ELTEL

Annual Report 2024

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

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Financial Calendar

13 May 2025 — Annual General Meeting 2025
30 April 2025 — Q1 interim report 2025
24 July 2025 — Half-year report 2025
30 October 2025 — Q3 interim report 2025
February 2026 — Full-year report 2025

Eltel in brief

Eltel is the leading Nordic infrastructure and service provider for critical communication and power networks – infranets.

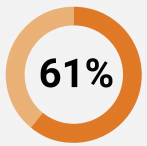
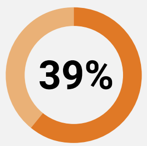
Transforming how we power and connect the world
Everyone depends on stable communication and power networks. Eltel designs, builds, maintains and upgrades these critical lifelines of modern society for national network operators and owners.

Our business areas
Within our business area Communication, Eltel establishes high-performing networks and supports the societal need for greater digitalization. We design, install, upgrade and service mobile and fixed communication networks, including mobile indoor solutions.

Within our business area Power, we enable the electrification of society. We install, maintain and upgrade electricity distribution and transmission infrastructure, and provide turnkey solutions for smart grids, e-Mobility, solar power, wind power and Battery Energy Storage Systems (BESS).

We are increasingly combining our unique communication and power expertise on projects. Data centers, for example, may include both communication and power services.

Eltel operates in the Nordic countries, Germany and Lithuania within country-based organizations that have full responsibility for their own financial performance.

BUSINESS AREAS	PRODUCT AREAS	OFFERING	MARKETS	CUSTOMERS	NET SALES
Communication Market leader in the Nordics. » *More on page 14.*	• Fixed telecom • Mobile telecom • Fixed wireless access • Mobile indoor • Data centers	• Design, installation, upgrading and servicing	• The Nordics • Lithuania	• Telecom operators and network owners • Industrial customers • Public sector	
Power A key player in the Nordics. A niche actor in Germany. » *More on page 15.*	• Power distribution and transmission • Smart grids • e-Mobility • Renewable energy • Data centers	• Design, build, maintenance, upgrades and turnkey solutions	• The Nordics • Germany • Lithuania	• Network owners and operators • Industrial customers • Public sector • Utility companies	

What are "infranets"?
The term combines the words "infrastructure" and "networks" and refers to both the communication and power infrastructure networks that Eltel delivers.

What are "smart grids"?
A smart grid is an electricity network that uses advanced digital technologies to monitor and manage the supply of electricity to meet legislation as well as the varying electricity demands of end users. Smart grids can improve the efficiency, reliability and sustainability of electricity production, distribution and consumption.

	NET SALES EUR million	EMPLOYEES FTE, average
Finland	357.7	1,478
Sweden	211.8	950
Norway	114.9	761
Denmark	92.0	487
Other business	61.9	693

The year in brief

2024 highlights

Polish High Voltage business divested
Eltel divested its High Voltage business in Poland in the second quarter. The divestment is expected to create value for Eltel and its shareholders by minimizing the complexity and risks associated with project work outside the Nordics and allowing a greater focus on core markets.

Continued focus on operational and commercial efficiency
All Country Units continued to improve their operational excellence – to promote profitability, quality and customer satisfaction. This involved improvements in project management, more specifically in resource optimization and planning, including a more efficient use of subcontractors. Our commercial excellence initiatives focused on boosting profitability within our current operations, including price increases and renegotiations of commercial terms.

Broadened customer base
During the year we have expanded our customer base, both in Communications, mainly within public infrastructure and defence, and in Power, where our broad service portfolio attracted a diverse customer base.

Position taken in utility scale solar parks
During the year Eltel has delivered solar park projects in Finland, Denmark and Sweden. The largest park is Hallstavik (64 MWp) 100 km north of Stockholm, in which Eltel is delivering all electrical works. There is a true momentum for solar parks in the Nordics and Eltel is taking a position as a stable and trustworthy turnkey contractor with local expertise.

First battery energy storage project completed
The BESS (Battery Energy Storage System) market is growing and during the year Eltel delivered its first projects in Denmark and Finland. Eltel has taken the role as a turnkey solution provider for industrial customers as well as utility developers.

Capitalization on e-Mobility opportunities throughout the Nordics
Electric vehicle charging station projects were carried out for customers in Norway, Finland, Sweden and Denmark. We see a growing demand for our e-Mobility services on all markets, especially from the heavy transport and logistics industries.

Green offering intensified
The Eltel Green Choice concept was launched to highlight more sustainable project alternatives to customers. The first Green Choice project began for Helen Electricity Network in Helsinki, Finland.

KEY FIGURES

828.7
Net sales, EUR million

10.5
Adjusted EBITA, EUR million

863.3
Signed contracts, EUR million

1.3
Adjusted EBITA margin, %

4,550
Average number of employees, FTE

Solid progress with strong growth potential going forward

Eltel's CEO and President Håkan Dahlström reflects on Eltel's financial performance and strategic progress in 2024.

How would you summarize Eltel's performance in 2024?
2024 was a year of improved profitability. Three out of four segments delivered as expected, and Norway fell behind expectations. Our core Communication and Power businesses performed well, at the same time as net sales from new business areas increased significantly. We made solid progress on our strategy across the Nordics, positioning ourselves for continued positive development in 2025.

How did the Country Units perform during the year?
We saw broad profitability improvements in Finland, driven by FTTH (fiber-to-the-home) and our Power services business. In Sweden, our Smart Grids projects delivered better than expected along with our Communication business, and we saw growth in public infrastructure. Faced with significantly lower market activity in Norway, due to lower investments in Communication impacting the volumes negatively, we resized our Norwegian organization to better align with the anticipated future market need. We managed a shift toward Power projects in Denmark, which resulted in the Power business compensating for the decline in Communication. In the new areas we saw a rapid growth in market demand in BESS, and we delivered our first projects in Denmark and Finland.

