

Eltel Group

Interim report January–March 2024

Stockholm, Sweden, 26 April 2024

January–March 2024

- Net sales EUR 176.3 million (188.4). Total growth -6.4% and organic growth¹⁾ in segments -4.0%
- Adjusted EBITDA EUR 3.6 million (2.4)
- Adjusted EBITA²⁾ EUR -4.0 million (-5.5) and adjusted EBITA margin -2.3% (-2.9)
- Adjusted EBITA²⁾ in segments EUR -0.8 million (-2.1) and adjusted EBITA margin in segments -0.5% (-1.2)
- Items affecting comparability EUR -23.2 million (-6.1)
- Operating result (EBIT) EUR -27.2 million (-11.6) and EBIT margin -15.4% (-6.2)
- Net result EUR -30.5 million (-15.1)
- Earnings per share EUR -0.20 (-0.10), basic and diluted
- Cash flow from operating activities EUR -4.9 million (-23.7)
- Net debt EUR 114.9 million (158.4)

Significant events during and after the reporting period

- During the first quarter, Eltel signed new contracts with a combined value of about EUR 112.5 million (244) and increased the value of the total orderbook³⁾ to EUR 1.2 billion. Read more on page 13.
- On 22 January, it was announced that Eltel Denmark and TDC Net have extended their frame agreement by two years. The estimated order value is about DKK 170 million, about EUR 23 million.
- On 7 February, it was announced that Eltel Finland has signed a renewal of an existing frame agreement with the Finnish telecommunications provider DNA. The one-year agreement is worth about EUR 12.5 million.
- On 26 February, it was announced that Alexandra Kärnlund was appointed as the new Director of Communications at Eltel and member of the Group Management Team. Alexandra replaces Elin Otter, who has decided to leave Eltel for a position outside the company. Alexandra Kärnlund assumes her role in April 2024.
- On 10 April, Eltel signed an agreement to divest its High Voltage business in Poland to Mutares SE & Co. KGaA, a listed private equity investor headquartered in Munich, Germany. The transaction is expected to close during Q2 2024 and is subject to customary regulatory approval.

Key figures

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	176.3	188.4	850.1
Net sales growth, %	-6.4%	2.4%	3.2%
Adjusted EBITDA	3.6	2.4	31.8
Adjusted EBITA ²⁾	-4.0	-5.5	1.7
Adjusted EBITA margin, %	-2.3%	-2.9%	0.2%
Adjusted EBITA ²⁾ , segments	-0.8	-2.1	11.8
Adjusted EBITA margin, %, segments	-0.5%	-1.2%	1.5%
Operating result (EBIT)	-27.2	-11.6	-5.3
Return on operative capital employed (ROCE), %	9.7%	-7.9%	5.3%
Net working capital	-59.0	-5.4	-49.8
Net debt	114.9	158.4	100.6
Number of employees, average	4,885	5,103	5,024

1) Organic growth is adjusted for currency effects.

2) Eltel follows the profitability of segments with adjusted EBITA, which does not include restructuring costs and other items affecting comparability. Please see pages 25–26 for definitions of the key ratios.

3) Total orderbook includes the committed order backlog and the best estimate for uncommitted remaining parts of frame agreements until the end of the agreement.

Comments by the CEO

The year has started much as predicted. Coming off a year of strong growth, we now see net sales stabilizing, although a harsh winter affected the volumes. Organic growth in the segments was -4.0% and -5.9% for the Group. Nevertheless, we managed to improve our adjusted EBITA by EUR 1.4 million, strengthened our financial position and improved liquidity. Year-on-year, we have cut net working capital by more than EUR 40 million and improved our operating cash flow by almost EUR 19 million.

Throughout the quarter, we signed new contracts valued at about EUR 112.5 million and increased our total orderbook to EUR 1.2 billion, which shows we are continuously securing new business. We are active in the new business areas, primarily e-Mobility and solar PV. Of all contracts signed in the first quarter, about 6% of the value relates to new business offerings.

In Communication, we observe traditional customers reducing their investment levels and volumes, while new telecom customers are entering the space and partly compensating for the reduction.

In Power, we see an underlying increase in demand with one exception in the Finnish distribution network, due to an updated regulation.

In Finland, this regulation has led us to revise our forecasted volumes in Power Distribution. We have taken precautionary measures to mitigate the effects on us. The four-week long strike also impacted negatively. Having said that, the market demand in Finland remained strong in both Power and Communication and I am happy to see that the Finnish business is moving in the right direction. The two challenging frame agreements in Power Services have stabilized, albeit still negatively impacting the margin.

In Sweden the growth trend from last year continued, although it has somewhat slowed down. Growth came from Power, mainly Smart Grids, while volumes decreased in Communication. The margin was in line with the previous year, thanks to a strong performance in Smart Grids.

In Norway, we continue to have problems with getting net sales from existing frame agreements. Reduced customer investments, postponements of 5G volumes and harsh winter conditions contributed to the decline in net sales. We continue to adjust the organization to the lower market demand while working to broaden the customer base and develop our offers.

The business in Denmark is stable, and we remain confident in our ability to grow as the year progresses. The renewed confidence from TDC Net shows that we are on the right track, although two other contracts have ended.

After the reporting date, on 10 April, we signed an agreement to divest our Polish High Voltage business to Mutares, a listed private equity investor. The transaction creates value for us and our shareholders by minimizing complexity and risks associated with the project business in Poland. High Voltage Poland has represented less than 5% of our total net sales and been a loss-making unit for Eltel over the past years. The divestment is expected to positively impact the future overall profitability and release more than 25% of Eltel's financial guarantees.

Going forward, we will continue to execute on our strategy, develop new service offerings and broaden our customer base in our core markets. Improved productivity and profitability are key elements for Eltel to reach our goal of an EBITA-margin of 5% with a stable cash flow and a healthy balance sheet.

Håkan Dahlström, President & CEO



About Eltel and the Group strategy

Eltel in brief

Eltel is the leading service provider for critical infrastructure that enables renewable energy and high-performing communication networks. Operations are conducted in the Nordic countries, Poland, Germany and Lithuania within country-based organizations that have full responsibility for their financial results.

Within business area Communication, Eltel establishes networks and supports the societal need for greater digitalization. We provide design, installation, upgrades and service mainly to mobile and fixed communication network owners and operators and increasingly to private and public sector.

Within business area Power, Eltel enables the transition to renewable energy and the electrification of society. We provide maintenance and upgrades to power distribution and transmission, smart grid and turnkey solutions in e-Mobility, solar PV, wind energy and battery energy storage systems.

Eltel's markets are characterized by a high concentration of customers, and competitors offering similar products and services.

