amount of EUR 12.9 million (13.0) was recognised, of which EUR 5.9 million (6.0) related to operations in Sweden. Deferred tax assets are recognised for tax loss carry forwards to the extent that the utilisation against future taxable profits is probable. The future taxable profit estimate is based on current business plans approved by management.

Leasing

Right-of-use assets

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Buildings	31.1	32.5	31.2
Machinery and equipment	21.2	25.9	22.1
Total	52.3	58.4	53.3

Changes in the right-of-use assets during the period

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
1 Jan	53.3	59.2	59.2
Additions	5.3	6.2	21.7
Depreciations	-5.5	-5.9	-23.4
Transfer to assets held for sale	-	-0.0	-
Divestments	-	-	0.0
Other	-0.8	-1.1	-4.3
Balance at the end of period	52.3	58.4	53.3

Leasing liabilities

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Non-current	35.1	39.0	35.8
Current	18.4	20.6	18.6
Total	53.5	59.7	54.5

Financial instruments

Derivative financial instruments	31 Mar 2022		31 Mar 2021		31 Dec 2021	
EUR million	Nominal values	Net fair values	Nominal values	Net fair values	Nominal values	Net fair values
Foreign exchange rate derivatives	40.5	-0.4	48.9	0.8	41.8	0.1
Embedded derivatives	-	-	1.4	-0.1	-	-
Total	40.5	-0.4	50.3	0.6	41.8	0.1

Financial assets recognised at fair value through profit and loss comprise solely derivatives. Fair values of the derivative instruments are based on market values (level 2 observable input information) at balance sheet date.

Fair value of financial instruments measured at cost

The carrying amount of financial assets and financial liabilities is a reasonable approximation of their fair value. Changes in the market interest rates are reflected in the future interest flows of interest-bearing debt within a short period.

Earnings per share

	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net result attributable to equity holders of the parent	-4.4	-2.6	4.3
Weighted average number of common shares, basic	156,649,081	156,649,081	156,649,081
Weighted average number of common shares, diluted	156,733,828	156,722,332	156,728,961
Earnings per share EUR, basic	-0.03	-0.02	0.03
Earnings per share EUR, diluted	-0.03	-0.02	0.03

Definitions and key ratios

Eltel applies ESMA's (European Securities and Markets Authority) guidelines for alternative performance measures (APM). In addition to the financial measures defined in IFRS, certain key figures, which qualify as alternative performance measures (APMs) are presented to reflect the underlying business performance, facilitate analysis of the Group's development as followed by Group Management and enhance comparability from period to period. The definition of these key figures is presented below and relevant information enabling reconciliations to IFRS measures can be found in connection with relevant parts of the report. These APMs should not be considered as a substitute for measures in accordance with IFRS.

IFRS key ratios

Earnings per share (EPS)	$\frac{\text{Net result attributable to equity holders of the parent}}{\text{Weighted average number of ordinary shares}}$
---------------------------------	--

Alternative performance measures (APMs)

Key Figure	Definition and reason for use	Reference
Operative EBITA	<p>Operative EBITA and -margin, % are used to measure business and segment profitability. Income statement items below operative EBITA are not allocated to segments.</p> <p>Operative EBITA: Operating result before acquisition-related amortisations and items affecting comparability</p> <p>Operative EBITA margin, %: $\frac{\text{Operative EBITA}}{\text{Net sales}}$</p> <p>Operative EBITA and -margin, % for segments represent the sum of segments: Finland, Sweden, Norway and Denmark.</p>	Reconciliation of segment results
Items affecting comparability	Items for specific events which management does not consider to form part of the ongoing operative business	Reconciliation of segment results
EBITDA	EBITDA is operating result (EBIT) before depreciations and amortisations. Used in calculating the leverage ratio.	Cash flow, key figures, quarterly key figures
Operating result (EBIT)	<p>Operating result (EBIT) and -margin% are used to measure profitability before interest and taxes.</p> <p>EBIT margin, %: $\frac{\text{EBIT}}{\text{Net sales}}$</p>	Income statement
Return on equity (ROE), %	<p>Return on equity (ROE), % represents the rate of return that shareholders receive on their investments.</p> <p>Return on equity (ROE), %¹: $\frac{\text{Net result} \times 100}{\text{Total equity (average over the reporting period)}}$ </p>	Income statement and balance sheet
Operative capital employed	<p>Operative capital employed is the amount of net operating assets the business uses in its operations.</p> <p>Return on operative capital employed (ROCE), % represents how effectively total net operating assets are used in order to generate return in the operating business.</p> <p>Operative capital employed: Net working capital + Intangible assets excluding goodwill and acquisition-related allocations + Property, plant and equipment and Right-of-use assets</p> <p>Return on operative capital employed (ROCE), %¹: $\frac{\text{EBITA} \times 100}{\text{Operative capital employed (average over the reporting period)}}$ </p>	Net working capital and operative capital employed

1) Calculated on a rolling 12-month basis.