What drove performance in 2024?
We achieved improved profitability performance every quarter compared to the previous year. We have now six quarters of improved profit year-on-year. One major milestone was the sale of our Polish High Voltage business, that despite being a difficult decision, helped to de-risk our operations, boost working capital and strengthen our foundation for future growth.

What progress was made in executing the 2023–25 strategy?
We delivered on our strategy by:
1. Improving our profit in our core business of Communication and Power.
2. Broadening our customer base by looking at where we can add value in the market – such as by expanding to serve public infrastructure and industry customers.
3. Establishing ourselves in new and adjacent markets, including Solar PV, BESS, e-Mobility, data centers, and indoor/private networks.

The fact that all our Country Units both broadened their customer bases and delivered net sales in each of our new business areas demonstrates that we are delivering on our strategy. We signed contracts with 178 new customers in 2024 and closed the year with an impressive total contract value of EUR 863,3 of which 13% was related to new business areas.

"We signed contracts with 178 new customers and 13% of the total contract value was related to new business areas.

Tell us more about the development of these new business areas
Building on our Communication and Power capabilities, we are establishing ourselves as a key player in several new markets with growing opportunities:
Solar – we are drawing on our vast experience with large roll out projects to capitalize on rapid growth in the development of solar parks, particularly in Finland and in Sweden.
BESS – we won several new BESS contracts in Denmark and Finland during the year.
e-Mobility – we are becoming an established turnkey provider of large electric charging projects.
Data centers – we are seeing increasing demand to establish very large data centers in the Nordics where we can combine our communication and power competence.

We will strive to scale up opportunities in these new business areas in 2025 and beyond.

Are there opportunities to deliver several of these new business areas on single customer projects?
Absolutely! First Data centers are by itself an area where we can combine our strengths in Power and Communication. We are also in discussion with several customers on combining solar, e-Mobility and BESS on projects. One other fantastic example is a contract that we won late 2024, in which we combine a high voltage overhead line, a substation and a large PV Solar park into one solution. Customers appreciate our ability to deliver everything in these kinds of projects, which is often quite unique in the market and will certainly create new business opportunities going forward.

How are you working to develop profitability?
At Eltel, we're building our culture of being a profitable customer-orientated company by being proactive on both cost efficiency and commercialization. We are continuing to work with our own internal efficiency in how we design, plan and execute our business. On the commercial side, we have been successful in improving our commercial conditions with customers, including price, invoicing and payment – particularly when renegotiating agreements.

What challenges were there during the year?
Our main challenges were related to the significantly lower activity levels in Norway and some delayed project investments in other markets. Shifting trends in Communication and Power opportunities tested our agility, but I think that our Country Units managed these challenges well.

What key things have you done to further your sustainability ambitions during the year?
We continued to reduce the impact of our operations by switching to electric vehicles, using biodiesel instead of fossil diesel and sourcing renewable electricity in our sites and offices. Influencing our subcontractors also remains important, such as by placing sustainability demands on how they work on our sites and encouraging them to set their own science-based climate targets.

We also stepped up how we work with customers on sustainability during the year by proposing green alternatives. We had a few projects where customers took us up on our alternative green proposals, and we would like to do more of this going forward.

How are Eltel's new values shaping the company?
Our values are strengthening our culture, setting clear expectations for professional behaviour and fostering mutual respect. The values are also our guiding principles for making decisions, both from a business perspective and from a leadership and personnel perspective.

On my radar for 2025

- Complete the turnaround of our Norway business.
- Continue to develop our new business areas.
- Promote green project choices among customers in all our markets.
- Continue to drive operational excellence throughout our operations.

Do you have any final thoughts?
I am proud of how well our teams overcame the challenges we faced during the year, and that we have made great progress in new and adjacent business across our markets. Thanks to the dedication of our colleagues, we're well-positioned for 2025 with a larger orderbook than in many years. We are committed to continuously driving profitability and expanding our business further within the Nordics. Even if investments and activities in the Nordic societies for a more sustainable future, based on the digitalization and electrification of society is significant, I believe that we're only at the beginning of this transformation. Eltel has a very important and growing role in this development.

Trends transforming the infranet sector

Megatrends such as digitalization, electrification, hybrid working and climate change, as well as EU regulation, are fueling a growing demand for the installation, upgrade, maintenance, and security of communication and power networks, including renewable energy solutions.

Meeting societal demands for sustainable energy and digitalization
Infranets are increasingly essential lifelines for modern society that meet the everyday needs of businesses and individuals of reliable communication and power networks.

Communication networks support hybrid working and the digitalization of society. Power networks enable a more sustainable and low-carbon society by providing the infrastructure and services for electrification, electric vehicles and renewable energy generation.

Market trends shape the sector
The infranet sector is constantly changing due to global trends affecting society. This creates challenges for businesses but also huge market opportunities as the sector evolves.

Renewable energy and digitalization are increasingly important for both customers and end users. Advancements in AI are having far-reaching implications throughout society.

The key market trends, how they impact the sector and how the infranet sector is responding are summarized below.