Our strategy – towards sustainable profitable growth

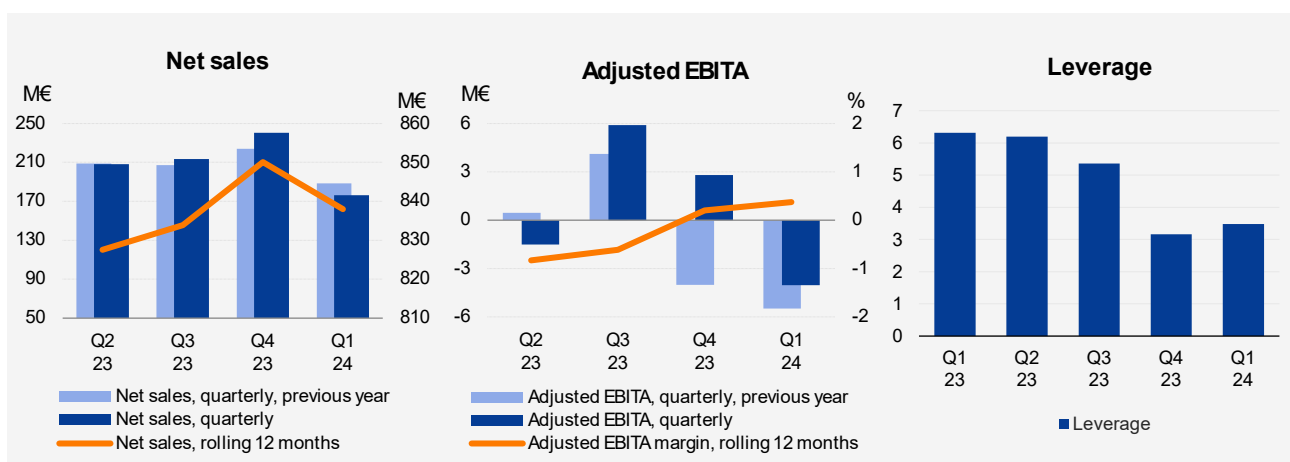
Through our strategy, we build the foundation for investing in sustainable profitable growth. This involves:

- Improve efficiency and profitability of the current business, including price increases
- Broaden the customer base
- Grow in new and adjacent markets, such as renewable energy and public infrastructure
- Integrate sustainability as part of our offerings and operations
- Develop our concepts and commercial capabilities
- Implement new business models and expand our position in the value chain

The strategy 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.

Eltel's financial targets by end of 2025

Group adjusted EBITA margin	5%
Annual growth	2–4%
Leverage	1.5–2.5x net debt/adjusted EBITDA
Dividend payout	Subject to leverage target



Net sales and earnings Group

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	176.3	188.4	850.1
Adjusted EBITDA	3.6	2.4	31.8
Adjusted EBITA	-4.0	-5.5	1.7
Items affecting comparability	-23.2	-6.1	-7.0
EBIT	-27.2	-11.6	-5.3
Net result	-30.5	-15.1	-7.6
Key ratios			
Net sales growth, %	-6.4%	2.4%	3.2%
Organic growth ¹⁾ , % in segments	-4.0%	7.2%	8.8%
Currency translation effect in net sales, MEUR	-1.0	-6.9	-32.4
Adjusted EBITA margin, %	-2.3%	-2.9%	0.2%
Tax rate, %	-1.1%	-3.8%	57.6%
Earnings per share after dilution, EUR	-0.20	-0.10	-0.07

1) Organic growth is adjusted for currency effects.

January–March 2024

Net sales decreased by 6.4% to EUR 176.3 million (188.4). In local currency, net sales decreased by 5.9%. Currency effects had a negative impact of EUR 1.0 million. In segments net sales decreased by EUR 8.1 million. Organic net sales in segments, adjusted for currency effects, decreased by 4.0%. Net sales increased in Sweden while it decreased in Norway, Finland, Denmark and Other business.

Adjusted EBITDA was EUR 3.6 million (2.4). Adjusted EBITA increased to EUR -4.0 million (-5.5) and the adjusted EBITA margin was -2.3% (-2.9). Adjusted EBITA in segments was EUR -0.8 million (-2.1) and the margin was -0.5% (-1.2). In Other business, adjusted EBITA was EUR -0.5 million (-1.0). In Finland and Sweden adjusted EBITA improved, while it declined in Denmark and Norway. In Other business, adjusted EBITA improved.

Items affecting comparability amounted to EUR -23.2 million (-6.1) for revaluation of the Polish High Voltage business to fair value less cost to sell. In 2023 items affecting comparability comprised a restructuring charge due to reduced customer investments in Norway and declining results in Norway and Finland.

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

EBIT amounted to EUR -27.2 million (-11.6).

Net financial expenses amounted to EUR 3.0 million (2.9).

Taxes amounted to EUR -0.3 million (-0.6). The effective tax rate was -1.1% (-3.8).

Net result for the period was EUR -30.5 million (-15.1). Earnings per share were EUR -0.20 (-0.10).

Overview of segments

Net sales

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Finland	62.4	64.3	344.5
Sweden	49.8	48.8	198.5
Norway	25.7	32.2	130.1
Denmark	21.1	21.8	93.0
Sum segments	159.1	167.2	766.1
Other business	18.7	22.7	93.7
Eliminations	-1.5	-1.5	-9.7
Total net sales	176.3	188.4	850.1

Adjusted EBITA

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Finland	-0.3	-2.3	6.5
Sweden	0.5	0.5	2.9
Norway	-1.7	-1.6	-2.5
Denmark	0.7	1.3	4.9
Sum segments	-0.8	-2.1	11.8
Other business	-0.5	-1.0	-1.0
Group functions	-2.8	-2.4	-9.1
Total adjusted EBITA	-4.0	-5.5	1.7

Adjusted EBITA margin

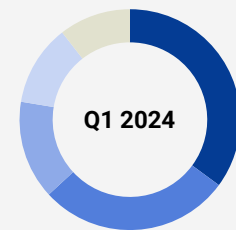
EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Finland	-0.5%	-3.6%	1.9%
Sweden	1.0%	1.0%	1.5%
Norway	-6.5%	-4.9%	-1.9%
Denmark	3.4%	6.1%	5.2%
Sum segments	-0.5%	-1.2%	1.5%
Other business	-2.6%	-4.2%	-1.1%
Total adjusted EBITA margin, %	-2.3%	-2.9%	0.2%

Etel's main operations in the four Nordic countries are presented as segments. In Q1 2024, the segments represented 90% of the net sales.

Management follows segment results by adjusted EBITA, which does not include items affecting comparability.

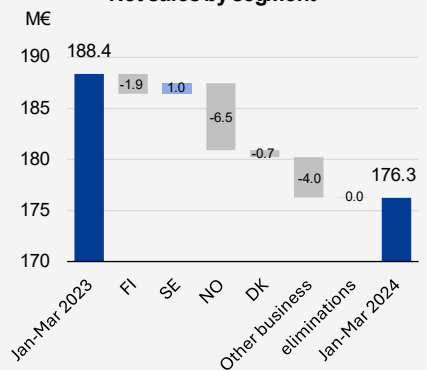
Other business includes High Voltage Poland, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International.

Net sales by segment

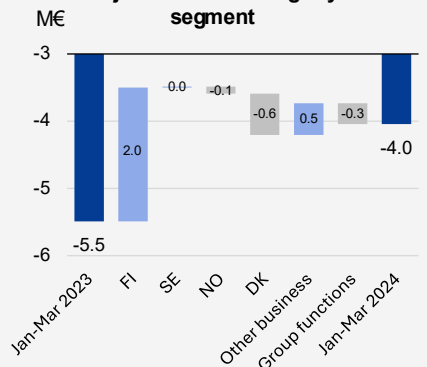


■ FI ■ SE ■ NO ■ DK ■ Other business

Net sales by segment



Adjusted EBITA change by segment



Net sales and adjusted EBITA – Segments

Finland

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	62.4	64.3	344.5
Adjusted EBITA ¹⁾	-0.3	-2.3	6.5
Number of employees, average	1,492	1,503	1,503
Key ratios			
Net sales growth, %	-3.0%	9.4%	18.7%
Adjusted EBITA margin, %	-0.5%	-3.6%	1.9%