Key figure	Definition and reason for use	Reference
Net debt and leverage ratio	<p>Net debt represents Eltel's indebtedness. It is used to monitor capital structure and financial capacity. It is also used in calculating the leverage ratio. The leverage ratio is defined as covenant in Eltel's financing agreement.</p> <p>Net debt: Interest-bearing debt (excluding shareholder loans) - cash and cash equivalents</p> <p>Leverage ratio¹⁾: $\frac{\text{Net debt}}{\text{EBITDA}}$</p>	Interest-bearing liabilities and net debt
Net working capital	<p>Net working capital is used to follow the amount of short-term running capital needed for the business to operate. Used also as a factor to calculate operative capital employed.</p> <p>Net working capital: Net of inventories, trade and other receivables, provisions, advances received and trade and other payables, excluding items in these balance sheet items that are not considered to form part of operative working capital: derivative valuations and income tax liabilities.</p>	Net working capital and operative capital employed
Committed order backlog	Committed order backlog is the total value of committed orders received but not yet recognised as sales. It is the (best) measure of unsatisfied performance obligations according to IFRS 15 Revenue from contracts with customer.	

1) Calculated on a rolling 12-month basis.

Parent Company

Eltel AB owns and governs the shares related to Eltel Group. The Company holds management functions but has no operative business activities and its risks are mainly attributable to the value and activities of its subsidiaries. The interim report for the parent company is prepared in accordance with the chapter 9, Interim report, in the Swedish Annual Accounts Act.

Parent Company condensed income statement

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	-	-	2.2
Administrative expenses	-1.0	-1.0	-6.9
Operating result	-1.0	-1.0	-4.8
Interest and other financial income	5.4	5.5	22.1
Interest and other financial expenses	-0.9	-0.9	-3.2
Net financial items	4.5	4.6	18.9
Result after financial items	3.5	3.6	14.1
Group contributions given	-	-	-14.0
Net result	3.5	3.6	0.1

Parent Company condensed balance sheet

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Non-current assets			
Financial assets			
Shares in Group companies	68.3	68.3	68.3
Long-term loans receivable from Group companies	508.5	498.8	503.2
Intangible assets	0.0	0.1	0.1
Non-current assets	576.9	567.2	571.5
Current assets			
Other financial asset ¹⁾	-	35.0	-
Trade and other receivables	0.3	0.3	1.4
Cash pool receivable	0.0	-	0.0
Cash and cash equivalents	0.1	0.1	0.1
Current assets	0.4	35.4	1.5
TOTAL ASSETS	577.3	602.6	573.1
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	159.6	158.8	158.8
Statutory reserve	0.7	0.5	0.5
Restricted equity	160.3	159.3	159.3
Non-restricted equity			
Retained earnings	284.9	285.8	285.8
Net result for the period	3.5	3.6	0.1
Non-restricted equity	288.4	289.3	285.9
Total equity	448.7	448.6	445.2
Current liabilities			
Debt	67.3	69.2	72.5
Liabilities to shareholders ¹⁾	-	35.0	-
Liabilities to Group companies	60.3	48.6	54.3
Trade and other payables	1.0	1.2	1.2
Current liabilities	128.6	154.0	127.9
Total liabilities	128.6	154.0	127.9
TOTAL EQUITY AND LIABILITIES	577.3	602.6	573.1

1) Refers to the FCCA case that was closed in Q3 2021.

At year-end 2021, Eltel had secured its debt obligations towards the banks by share and intragroup loan pledges and floating charges over certain assets of the Group, all on customary terms and conditions. In January 2022 Eltel's debt was replaced with new unsecured finance agreement.

Equity

EUR million	1 Jan 2022	Share capital reduction	Proceeds from shares issued	Purchase of own shares	Equity-settled share-based payment	Net result	31 Mar 2022
Share capital	158.8	-0.2	1.0	-	-	-	159.6
Statutory reserve	0.5	0.2	-	-	-	-	0.7
Non-restricted equity	285.9	-	0.0	-1.0	0.0	3.5	288.4
Total	445.2	-	1.0	-1.0	0.0	3.5	448.7

In February 2022, the Board of Directors of Eltel AB has resolved to reduce the share capital through the redemption of 240,000 class C shares, that are held by the company, and that an amount of EUR 242,039 corresponding to the quota value of the class C shares was transferred to the company's reserve fund.

In March 2022, Eltel AB has issued and immediately thereafter re-purchased 972,000 new class C shares in accordance with the incentive program LTIP 2021 which was adopted by the Annual General Meeting held on 5 May 2021.

Nordea Bank Abp subscribed for the entire issue of new class C shares at a subscription price of EUR 1.01 per share, corresponding approximately to the quota value of the shares. The entire issue of class C shares was thereafter re-purchased by Eltel for the same price. The class C shares will be converted into ordinary shares prior to delivery to qualifying participants of LTIP 2021.

The purpose of the re-purchase is to ensure delivery of shares to participants and to secure social contributions arising as a result of LTIP 2021. The class C shares do not entitle to dividends and each share entitles to 1/10 voting right.

As of 31 March 2022, the total number of registered and outstanding shares of Eltel amounts to 158,231,081, whereof 156,649,081 are ordinary shares and 1,582,000 are class C shares. The number of votes in Eltel amounts to 156,807,281 and the registered share capital amounts to EUR 159,575,695.

“ We enable a more sustainable and connected
world today and for future generations.

Eltel AB

Visiting address: Adolfsbergsvägen 13, Bromma
POB 126 23, SE-112 92 Stockholm, SWEDEN
Corp. id no. 556728-6652

tel. +46 8 585 376 00
info@eltelnetworks.com
www.eltelgroup.com
www.eltelnetworks.com