	Requirements for a more resilient power and telecom infrastructure	AI entering more parts in society	Increased demand for renewable energy	Transition to smart energy and digital solutions	Cyber threats and geopolitical conflicts
IMPACT ON THE SECTOR	• Current networks have a need for increased redundance • Growing need to upgrade public infrastructure	• Fast technology shifts requires flexible and agile actions • Increased demand of electricity	• Demand for Renewable Energy Sources (RES)	• Networks are under pressure to deliver smart solutions for managing and optimizing infranets	• Increased demands on network reliability and surveillance • Greater security demands throughout the procurement, installation, maintenance and operational phases
SECTOR RESPONSE	• Infrastructure upgrades • Network investments	• Investments in data centers, private cloud and supporting infrastructure	• Investments in wind and solar energy and BESS • Network investments in load management	• Network and capacity upgrades and the seamless integration of the latest smart solutions	• Increased risks are mitigated by providing additional safeguards and security throughout the value chain

Why invest in Eltel?

Investing in Eltel provides access to key growth markets in the Nordic communication and power sectors. Our customer-centric solutions and services not only foster innovation but also help build a more resilient and sustainable society.

The infranet sector is evolving rapidly, fueled by megatrends such as digitalization, electrification, hybrid work and climate change (read more about these trends on page 7). There are significant growth opportunities in Northern Europe, driven by ongoing trends and substantial investments in network capacity, load management, smart grids, energy efficiency and renewable energy.

Growth markets for sustainable profitability
We operate in markets with good long-term growth opportunities – including traditional communication and power, as well as rapidly expanding markets related to e-Mobility, solar energy and BESS.

Unique position to support complex projects
Our unique expertise in both communication and power sets us apart in the market. This competitive advantage enables us to deliver complex turnkey solutions that require both communication and power competence, for instance, solutions for data centers. Additionally, we are offering innovative combinations of solar energy, BESS and e-Mobility.

Commercial development focus
We have a robust pipeline, with a favourable business mix, and are enhancing our organizational capabilities and cross-border business development opportunities to enter new and adjacent markets. Since late 2022, we have secured new commercial terms with customers that protect us against inflation and enable a positive development in terms of gross profit, cashflow and net working capital. In the recent years we have started to transform the company from serving mainly few large telecom operators with a narrow offering towards addressing a rapidly developing market with a diverse customer base and a high demand with a broadened offering portfolio.

Sustainably managed operations
Sustainability is a core component of our strategy and values. We ensure full compliance with regulatory and customer requirements in environmental, social, and governance-related topics. Additionally, we consistently offer innovative and more sustainable ways to operate throughout the value chain. Our sustainability progress is demonstrated in our Sustainability Report (p. 27) and through various sustainability frameworks. We have validated SBTi climate targets, and our progress is evaluated annually by CDP (Carbon Disclosure Project). Our goal is to be the industry's most responsible company.

Our values

Eltel's values align seamlessly with our vision and strategy, shaping the company's culture, guiding our behaviour, and our decision-making. Our values are grounded in a shared vision for the future. They inspire our teams and empower us to forge our own path in the industry. All our employees were invited to contribute to the formulation of our values. The four values are:

Create opportunities

We are proactive and drive our colleagues, partners and customers to go further and beyond expectations. We think ahead and find solutions – in both a profitable and sustainable manner. Our customers rely on us to challenge them, even when the status quo is more convenient.

Care for life

We put safety first, which involves following safety guidelines and have access to the right equipment to ensure that everyone returns home safely every day. We promote good working environments and help our employees find a healthy work-life balance. Care for life also includes our responsibility for the environment and the climate.

Always professional

We earn the trust of society through our extensive industry knowledge and our track record of never compromising on safety and quality. Close collaboration with customers and partners allows us to meet their holistic needs. Regardless of role or situation, we always do our best to meet our commitments and deadlines.

Combine strengths

Combining our skills, strengths and perspectives is essential to succeed in a competitive market. We collaborate closely with our customers and our partners and always strive to work across teams, business areas and countries. We seek to create inclusive ways of working where we can unlock the benefit of diversity.

Our strategy and targets

In 2024, we continued to deliver on our strategy to build the foundation for sustainable profitable growth through increased sales and profitability.

ELTEL'S STRATEGY
Through the implementation of our strategy, we will continue to develop, grow and invest – to ensure long-term value creation for the company, its shareholders and society at large.

The strategy is enabling Eltel to:
- Improve the efficiency and profitability of its business
- Broaden its customer base
- Grow in new and adjacent markets
- Integrate sustainability as part of its offerings and operations
- Develop its concepts and commercial capabilities
- Implement new business models and expand our position in the value chain