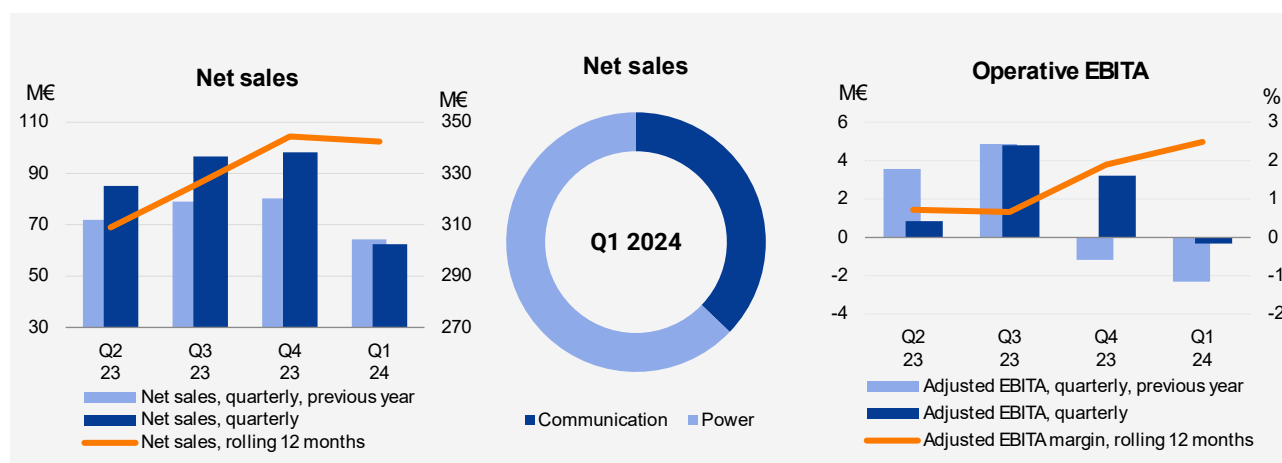
1) Excluding restructuring costs.

January–March 2024

Net sales decreased by EUR 1.9 million, or 3.0%, to EUR 62.4 million (64.3). The market demand in Finland remained strong in Communication as well as in Power Transmission and Smart Grids. Lower customer investments in Power Distribution, caused by the updated regulation, impacted the net sales negatively. A four-week long strike had a further negative impact.

Adjusted EBITA improved by EUR 2.0 million to EUR -0.3 million (-2.3). The adjusted EBITA margin was -0.5% (-3.6). The business improved year-over-year, despite a harsh winter. The two challenging frame agreements in Power Services have stabilized. They continued to have a negative impact on the margin, but less than in the comparative period.

On 7 February 2024, it was announced that Eltel Finland has signed a renewal of an existing frame agreement with the Finnish telecommunications provider DNA. The one-year agreement is worth about EUR 12.5 million.



Sweden

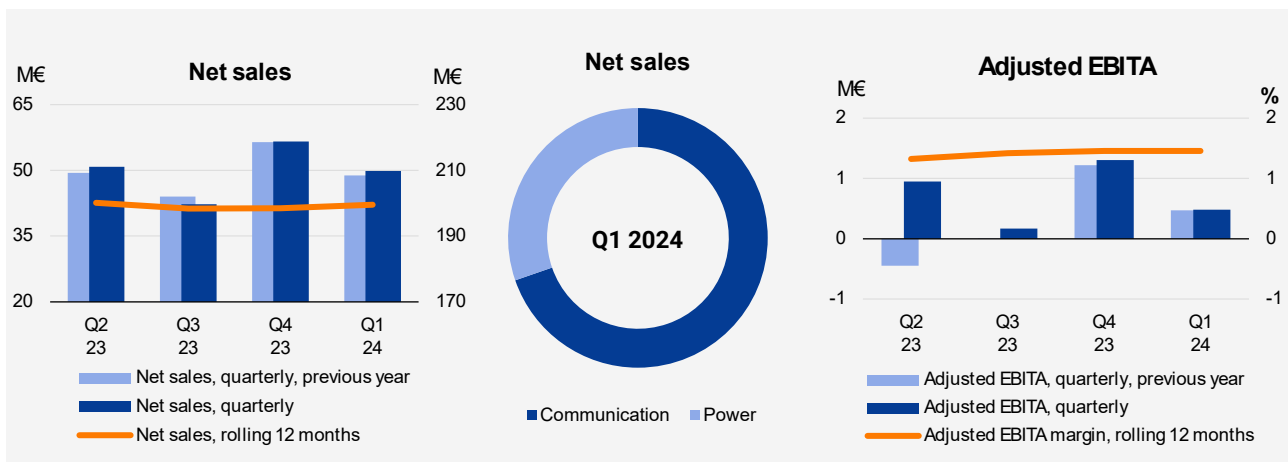
EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	49.8	48.8	198.5
Adjusted EBITA	0.5	0.5	2.9
Number of employees, average	951	992	988
Key ratios			
Net sales growth, %	2.1%	11.3%	2.4%
Organic growth ¹⁾ , %	2.7%	19.2%	10.7%
Currency translation effect in net sales, MEUR	-0.3	-3.5	-15.9
Adjusted EBITA margin, %	1.0%	1.0%	1.5%

1) Adjusted for currency effects.

January–March 2024

Net sales increased by EUR 1.0 million, or 2.1%, to EUR 49.8 million (48.8). Growth in local currency was 2.7%. Currency effects had a negative impact of EUR 0.3 million. Growth came from Power, mainly Smart Grids, while volumes decreased in Communication due to lower customer investments and fewer projects.

Adjusted EBITA amounted to EUR 0.5 million (0.5). The adjusted EBITA margin was 1.0% (1.0), in line with previous year. Strong margins in Smart Grids were offset by Communication as we see a shift of business from projects to services.



Norway

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	25.7	32.2	130.1
Adjusted EBITA ¹⁾	-1.7	-1.6	-2.5
Number of employees, average	798	916	860
Key ratios			
Net sales growth, %	-20.3%	-22.5%	-26.4%
Organic growth ²⁾ , %	-16.6%	-14.6%	-16.6%
Currency translation effect in net sales, MEUR	-1.2	-3.3	-17.4
Adjusted EBITA margin, %	-6.5%	-4.9%	-1.9%

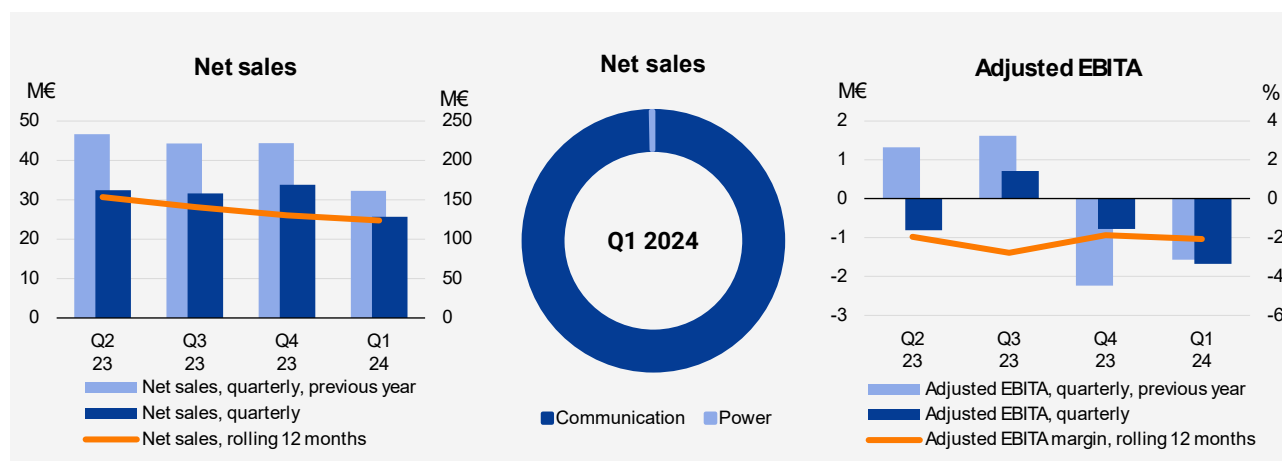
1) Excluding restructuring costs.

2) Adjusted for currency effects.

January–March 2024

Net sales decreased by EUR 6.5 million, or 20.3%, to EUR 25.7 million (32.2). Currency effect was EUR -1.2 million. Growth in local currency was -16.6%. Main reasons were lower volumes due to reduced customer investments and postponements of 5G volumes. Harsh winter conditions impacted volumes further.

Adjusted EBITA decreased by EUR 0.1 million to EUR -1.7 million (-1.6). The adjusted EBITA margin was -6.5% (-4.9). Lower volumes led to overcapacity. We continue to adjust the organization to the lower market demand.



Denmark

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	21.1	21.8	93.0
Adjusted EBITA	0.7	1.3	4.9
Number of employees, average	513	500	511
Key ratios			
Net sales growth, %	-3.2%	20.5%	25.3%
Organic growth ¹⁾ , %	-3.0%	20.5%	25.4%
Currency translation effect in net sales, MEUR	-0.0	0.0	-0.1
Adjusted EBITA margin, %	3.4%	6.1%	5.2%

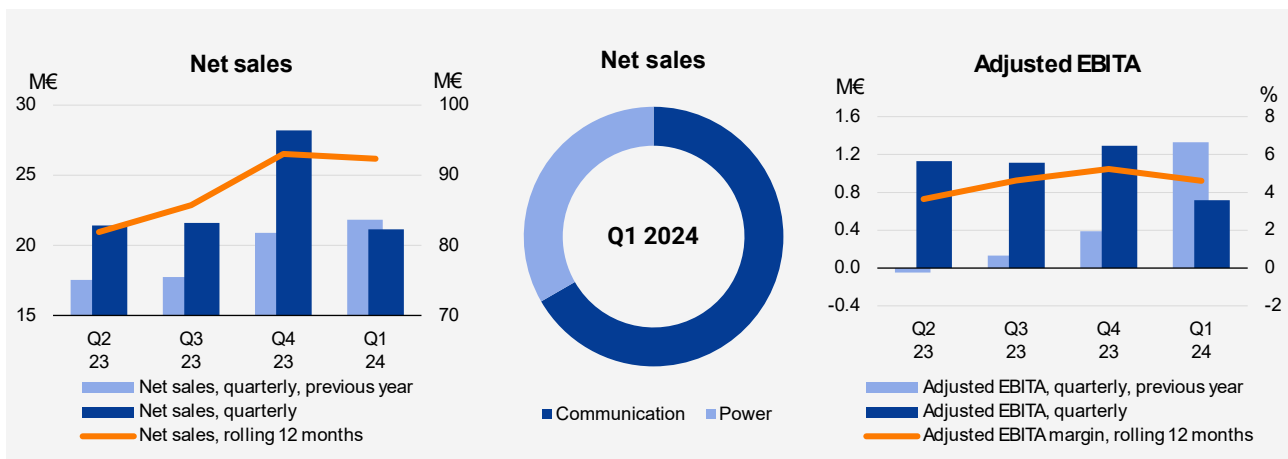
1) Adjusted for currency effects.

January–March 2024

Net sales decreased by EUR 0.7 million, or 3.2%, to EUR 21.1 million (21.8) due to ending of contracts.

Adjusted EBITA was EUR 0.7 million (1.3). The adjusted EBITA margin was to 3.4% (6.1) due to phasing of projects and contract endings. Higher sick leave rates also had a negative impact.

On 22 January 2024, it was announced that Eltel Denmark and TDC Net, Denmark's largest telecommunications provider, have extended their frame agreement by two years. The estimated order value is about DKK 170 million, about EUR 23 million.



Other business

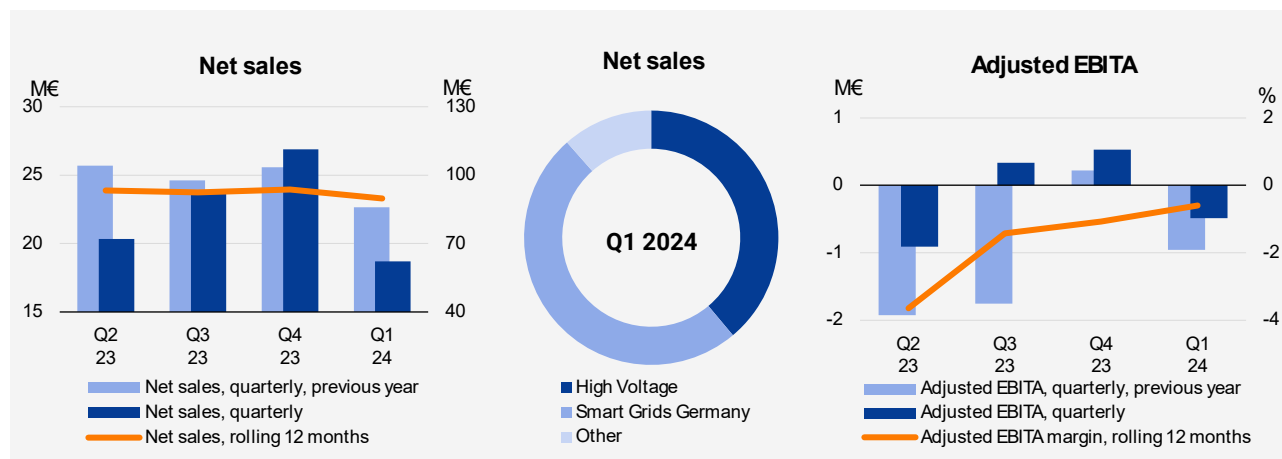
EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	18.7	22.7	93.7
Adjusted EBITA	-0.5	-1.0	-1.0
Number of employees, average	946	1,039	995

Other business includes High Voltage Poland, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International.

January–March 2024

Net sales decreased by EUR 4.0 million to EUR 18.7 million (22.7), mainly due to reduced volumes in Lithuania, High Voltage Poland and Smart Grids Germany. Net sales in High Voltage Poland was EUR 7.3 million (8.6).

Adjusted EBITA improved by EUR 0.5 million to EUR -0.5 million (-1.0). In High Voltage Poland adjusted EBITA was EUR -0.5 million (-1.5) due to successful closing of projects. Margins in Smart Grids Germany declined from previous year but remained on a healthy level.



Cash flow

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
EBIT	-27.2	-11.6	-5.3
Depreciation and amortization	7.6	7.9	30.1
EBITDA	-19.6	-3.7	24.8
Changes in working capital	-3.8	-11.3	29.4
Total financial expenses and taxes	-3.5	-7.6	-15.3
Adjustment for gain/loss on sales of assets	23.0	0.0	-0.1
Other	-1.1	-1.1	-4.9
Cash flow from operating activities	-4.9	-23.7	34.0
Cash flow from investing activities	-0.8	-1.3	-4.3
Cash flow from financing activities	-1.4	-0.3	-52.3
Net change in cash and cash equivalents	-7.1	-25.4	-22.6
Cash and cash equivalents at beginning of period	24.7	47.9	47.9
Foreign exchange rate effect	-0.4	-1.0	-0.6
Transfer as assets held for sale	-0.2	-	-
Cash and cash equivalents at end of period	17.0	21.5	24.7

Condensed consolidated statement of cash flows is presented on page 17.

January–March 2024

This year, cash flow during first quarter was relatively strong. Cash flow from operating activities was EUR -4.9 million (-23.7). Main items included EBITDA EUR -19.6 million (-3.7), adjustment for gain/loss on sale of assets EUR 23.0 million (0.0), cash flow from change in net working capital EUR -3.8 million (-11.3), financial items EUR -3.1 million (-4.0) and income taxes EUR -0.3 million (-3.7). Cash flow from financial items and income taxes is impacted by timing differences between income statement and payments.

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 phasing of projects. These projects, and delays in them, might result in continued tie up of working capital and can create volatility in the net working capital also going forward.