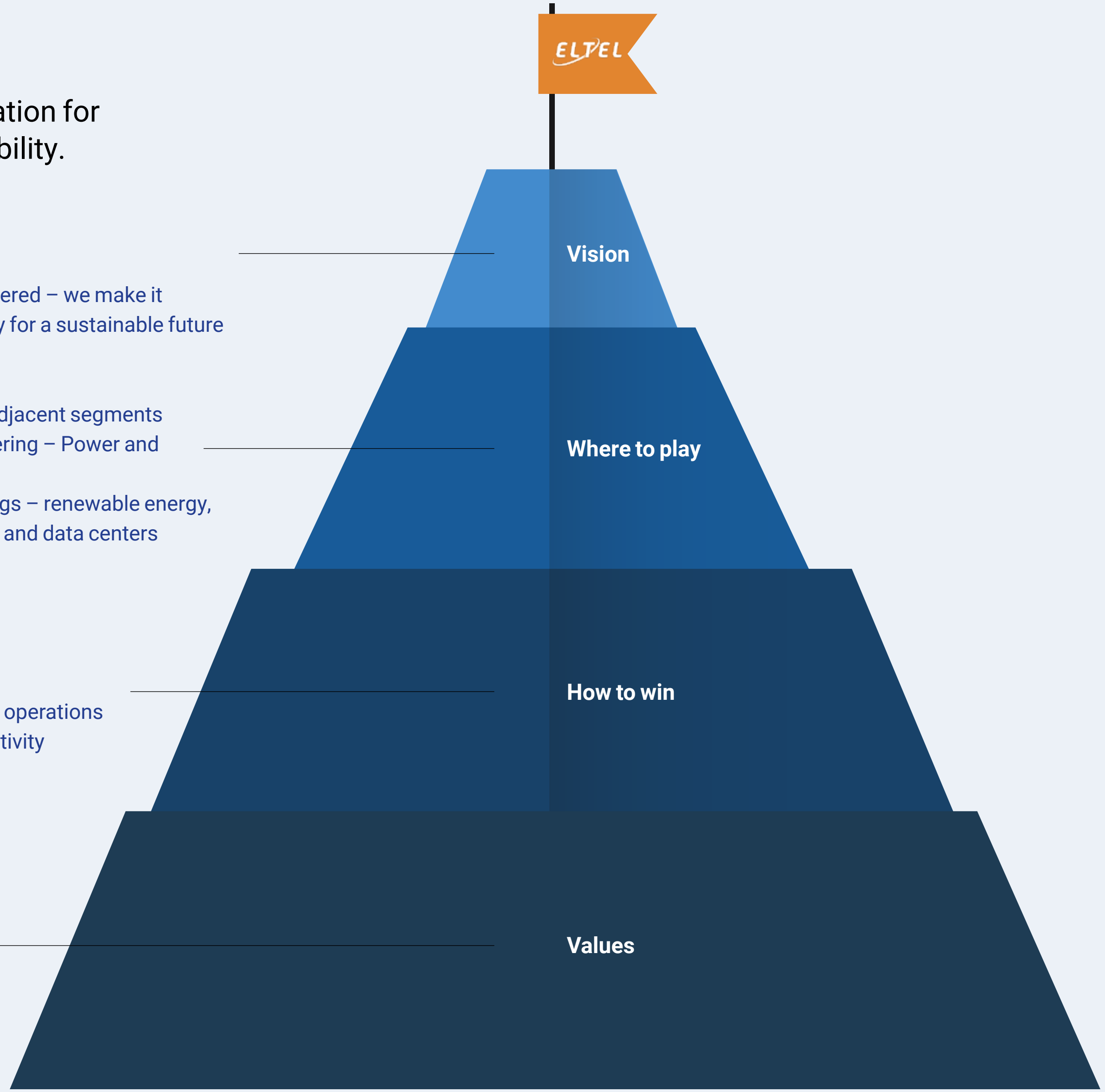
ELTEL'S VISION

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

- Expand our customer base in adjacent segments
- Growth in current business offering – Power and Communication
- Growth in new business offerings – renewable energy, BESS, e-Mobility, mobile indoor and data centers

- New business models
- Drive efficiency
- Integrate sustainability into our operations
- Develop our mindset and proactivity

- Create opportunities
- Always professional
- Care for life
- Combine strengths



Our strategic targets

Group operative EBITA margin

5%

Annual growth

2-4%

Leverage (net debt/EBITDA)

1.5-2.5

Customer satisfaction (0–100)

75

Employee satisfaction[1] (0–5)

3.75

Lost Time Injury Frequency[2] (LTIF)

0

Short term sick leave

<3.0%

SBTi commitment[3] (Scope according to validated targets)

1,2&3

REFINING OUR STRATEGY

As we executed our strategy during the year, we refined our strategic objectives to focus on operational efficiency improvements and commercial excellence – with the overall objective to improve our profitability.

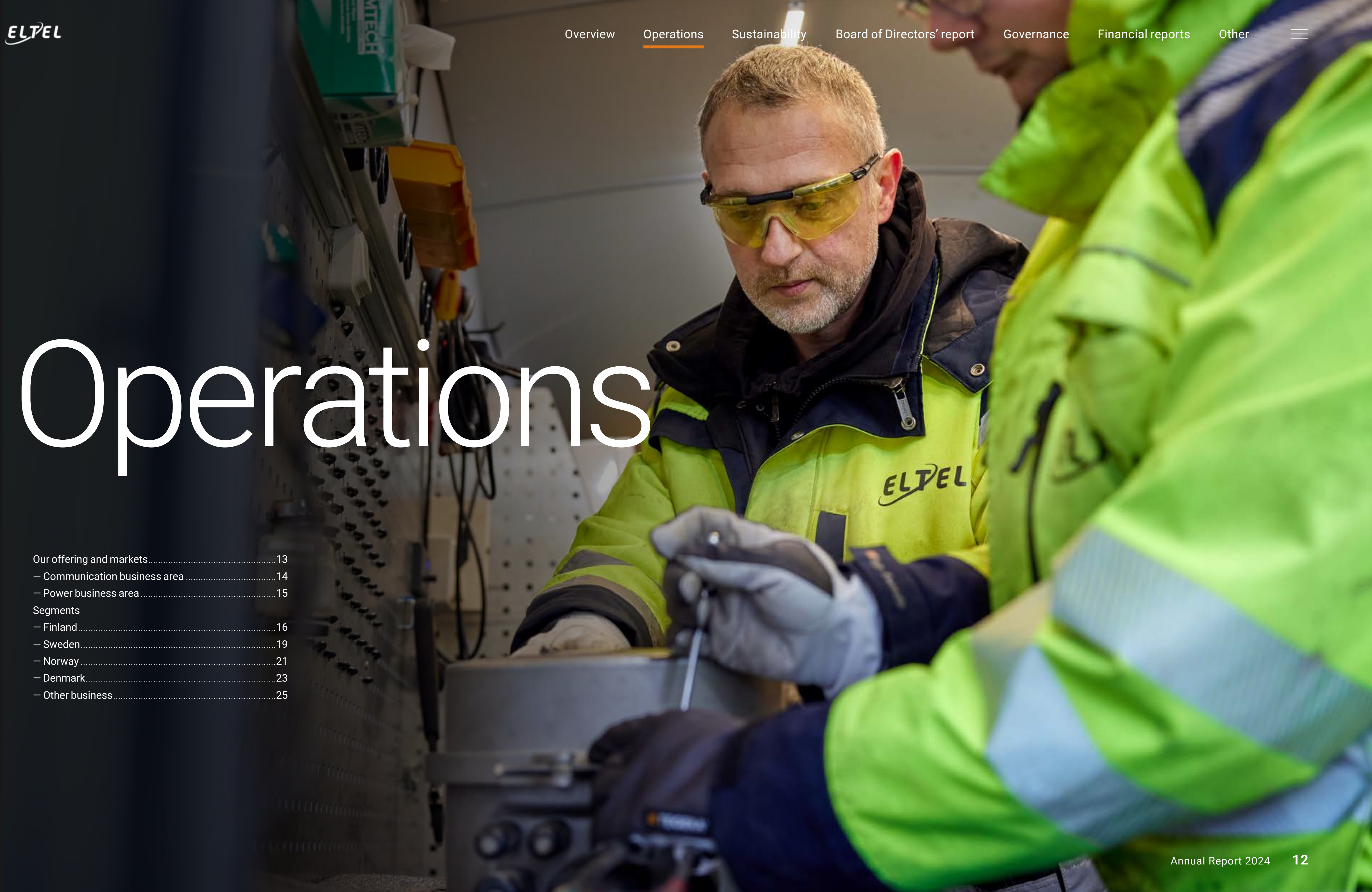
Each Country Unit developed a plan outlining their business development goals and targets for 2027. As part of our strategy implementation, we adopted an Objectives and Key Results (OKR) framework to establish ambitious goals with measurable outcomes.