Net cash flow from investing activities was EUR -0.8 million (-1.3) consisting of net capital expenditure on machinery and equipment.

Cash flow from financing activities was EUR -1.4 million (-0.3). Utilization of short-term financing increased by EUR 5.5 million (increase of 5.0). Amortization of term loan amounted to EUR 1.0 million (0.0) and payments of lease liabilities were EUR 5.8 million (5.3).

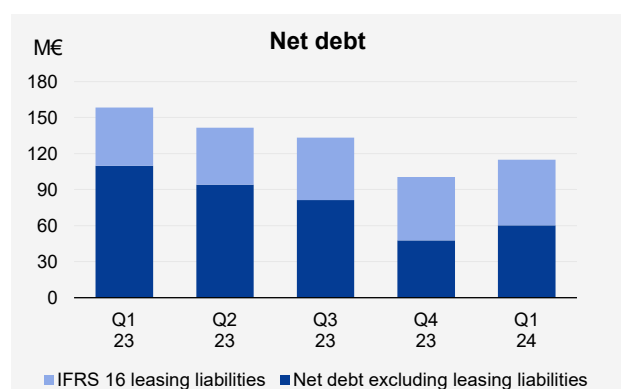
Financial position, cash and cash equivalents

Equity at the end of the period was EUR 190.9 million (192.8) and total assets were EUR 562.5 million (592.9). The change of the total assets reflects the improved financial position and liquidity. The equity ratio was 37.5% (35.6).

Interest-bearing liabilities and net debt

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Interest-bearing debt	75.6	129.6	71.1
Leasing liabilities	55.5	49.5	53.9
Allocation of effective interest to periods	0.7	0.8	0.3
Less cash and cash equivalents	-17.0	-21.5	-24.7
Net debt	114.9	158.4	100.6

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Non-current interest-bearing debt	18.5	22.4	20.7
Current interest-bearing debt	57.2	107.2	50.4
Total interest-bearing debt	75.6	129.6	71.1
Non-current leasing liabilities	36.1	31.6	33.9
Current leasing liabilities	19.4	17.9	19.9
Total leasing liabilities	55.5	49.5	53.9



Credit facilities

EUR million	31 Mar 2024	Maturity
Term loan, current	4.0	Jun 2024-Mar 2025
Term loan, non-current	19.0	Jan 2026
Revolving credit facility	90.0	Jan 2026
Account overdrafts	15.0	Jan 2026
Total committed credit facilities	128.0	
Commercial paper program	150.0	N/A

Available liquidity reserves, including the committed revolving credit facility, account overdrafts and cash and cash equivalents, amounted to EUR 79.0 million (74.5). Additional to the committed facilities, the Group also has access to short-term debt capital markets via a commercial paper program of EUR 150 million. On 31 March 2024, EUR 9.5 million (42.5) of the commercial paper program and EUR 43.0 million (52.0) of the revolving credit facility were utilized.

Commercial guarantees

On 31 March 2024, the commercial guarantees issued by the banks and other financial institutions on behalf of the Group amounted to EUR 90.5 million (81.4).

Other information**Risks and uncertainty factors**

The current market volatility and the unpredictability of the volume of customer investments may have a negative impact on Eltel's net sales.

Eltel has faced significant profitability challenges in its High Voltage business in Poland, partly due to cost increases and the impact of the war in Ukraine on sourcing of materials and subcontractors. We have made a shift in the scope of work in selected projects and services in High Voltage Poland, but there is a risk of negative results also going forward. However, with the agreement to divest High Voltage Poland to Mutares SE & Co. KGaA, it is expected that the risk will be eliminated by end of Q2 2024.

There is a risk that the covenants under the existing financing agreement are not met. Seasonal variation in Eltel's operations and related working capital build-up may also expose the company to liquidity risk.

For additional information regarding risks and uncertainties, please refer to Eltel's 2023 Annual Report which was published on 27 March 2024 and is available on Eltel's website at www.eltelgroup.com.

Large agreements announced during the reporting period

On 22 January 2024, it was announced that Eltel Denmark and TDC Net, Denmark's largest telecommunications provider, have extended their frame agreement by two years. The estimated order value is about DKK 170 million, about EUR 23 million.

On 7 February 2024, it was announced that Eltel Finland has signed a renewal of an existing frame agreement with the Finnish telecommunications provider DNA. The one-year agreement is worth about EUR 12.5 million.

Related party transactions

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

Seasonality

Eltel's businesses are generally characterized by seasonal patterns and cyclical nature of the project business that adds volatility to net sales, adjusted 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 as a result of completion of projects, cash flow has normally been stronger. For more details, please refer to quarterly key financial figures for the Group on page 19.

Presentation of the Q1 2024 report

Analysts and media are invited to participate in the Q1 2024 interim report briefing on 26 April 2024 at 10:00 am CEST where Eltel's President and CEO Håkan Dahlström and CFO Tarja Leikas will host a presentation. A combined webcast and teleconference as well as the presentation will be available at www.eltelgroup.com/investors.

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Elin Otter, Director, Communications and Investor Relations
Phone: +46 72 595 46 92, elin.otter@eltelnetworks.com

Financial calendar

- Annual General meeting 2024: 14 May 2024
- Half-year report January–June: 25 July 2024
- Interim report January–September: 31 October 2024

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 26 April 2024.

Signature of the CEO

Stockholm, Sweden, 26 April 2024

Eltel AB (publ)

Håkan Dahlström, 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 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	176.3	188.4	850.1
Cost of sales	-157.7	-178.1	-774.5
Gross profit	18.5	10.3	75.6
Other income	1.0	0.6	3.5
Selling and administrative expenses	-22.7	-22.3	-82.4
Other expenses	-24.0 ¹⁾	-0.2	-2.0
Operating result (EBIT)	-27.2	-11.6	-5.3
Financial income	0.1	0.2	1.2
Financial expenses	-3.1	-3.1	-13.9
Net financial expenses	-3.0	-2.9	-12.7
Result before taxes	-30.2	-14.5	-17.9
Taxes	-0.3	-0.6	10.3
Net result	-30.5	-15.1	-7.6
Attributable to:			
Equity holders of the parent	-30.5	-15.1	-7.9
Non-controlling interest	0.0	0.0	0.3
Earnings per share (EPS)			
Basic, EUR	-0.20	-0.10	-0.07
Diluted, EUR	-0.20	-0.10	-0.07

1) Other expenses include EUR -23.2 million from revaluation of the Polish High Voltage business to fair value less costs to sell.

Condensed consolidated statement of comprehensive income

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net profit for the period	-30.5	-15.1	-7.6
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Revaluation of defined benefit plans, net of tax	2.9	2.0	-1.5
Items that may be subsequently reclassified to profit and loss			
Currency translation differences	-5.2	-5.5	-1.9
Total	-5.2	-5.5	-1.9
Other comprehensive income/loss for the period, net of tax	-2.3	-3.5	-3.4
Total comprehensive income/loss for the period	-32.7	-18.6	-11.0
Total comprehensive income/loss attributable to:			
Equity holders of the parent	-32.8	-18.6	-11.3
Non-controlling interest	0.0	0.0	0.3

Condensed consolidated balance sheet

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Non-current assets			
Goodwill	249.1	251.7	253.6
Intangible assets	31.8	34.5	32.9
Property, plant and equipment	7.4	10.5	10.5
Right-of-use assets	53.6	47.5	51.9
Deferred tax assets	24.8	16.5 ¹⁾	27.9
Financial assets	14.2	10.8	9.8
Total non-current assets	380.8	371.5	386.7
Current assets			
Inventories	14.6	25.9	17.3
Trade and other receivables	147.4	174.1	195.6
Cash and cash equivalents	17.0	21.5	24.7
Total current assets	179.0	221.4	237.7
Assets held for sale ²⁾	2.7	-	-
TOTAL ASSETS	562.5	592.9	624.3
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the parent	158.2	185.4	191.0
Hybrid bond	25.0	-	25.0
Non-controlling interest	7.7	7.4	7.6
Total equity	190.9	192.8	223.6
Non-current liabilities			
Interest-bearing debt	18.5	22.4	20.7
Leasing liabilities	36.1	31.6	33.9
Retirement benefit obligations	5.4	6.0	5.6
Deferred tax liabilities	10.7	10.7 ¹⁾	11.3
Provisions	3.4	2.6	3.4
Other non-current liabilities	0.1	0.6	0.6
Total non-current liabilities	74.2	74.0	75.5
Current liabilities			
Interest-bearing debt	57.2	107.2	50.4
Leasing liabilities	19.4	17.9	19.9
Provisions	2.7	8.7	3.7
Advances received	53.8	51.0	59.3
Trade and other payables	157.0	141.5	191.8
Total current liabilities	290.1	326.2	325.2
Liabilities associated with assets held for sale ²⁾	7.3	-	-
Total liabilities	371.6	400.2	400.7
TOTAL EQUITY AND LIABILITIES	562.5	592.9	624.3

1) The presentation of the increase in the deferred taxes for leasing liabilities and right-of-use assets has been changed and the deferred taxes have been offset in the balance sheet for the comparative quarter.

2) Assets held for sale include High Voltage business in Poland on 31 March 2024.

Condensed consolidated statement of cash flows

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Cash flow from operating activities			
Operating result (EBIT)	-27.2	-11.6	-5.3
Adjustments:			
Depreciation and amortization	7.6	7.9	30.1
Gain/loss on sales of assets	23.0	0.0	-0.1
Defined benefit pension plans	-0.9	-0.9	-3.1
Other non-cash adjustments	-0.2	-0.3	-1.7
Cash flow from operations before interests, taxes and changes in working capital	2.3	-4.8	19.9
Interest and other financial expenses paid, net	-3.1	-4.0	-12.0
Income taxes received/paid	-0.3	-3.7	-3.2
Total financial expenses and taxes	-3.5	-7.6	-15.3
Changes in working capital:			
Trade and other receivables	31.5	0.8	-18.0
Trade and other payables	-34.9	-10.9	39.8
Inventories	-0.4	-1.2	7.7
Changes in working capital	-3.8	-11.3	29.4
Net cash from operating activities	-4.9	-23.7	34.0
Cash flow from investing activities			
Purchases of property, plant and equipment (PPE)	-1.0	-1.3	-4.4
Proceeds from sale of property, plant and equipment (PPE)	0.1	-	0.1
Net cash from investing activities	-0.8	-1.3	-4.3
Cash flow from financing activities			
Proceeds from issuance of hybrid bond	-	-	24.4
Payments of transaction costs and interests for hybrid bond	-	-	-1.1
Proceeds from issuance of share capital	-	-	2.4
Acquisition of own shares	-	-	-2.4
Proceeds from short-term financial liabilities	14.5	16.6	54.5
Payments of short-term financial liabilities	-9.0	-11.5	-97.1
Payments of financial liabilities, term loans	-1.0	-	-11.0
Payments of lease liabilities	-5.8	-5.3	-22.1
Dividends to non-controlling interest	-	-	-0.0
Change in non-liquid financial assets	0.0	0.0	0.0
Net cash from financing activities	-1.4	-0.3	-52.3
Net change in cash and cash equivalents	-7.1	-25.4	-22.6
Cash and cash equivalents at beginning of period	24.7	47.9	47.9
Foreign exchange rate effect	-0.4	-1.0	-0.6
Transfer as assets held for sale	-0.2	-	-
Cash and cash equivalents at end of period	17.0	21.5	24.7

Condensed consolidated statement of changes in equity

EUR million	Equity attributable to shareholders of the parent							Hybrid bond	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	Total			
Equity at 1 Jan 2024	162.0	487.5	-390.8	-32.6	10.9	-45.9	191.0	25.0	7.6	223.6
Total comprehensive income for the period	-	-	-30.5	2.9	-	-5.2	-32.8	-	0.0	-32.7
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 2024	162.0	487.5	-421.3	-29.6	10.9	-51.2	158.2	25.0	7.7	190.9

EUR million	Equity attributable to shareholders of the parent							Hybrid bond	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	Total			
Equity at 1 Jan 2023	159.6	489.9	-381.2	-31.1	10.9	-44.0	204.0	-	7.4	211.3
Total comprehensive income for the period	-	-	-15.1	2.0	-	-5.5	-18.6	-	0.0	-18.6
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 2023	159.6	489.9	-396.3	-29.0	10.9	-49.6	185.4	-	7.4	192.8

EUR million	Equity attributable to shareholders of the parent							Hybrid bond	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	Total			
Equity at 1 Jan 2023	159.6	489.9	-381.2	-31.1	10.9	-44.0	204.0	-	7.4	211.3
Total comprehensive income for the period	-	-	-7.9	-1.5	-	-1.9	-11.3	-	0.3	-11.0
Proceeds from hybrid bond	-	-	-	-	-	-	-	25.0	-	25.0
Transaction costs and interests on hybrid bond	-	-	-1.7	-	-	-	-1.7	-	-	-1.7
Transactions with owners:										
Proceeds from shares issued	2.4	-	-	-	-	-	2.4	-	-	2.4
Purchase of own shares	-	-2.4	-	-	-	-	-2.4	-	-	-2.4
Equity-settled share-based payment	-	-	0.0	-	-	-	0.0	-	-	0.0
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-0.0	-0.0
Total transaction with owners	2.4	-2.4	0.0	-	-	-	0.0	-	-0.0	-0.0
Equity at 31 Dec 2023	162.0	487.5	-390.8	-32.6	10.9	-45.9	191.0	25.0	7.6	223.6

Key figures

Key figures for the period

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Rolling 12-mon
Net sales	176.3	188.4	850.1	838.0
Net sales growth, %	-6.4	2.4	3.2	1.2
Adjusted EBITDA	3.6	2.4	31.8	33.0
Adjusted EBITA	-4.0	-5.5	1.7	3.1
Adjusted EBITA margin, %	-2.3	-2.9	0.2	0.4
Adjusted EBITA, segments	-0.8	-2.1	11.8	13.1
Adjusted EBITA margin, %, segments	-0.5	-1.2	1.5	1.7
Items affecting comparability	-23.2	-6.1	-7.0	-24.0
EBITDA	-19.6	-3.7	24.8	9.0
Operating result (EBIT)	-27.2	-11.6	-5.3	-20.9
EBIT margin, %	-15.4	-6.2	-0.6	-2.5
Result after financial items	-30.2	-14.5	-17.9	-33.6
Net result for the period	-30.5	-15.1	-7.6	-23.0
Earnings per share EUR, basic and diluted	-0.20	-0.10	-0.07	-0.17
Return on equity (ROE), % ¹⁾	-12.8	-12.2	-3.7	-12.8
Return on operative capital employed (ROCE), % ¹⁾	9.7	-7.9	5.3	9.7
Leverage ratio ¹⁾	3.5	6.3	3.2	3.5
Net working capital	-59.0	-5.4	-49.8	-59.0
Number of personnel, average	4,885	5,103	5,024	4,969