Green business – key to boost new business

Eltel is building on its Communication and Power expertise to create new opportunities within renewable energy, e-Mobility and BESS.

During the year, we launched "Green Choice", our initiative to offer more sustainable options to customers. Combined with our ability to provide quality-assured emissions data, Green Choice delivers real value by helping customers meet their sustainability goals.

1) Employee Net Promoter Scores (eNPS) on a country level to assess employee job satisfaction based on their willingness to recommend Eltel to others.
2) LTIF is the lost time injuries per million working hours by Eltel employees.
3) Read more in the Sustainability Report on page 35.



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Our offering and markets

Eltel provides a comprehensive range of communication and power services in markets with strong growth. These markets are fueled by the increasing societal demand for electrification and digitalization.

Fixed telecom
Fiber penetration is high in in the Nordics and upcoming projects will be smaller than the previous ones. There are increasing opportunities to renew and upgrade existing fiber networks in the Nordics as well as growing demand from public infrastructure entities.

Mobile indoor
Mobile indoor and private 5G networks are growing markets for Eltel. This includes both public and private mobile indoor infrastructure solutions.

Fixed wireless access
The fixed wireless access market continues to grow and Eltel is increasingly delivering services related to private networks. These local networks can ensure good 5G coverage throughout buildings.

Mobile telecom
Eltel is a frontrunner in the substantial 5G mobile communication market in the Nordics. The majority of the rollout is done but there is a need to densify and further enhance the network and dismantle the old 2G and 3G networks.

Power distribution and transmission
The need to upgrade aging power infrastructure remains strong. A significant driver for upgrading regional networks is the need to integrate renewable energy sources and electric vehicle charging infrastructure into the electricity grid. Eltel also enables industry customers to electrify their operations and shift away from the use of fossil fuels.

Smart grids
The demand for smart grids continues in markets such as Germany and Sweden, where we have major ongoing rollouts.

Renewable energy, e-Mobility and BESS
The demand for renewable energy and electric vehicle charging infrastructure is strong in all our geographic markets. Along with BESS (Battery Energy Storage System), these markets are growing and will provide important growth drivers for Eltel. There are also opportunities to combine these offerings, such as by combining solar energy, BESS and electric vehicle charging on the same project.

Data centers
Eltel can combine its communication and power expertise to meet the needs of data center customers for high voltage and high-speed communication connections. This combined offering is often unique in Nordic markets and allows Eltel to be a full-service provider for data center customers.

Communication business area

We optimize communication networks to address society's growing demand for digitalization, transforming how people live, work and play.

Modern, high-capacity communication networks drive the digitalization of society, enabling people to connect in innovative ways. This not only reduces the need for travel through hybrid working but also creates new opportunities for both individuals and businesses.

OUR COMMUNICATION PRODUCTS AND OFFERINGS

- **Fixed telecom –** network construction and maintenance, FTTH (fiber-to-the-home) rollouts.
- **Mobile telecom –** rollouts, upgrades and corrective maintenance.
- **Fixed wireless access –** connecting homes and businesses to the internet.
- **Mobile indoor –** providing public and private networks.
- **Data centers –** delivering high-speed communication infrastructure.

CUSTOMERS

Our main customers are large telecom operators and communication network and infrastructure owners. Eltel is mainly involved in long-term relationships with a steady inflow of orders generated by framework agreements. Eltel also offers new business models, including as-a-service models, and is expanding its offering in the value chain.

COMMUNICATION OPPORTUNITIES

- 5G
- Public and private mobile indoor infrastructure solutions
- Fiber in Finland and Denmark
- Data centers
- Public infrastructure

Power business area

Our Power services facilitate the electrification of society, playing a crucial role in developing sustainable energy solutions and helping to achieve national climate objectives.

A resilient and robust power infrastructure supports renewable energy generation, electric vehicle charging and smarter electricity usage. These are all building blocks for a carbon-neutral society.