Quarterly key figures

EUR million	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023
Net sales	176.3	240.2	213.4	208.1	188.4
Net sales growth, %	-6.4	7.2	3.1	-0.2	2.4
Adjusted EBITDA	3.6	10.2	13.6	5.6	2.4
Adjusted EBITA	-4.0	2.8	5.9	-1.5	-5.5
Adjusted EBITA margin, %	-2.3	1.2	2.8	-0.7	-2.9
Adjusted EBITA, segments	-0.8	5.0	6.8	2.1	-2.1
Adjusted EBITA margin, %, segments	-0.5	2.3	3.5	1.1	-1.2
Items affecting comparability	-23.2	0.1	-0.9	-	-6.1
EBITDA	-19.6	10.3	12.6	5.6	-3.7
Operating result (EBIT)	-27.2	2.9	5.0	-1.5	-11.6
EBIT margin, %	-15.4	1.2	2.3	-0.7	-6.2
Result after financial items	-30.2	-0.8	1.9	-4.5	-14.5
Net result for the period	-30.5	10.3	1.8	-4.6	-15.1
Earnings per share EUR, basic and diluted	-0.20	0.06	0.00	-0.03	-0.10
Return on equity (ROE), % ¹⁾	-12.8	-3.7	-12.3	-13.5	-12.2
Return on operative capital employed (ROCE), % ¹⁾	9.7	5.3	-7.1	-11.7	-7.9
Leverage ratio ¹⁾	3.5	3.2	5.4	6.2	6.3
Net working capital	-59.0	-49.8	-15.5	-2.4	-5.4
Number of personnel, average	4,885	4,948	5,004	5,041	5,103

1) Calculated on a rolling 12-month basis.
Please see pages 25–26 for definitions of the key ratios.

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 2023 except for the following amendment that is effective from 1 January 2024: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1) which clarify the criteria used to determine whether liabilities are classified as current or non-current. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendment is not expected to have any material impact on Group's financial statements.

The other new IFRS standards and amendments effective for the first time for 2024 financial year are not expected to have any material impact on Group's financial statements.

Net sales by segment

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Finland	62.4	64.3	344.5
Sweden	49.8	48.8	198.5
Norway	25.7	32.2	130.1
Denmark	21.1	21.8	93.0
Other business ¹⁾	18.7	22.7	93.7
Eliminations	-1.5	-1.5	-9.7
Net sales, total	176.3	188.4	850.1

1) Other business includes High Voltage Poland, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International. Other business is not considered a segment.

Net sales by segment by business

EUR million		Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Finland	Communication	23.2	24.2	154.3
	Power	39.2	40.1	190.2
Sweden	Communication	34.7	40.0	158.0
	Power	15.1	8.8	40.5
Norway	Communication	25.6	32.2	129.8
	Power	0.1	0.1	0.3
Denmark	Communication	14.1	16.4	66.4
	Power	7.0	5.5	26.6
Other business	Communication	2.2	3.8	14.5
	Power	16.5	18.8	73.0
	Other operations	0.0	0.0	6.2
Eliminations		-1.5	-1.5	-9.7
Net sales, total		176.3	188.4	850.1

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 2024	Jan-Mar 2023	Jan-Dec 2023
Communication	99.1	115.2	514.8
Power	77.1	73.2	329.1
Other operations	0.0	0.0	6.2
Net sales, total	176.3	188.4	850.1

Net sales by service split

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Project delivery	50.5	45.2	194.8
Upgrade services	75.9	94.8	441.1
Maintenance	49.8	48.4	214.2
Net sales, total	176.3	188.4	850.1

Reconciliation of segment results

EUR million	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Adjusted EBITA by segment			
Finland	-0.3	-2.3	6.5
Sweden	0.5	0.5	2.9
Norway	-1.7	-1.6	-2.5
Denmark	0.7	1.3	4.9
Sum segments	-0.8	-2.1	11.8
Other business	-0.5	-1.0	-1.0
Group functions	-2.8	-2.4	-9.1
Adjusted EBITA, Group	-4.0	-5.5	1.7
Restructuring	-	-6.1	-7.0
Revaluation to fair value less costs to sell	-23.2	-	-
Total items affecting comparability in EBITA	-23.2	-6.1	-7.0
Operating result (EBIT)	-27.2	-11.6	-5.3
Financial expenses, net	-3.0	-2.9	-12.7
Result before taxes	-30.2	-14.5	-17.9

The January-March 2024 result includes EUR -23.2 million from revaluation of the Polish High Voltage business to fair value less costs to sell. The January-December 2023 results include a EUR 7.0 million restructuring charge due to reduced customer investments in Norway and declining results in Norway and Finland.

Personnel by segment	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Finland	1,492	1,503	1,503
Sweden	951	992	988
Norway	798	916	860
Denmark	513	500	511
Other business	946	1,039	995
Group functions	186	152	166
Total personnel, average	4,885	5,103	5,024
Total personnel, end of period	4,846	5,108	4,931

Committed order backlog

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Committed order backlog	592.0	517.9	532.3

Committed order backlog in Eltel is defined as the total value of committed purchase orders received but not yet recognized as net sales. It does not include frame agreements unless a binding purchase order has been received. Committed order backlog is therefore the best measure of unsatisfied performance obligations according to IFRS 15 Revenue from contracts with customers. The currency impact in committed order backlog at 31 Mar 2024 was EUR 0.2 million.

Net working capital and operative capital employed

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Inventories	14.6	25.9	17.3
Trade and other receivables	147.4	174.1	195.6
Provisions	-6.0	-11.3	-6.8
Advances received	-53.8	-51.0	-59.3
Trade and other payables	-157.0	-141.5	-191.8
Other	-4.1	-1.6	-4.8
Net working capital	-59.0	-5.4	-49.8
Intangible assets excluding acquisition-related allocations	5.7	8.2	6.4
Property, plant and equipment	7.4	10.5	10.5
Right-of-use assets	53.6	47.5	51.9
Restructuring provisions	-0.1	-3.9	-0.3
Operative capital employed	7.6	57.0	18.7

Assets and liabilities held for sale not included: on 31 March 2024 Polish High Voltage business.

Provisions

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Non-current provisions	3.4	2.6	3.4
Current provisions	2.7	8.7	3.7
Total provisions	6.2	11.3	7.1

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
1 Jan	7.1	5.9	5.9
Changes:			
Restructuring provisions	-0.2	3.9	0.3
Other provisions	-0.8	1.5	1.0
Balance at the end of reporting period	6.2	11.3	7.1

Contract balances

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Trade receivables	61.6	68.5	106.2
Contract assets	66.4	83.4	66.7
Total assets related to contracts with customers	128.1	151.9	172.9
Advances received from contracts with customers	49.1	44.9	54.6
Total liabilities related to contracts with customers	49.1	44.9	54.6

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

Deferred taxes

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Deferred tax assets	24.8	16.5	27.9
Deferred tax liabilities	-10.7	-10.7	-11.3
Net deferred tax assets	14.0	5.9	16.6

In December 2023, gross amount of EUR 20.7 million (10.5) deferred tax assets for losses carried forward was recognized, of which EUR 11.4 million (5.6) related to operations in Sweden. There were no changes in Q1 2024. Deferred tax assets are recognized for tax loss carry forwards to the extent that the utilization against current year taxable profits and future taxable profits is probable. The future taxable profit estimate is based on current business plans approved by management.

Acquisitions, disposals and assets held for sale

Assets held for sale

In April 2024, Eltel signed an agreement to divest its Polish High Voltage business via sale of 100% of the shares in Eltel Networks Energetyka S.A. and Eltel Networks Engineering S.A. to Mutares SE & Co. KGaA, a listed private equity investor headquartered in Munich, Germany. The transaction is expected to close during Q2 2024 and is subject to customary regulatory approval. The transaction is estimated to have a negative cash flow effect of EUR 3.8 million and have a net negative result of approximately EUR 23.2 million on Group EBIT. In 2023, the net sales in High Voltage Poland amounted to about EUR 36 million, adjusted EBITA amounted to EUR -4.9 million and the business consisted of about 410 employees.

At the end of Q1 2024 Eltel classified the Polish High Voltage business as asset held for sale. At the same time the assets were revalued to fair value less cost to sell. The revaluation had EUR -23.2 million impact on Group EBIT in Q1 2024. The transaction did not meet the criteria for presentation as discontinued operation.

Assets and liabilities held for sale

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets			
Other assets	2.5	-	-
Cash and cash equivalents	0.2	-	-
Total assets held for sale	2.7	-	-
Liabilities			
Trade and other liabilities	7.3	-	-
Total liabilities held for sale	7.3	-	-

Leasing

Right-of-use assets	31 Mar	31 Mar	31 Dec
EUR million	2024	2023	2023
Buildings	22.5	22.0	20.5
Machinery and equipment	31.1	25.5	31.4
Total	53.6	47.5	51.9

Changes in the right-of-use assets during the period	31 Mar	31 Mar	31 Dec
EUR million	2024	2023	2023
1 Jan	51.9	46.5	46.5
Additions	10.6	10.5	34.3
Depreciations	-6.0	-6.1	-23.2
Transfer to assets held for sale	-1.1	-	-
Other	-1.9	-3.3	-5.7
Balance at the end of period	53.6	47.5	51.9

Leasing liabilities	31 Mar	31 Mar	31 Dec
EUR million	2024	2023	2023
Non-current	36.1	31.6	33.9
Current	19.4	17.9	19.9
Total	55.5	49.5	53.9

Financial instruments

Derivative financial instruments	31 Mar 2024		31 Mar 2023		31 Dec 2023	
	Nominal values	Net fair values	Nominal values	Net fair values	Nominal values	Net fair values
EUR million						
Foreign exchange rate derivatives	39.7	-0.3	21.5	0.0	52.8	-0.1
Total	39.7	-0.3	21.5	0.0	52.8	-0.1

Financial assets recognized 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	Jan-Mar	Jan-Dec
	2024	2023	2023
Net result attributable to equity holders of the parent	-30.5	-15.1	-7.9
Interest on hybrid bond	-0.8	-	-2.5
Net result attributable to ordinary shares	-31.4	-15.1	-10.4
Weighted average number of ordinary shares, basic	156,736,781	156,736,781	156,736,781
Weighted average number of ordinary shares, diluted	156,736,781	156,736,781	156,736,781
Earnings per share EUR, basic	-0.20	-0.10	-0.07
Earnings per share EUR, diluted	-0.20	-0.10	-0.07

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)	$\frac{\text{Net result attributable to equity holders of the parent} - \text{interest on hybrid bond}}{\text{Weighted average number of ordinary shares}}$
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Alternative performance measures (APMs)

Key Figure	Definition and reason for use	Reference
Adjusted EBITA and -margin	<p>Adjusted EBITA and -margin, % are used by management to measure business and segment profitability and exclude items affecting comparability. Income statement line items below adjusted EBITA are not allocated to segments.</p> <p>Adjusted EBITA: Operating result before acquisition-related amortizations and items affecting comparability</p> <p>Adjusted EBITA margin, %: $\frac{\text{Adjusted EBITA} \times 100}{\text{Net sales}}$</p> <p>Adjusted EBITA and -margin, % for segments represent the sum of segments: Finland, Sweden, Norway and Denmark.</p>	Reconciliation of segment results
Items affecting comparability	These include capital gains and/or losses and transaction costs related to divestments and acquisitions, restructuring and resizing expenses and other items that according to Eltel's management's assessment are not related to normal business operations.	Reconciliation of segment results
EBITDA and adjusted EBITDA	EBITDA is operating result (EBIT) before depreciations and amortizations. Adjusted EBITDA excludes items affecting comparability. Adjusted EBITDA is used in calculating the leverage ratio.	Cash flow, key figures, quarterly key figures
EBIT margin	<p>Operating result (EBIT) and -margin% are used to measure profitability before interest and taxes.</p> <p>EBIT margin, %: $\frac{\text{EBIT} \times 100}{\text{Net sales}}$</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

1) Calculated on a rolling 12-month basis.

Key figure	Definition and reason for use	Reference
<p>Operative capital employed</p> <p>and</p> <p>Return on operative capital employed (ROCE), %</p>	<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⁾: $\frac{\text{Adjusted EBITA} \times 100}{\text{Operative capital employed (average over the reporting period)}}$ </p>	<p>Net working capital and operative capital employed</p>
<p>Net debt and leverage ratio</p>	<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 - cash and cash equivalents</p> <p>Leverage ratio¹⁾: $\frac{\text{Net debt}}{\text{Adjusted EBITDA}}$</p>	<p>Interest-bearing liabilities and net debt</p>
<p>Net working capital</p>	<p>Net working capital is used to follow the amount of 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>	<p>Net working capital and operative capital employed</p>
<p>Committed order backlog</p>	<p>Committed order backlog is the total value of committed orders received but not yet recognized as sales. It does not include frame agreements unless a binding purchase order has been received. It is the best measure of unsatisfied performance obligations according to IFRS 15 Revenue from contracts with customer.</p>	

1) Calculated on a rolling 12-month basis.

Parent Company

Eltel AB is the ultimate parent company of Eltel Group. The operational and strategic management functions of Eltel Group are centralized in Eltel AB but it has no operative business activities. Eltel AB owns and governs the shares related to Eltel Group 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 2024	Jan-Mar 2023	Jan-Dec 2023
Net sales	-	-	1.9
Administrative expenses	-1.9	-1.5	-7.4
Operating result	-1.9	-1.5	-5.6
Interest and other financial income	5.2	5.1	20.8
Interest and other financial expenses	-1.0	-0.8	-3.6
Net financial items	4.2	4.3	17.3
Result after financial items	2.3	2.8	11.7
Group contributions given	-	-	-11.6
Net result	2.3	2.8	0.1

Parent Company condensed balance sheet

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Non-current assets			
Financial assets			
Shares in Group companies	68.3	68.3	68.3
Long-term loans receivable from Group companies	486.8	480.7	481.7
Intangible assets	-	0.0	0.0
Non-current assets	555.1	549.0	550.0
Current assets			
Trade and other receivables	0.3	0.4	1.1
Cash pool receivable	4.4	4.3	4.4
Cash and cash equivalents	0.1	0.1	0.1
Current assets	4.8	4.8	5.6
TOTAL ASSETS	559.9	553.8	555.5
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	162.0	159.6	162.0
Statutory reserve	0.7	0.7	0.7
Restricted equity	162.6	160.3	162.6
Non-restricted equity			
Retained earnings	281.4	285.3	281.2
Hybrid bond	25.0	-	25.0
Net result for the period	2.3	2.8	0.1
Non-restricted equity	308.6	288.1	306.4
Total equity	471.3	448.3	469.0
Current liabilities			
Debt	9.3	42.3	7.9
Liabilities to Group companies	78.5	62.4	78.0
Trade and other payables	0.8	0.8	0.6
Current liabilities	88.6	105.5	86.5
Total liabilities	88.6	105.5	86.5
TOTAL EQUITY AND LIABILITIES	559.9	553.8	555.5

At year-end, 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.

Equity

EUR million	1 Jan 2024	Equity-settled share-based payment	Net result	31 Mar 2024
Share capital	162.0	-	-	162.0
Statutory reserve	0.7	-	-	0.7
Non-restricted equity	306.4	0.0	2.3	308.6
Total	469.0	0.0	2.3	471.3

As of 31 March 2024, the total number of registered and outstanding shares of Eltel amounts to 160,585,581, whereof 156,736,781 are ordinary shares and 3,848,800 are class C shares. The number of votes in Eltel amounts to 157,121,661 and the registered share capital amounts to EUR 161,950,203.

**Always powered, always connected - we make
it happen by transforming society for
a sustainable future.**

Eltel AB

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