OUR POWER PRODUCTS AND OFFERINGS

- **Power distribution and transmission –** full turnkey high-voltage projects, network construction, upgrades and maintenance.
- **Smart grids –** rollout services for next-generation power meters.
- **Renewable energy –** solutions for wind farms and solar parks.
- **e-Mobility –** electric vehicle charging infrastructure.
- **BESS –** battery energy storage systems.
- **Data centers –** delivering high-voltage power infrastructure.

CUSTOMERS

Primary customers include national transmission system operators, owners of power distribution grids and utility companies. We also serve industrial companies and the public sector.

POWER OPPORTUNITIES

- Network capacity upgrades
- e-Mobility charging infrastructure
- Wind farms and solar parks
- BESS solutions
- Smart meter roll outs
- Data center high-voltage infrastructure

Our segments: Finland, Sweden, Norway and Denmark

Eltel has a decentralized country-based organization with Country Units that have full responsibility for their own financial performance. Our Country Units ensure our business has the capabilities and flexibility to meet the specific needs of our local markets.

Eltel Finland

Eltel Finland improved profitability during the year through operational efficiency and by developing new business opportunities in solar, e-Mobility and BESS.

KEY DEVELOPMENTS IN 2024

Operational excellence enhancement during the year included improvements in project management and extensive employee training. Eltel Finland implemented new ways of managing its workforce, resources and sub-contractors along with project pricing improvements, which will directly improve profitability.

Traditional power and communication markets

We continued to install power transmission and distribution infrastructure for customers throughout Finland in 2024. This included new and ongoing framework agreements for large customers. FTTH rollout peaked in 2024 with around 70% of Finnish homes able to connect to a fiber network. In the next few years we foresee a significant densification in the fiber market.

Business growth areas

Eltel Finland completed its first large solar park project in 2024. The 7.4 MWp Lohja solar park will meet the annual electricity needs of around 1,480 Finnish households.

We continued to deliver high-speed charging infrastructure for a major customer and fuel station customers. Eltel offers turnkey e-Mobility projects that include design, permitting, installation, maintenance and commissioning.

Eltel completed its first two BESS projects during the year. These projects pave the way for more BESS projects in the future.

In 2024, Eltel Finland developed how it packages its power and communication expertise to data center customers.

Finland

NET SALES 2024

357.7

EUR million

FINANCIAL PERFORMANCE

	2024	2023
Net sales (EUR million)	357.7	344.5
Adjusted EBITA (EUR million)	15.7	6.5
Adjusted EBITA margin (%)	4.4	1.9
Number of employees, FTE, average	1,478	1,503

I'm proud of our efforts to enhance profitability during the year by addressing challenges on difficult projects and streamlining our internal processes. We seized new business opportunities and refined our green offering for customers. As a result, we are well-positioned to expand into new markets moving forward.

Juha Luusua
Managing Director, Eltel Finland

Helping customers make green choices

In 2024, Eltel launched its Green Choice initiative in Finland that involves offering more sustainable alternatives or side proposals on customer projects. We made a successful Green Choice offering to the Helen Electricity Network in Helsinki and began approaching other large customers with Green Choice alternatives during the year.

SIGNIFICANT AGREEMENTS DURING THE YEAR

- **Turnkey contract with Taaleri Energia**
  – to construct, operate and maintain large solar plant, including transformer station, and connection to the main grid.
- **New five-year agreement with Helen Electricity Network**
  – to construct and maintain Helsinki’s electricity distribution network.
- **Eltel completed its first BESS projects**
  – totalling approximately 55 MW.
- **Combined EV charging infrastructure and BESS**
  – on a project for a commercial customer.
- **Google data center**
  – contract was won during the year to deliver the design and build of the facility’s power transmission line.
- **Telia and Elenia framework extensions**
  – of existing agreements for an additional three years, with option years on top of that.

MARKET OUTLOOK AND OPPORTUNITIES

Eltel Finland has a strong pipeline in Solar PV, e-Mobility and BESS for 2025 and these markets have good long-term growth potential in the country.

With more data centers being established in Finland, Eltel is working to expand its presence throughout the value chain. This includes providing design services and seamlessly combining its communication and power expertise in data center customer offerings.

The FTTH market will decline in 2025 due to a reduction in rollout volumes. However, the aftersales market will continue throughout the country.

New five-year agreement with Helen Electricity Network to construct and maintain Helsinki’s electricity distribution network.

Case #1

Eltel completes Finland's first industrial-scale solar park

Eltel has built the 7.4 MWp solar park in Lohja, just outside Helsinki, for the Finnish energy company Helen.

The park will annually generate approximately 7.4 MWp per year, which is equivalent to the annual electricity needs of around 1,480 Finnish homes. The project is the first large-scale park in the country and Eltel delivered it ahead of schedule.

Good collaboration paves the way toward carbon neutrality

"Everyone involved in the project created the conditions for us to deliver ahead of schedule," says Kimmo Koivu, Project Manager at Eltel. "We couldn't have done this on our own, and we received a lot of support from Eltel experts, our contractors and the customer."

Good collaboration between the customer Helen, subcontractors, and Eltel employees was appreciated by all the project partners.

"Cooperation with the Eltel team was essential for the Lohja Solar Park project and it is invaluable to be able to cooperate with partners in this way," Pekka Tolonen, Vice President of Power Generation at Helen. "The Lohja solar park is an excellent example of how we can achieve ambitious goals if we work together effectively. This applies both to individual projects like this and to the climate goals that Finland has set."

Projects such as the Lohja solar park contribute to Finland's objective to be fully carbon neutral by 2030. Many more renewable energy projects are planned in Finland in the coming years as the company works toward achieving its climate objective.

"There are many lessons to be learned from this project, but perhaps the most important is that good collaboration leads to good results," concludes Tolonen.

Eltel Sweden

Efficient smart grid delivery, large power distribution contracts and the creation of new business opportunities more than compensated declining sales from the communication business.

KEY DEVELOPMENTS IN 2024

Eltel Sweden created a more stable organization in 2024 by reducing employee turnover to retain more of its skilled employees. We also enhanced our operational flexibility by streamlining our workforce and utilizing more subcontractors.

New business opportunities

In Communication, we have broadened our customer base, mainly within public infrastructure and the defense industry. In Power, we have seen significant opportunities in the power market in the form of e-Mobility, Solar PV and power distribution projects. Eltel Sweden started an incubator in 2024 to further develop these opportunities.

During the year, we embarked on our first e-Mobility and solar park projects. This included the largest solar park in Sweden to date at Hallstavik, north of Stockholm, and a DC charging project at fuel stations. Additionally, e-Mobility capabilities were established across Sweden.

Ongoing traditional business opportunities

Smart grid rollout projects were delivered faster than expected to boost profitability. 5G densification is ongoing and will continue in the coming years. Existing fiber networks are also being upgraded with second-generation fiber.

In power distribution, a large distribution customer doubled its investment in 2024. Power distribution and lighting projects were also delivered for municipal-owned power companies. Designers and project managers with power industry experience were hired to increase the Country Unit's capacity.

New packaged customer solutions

Eltel Sweden launched packaged customer solutions for e-Mobility, indoor coverage and generic telecom services. The customer packages make it easier for anyone in Eltel Sweden to sell the company's standard offering. Other packages were under development during the year.

SIGNIFICANT AGREEMENTS DURING THE YEAR

- **Hallstavik Solar park** – all excavation, cabling and CCTV solutions on the 64 MW park.
- **ST1 EV charging stations** – the installation of DC charging infrastructure at three fuel stations.
- **Swedish Armed Forces** – contract renewal to build communication towers and a new framework agreement to install fixed communication networks.
- **Telenor** – prolonged service agreement reinforcing Eltel Sweden as Telenor's main partner for nationwide services within Fixed and Mobile communication for the whole of Sweden.
- **Swedish Transport Administration** – two important framework agreements, one concerning the well known E4 by pass Stockholm project and one covering the administration's nationwide communications network.

MARKET OUTLOOK AND OPPORTUNITIES

Eltel Sweden aims to compensate for reduced smart grid volumes and communication network investments in 2025 with e-Mobility, solar and power distribution projects. There are also opportunities in BESS projects, including the potential to combine battery storage with solar parks.

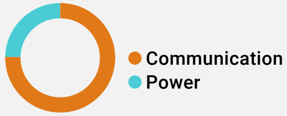
There is high demand in the power distribution market due to a lack of capacity in Sweden. Indoor coverage solutions for real estate customers and hospitals also offer significant opportunities.

Sweden

NET SALES 2024

211.8

EUR million



FINANCIAL PERFORMANCE

	2024	2023
Net sales (EUR million)	211.8	198.5
Adjusted EBITA (EUR million)	6.1	2.9
Adjusted EBITA margin (%)	2.9	1.5
Number of employees, FTE, average	950	988

Our profitability was driven by increased stability and flexibility throughout our operations. We created new opportunities in e-Mobility, solar energy and power distribution during the year, while our new packaged customer solutions marked a significant shift in our market offering. We're committed to building on this positive momentum to achieve even stronger profitability in 2025.

Lars Nilsson
Managing Director, Eltel Sweden

Case #2

Eltel strengthens its long-term partnership with the Swedish Armed Forces

Eltel signed a new agreement with the Swedish Armed Forces to deliver essential infrastructure in the form of masts and towers.

The two-year EUR 35 million agreement with the Swedish Defense Materiel Administration (FMV) will involve the design and construction of masts in Arboga, central Sweden, where Eltel has well-established operations. The contract has an optional extension for an additional five years.

"The agreement means that Eltel will become a national supplier of masts and towers to the Swedish Armed Forces," says Lars Nilsson, CEO Eltel Sweden. "We thereby also increase our commitment to the Swedish Armed Forces and strengthen our position as a leading player in critical infrastructure."

Building on long-term expertise in masts and towers

"Winning this contract will help us retain our expertise in the design, strength calculation and delivery of masts and towers, and it will increase our competitiveness in the market in this segment," says Kalle Tholin, Head of Department at Eltel in Arboga. "We will thus have a stable platform with government customers who think long-term."

Eltel is a long-term partner of FMV. Initially, Eltel was contracted to provide maintenance services for masts and towers, but this has since been expanded to include installation and contracting services for FMV's air wings and garrisons.

Eltel Norway

Eltel Norway downsized and adjusted its business during the year to face declining investment in the Norwegian telecom market. However, we maintained our telecom market share and focused on growth opportunities in new markets.

KEY DEVELOPMENTS IN 2024

Lower investments from Norwegian telecom operators, particularly in FTTH and 5G rollout projects, resulted in a decline of more than EUR 40 million in 2024.

Adapting to market challenges

During 2024, Eltel Norway restructured its business, which included the creation of a new business unit focused on growth markets. Despite efforts to retain employees by retraining and reskilling them where possible, layoffs were unavoidable during the year. At the same time, qualified electricians and experienced project managers were hired to meet the needs of new growth markets.

Automated IT solutions were introduced to increase the efficiency of back-office processes, such as by enabling technicians to invoice customers directly. The Eltel Experience Center was established at Eltel's premises in Oslo to develop new communication technologies and allow customers to test solutions in a controlled environment.

Driving growth markets

Eltel continued to be a market leader in offshore radio links in the North Sea and also delivered systems in the Caribbean. The indoor coverage market grew and we delivered our first large 5G indoor solution.

Eltel Norway delivered its first turnkey solar roof-mounted system and began another at the end of the year. e-Mobility continued to grow with ongoing charging station projects at shopping malls, private homes and businesses. Eltel also began delivering high voltage charging stations for trucks and busses.

SIGNIFICANT AGREEMENTS DURING THE YEAR

- **Large indoor coverage network** – provided for the 103,000 m² Construction City office project with 350 antennas.
- **Telenor** – three year continuation of current agreement.
- **e-Mobility partnership with Siemens** – to deliver charging solutions for buses and trucks.
- **Solar project** – a roof-mounted 45.8 kWp system with standing solar panels was delivered for a commercial customer.
- **Eltel becomes an Authorized Nokia partner** – to provide Nokia's latest technology, such as advanced private 5G networks.
- **New partnership agreement with Avinor** – delivery of installations and electrical services for 20 airports in Norway, including Oslo airport.

MARKET OUTLOOK AND OPPORTUNITIES

There is significant potential for Eltel to deploy its radio link solutions on fish farms and offshore wind projects. Eltel is also in discussion with customers around the world to establish offshore systems.

In e-Mobility, Eltel sees opportunities to provide customers with truck charging solutions. Eltel Norway has more solar projects in the pipeline and the BESS market is expected to grow in Norway following legislative changes.

In 2024, the Norwegian government announced a target to increase the telecom network capacity from 100 MB to 1 GB. This can create core telecom network upgrade opportunities in the years ahead. We also see good opportunities ahead in the public infrastructure customer segments, as well as in data center services, where Eltel has a unique position with our combined expertise in Communication and Power.

Norway

NET SALES 2024

114.9

EUR million

FINANCIAL PERFORMANCE

	2024	2023
Net sales (EUR million)	114.9	130.1
Adjusted EBITA (EUR million)	-5.7	-2.5
Adjusted EBITA margin (%)	-4.9	-1.9
Number of employees, FTE, average	761	860

2024 presented challenges, marked by a decline in our telecom sales and overall profitability. However, the changes we implemented this year have strengthened our long-term competitiveness, positioning us to capitalize on the telecom market as it stabilizes in 2025. I was pleased with our sales from new business areas during the year as we continue to expand in growing adjacent markets.

Thor-Egel Bråthen
Managing Director, Eltel Norway until 10 February 2025

Case #3

Eltel constructs its largest indoor mobile network to date in Norway

The mobile indoor network at Construction City in Oslo has set high standards for sustainability and safety.

Eltel is delivering indoor mobile coverage through the installation of 350 antennas in the 103,000 m² office project. Located in the heart of Oslo's innovation district of Hovinbyen, Construction City will provide workplaces for around 4,500 people when complete.

"This is a prestige project for the entire construction sector in Norway," says Lars Olav Seim, Team Manager for Indoor Coverage at Eltel Norway. "As soon as we mention to other players that we are involved, they are impressed."

Sustainability and safety in focus

The customer is Construction City Eiendom, owned by OBOS, which is the largest cooperative housing developer in Norway. Eltel has enjoyed very good collaboration with the customer and other project partners, particularly on sustainability and safety, which are focus areas for the project.

"What made Construction City special was probably the very stringent sustainability, safety and compliance requirements imposed on us," continues Seim. "It has been more of a partnership than a client-customer relationship, which I think is the key to us getting the contract in the first place."

"Eltel's competence and flexibility is unique in an industry otherwise characterized by rather rigid hierarchies," Stian Ruud, Project Manager at OBOS. "We have really appreciated the dialog, willingness to cooperate and responsiveness of Eltel. This will probably not be the last time we work together."

The first companies will move into Construction City in July 2025.

Eltel Denmark

Eltel's power business in Denmark continued its strong development driven by a rapidly growing market while its communication business declined slightly as network investments reduced and the market was squeezed.

KEY DEVELOPMENTS IN 2024

To address the increasing market demand for power-related services, Eltel Denmark has recently initiated an internal efficiency program aimed at optimizing resource utilization. We also plan to reskill selected Communication personnel to work on Power projects.

The growing power market

A number of new power contracts were won. BESS is a growth market in Denmark and Eltel closed three large contracts, including two turnkey projects, in 2024. Eltel Denmark finalized the deliveries to one solar park during the year and has a promising solar pipeline. In e-Mobility, the Country Unit built on its experience of installing charging infrastructure for buses to complete its first truck charging stations with more projects agreed.

Eltel Denmark's smart meter projects continued and entered successfully into water and heater meters, where there are significant market opportunities.

Optimizing the shrinking communication market

Several communication initiatives were implemented to optimize operations and adapt to the declining Danish communication market.

However, there were still good communication opportunities in mobile indoor solutions through Distributed Antenna System (DAS) in hospitals and commercial customer projects during the year. There were also opportunities in connecting homes to existing fiber networks and 5G maintenance projects, although these involve lower sales than rollout projects.

Eltel Denmark is continuing to deliver long-term communication projects for customers such as Banedanmark.

Good employee and customer satisfaction

Eltel Denmark once again achieved very high employee satisfaction ratings with a participation rate of 94%. Employee programs included an initiative on mental health awareness and a behavioral design program to help reinforce positive employee behaviour and motivation. Eltel Denmark also had great customer satisfaction for the third year in a row.

SIGNIFICANT AGREEMENTS DURING THE YEAR

- **GreenGo Energy –** 22 MWp solar park constructed in Ølgod.
- **Hybrid Greentech –** Two turnkey BESS projects completed in Næstved.
- **IBF Logistics –** installation of two electric truck charging stations in Ejby.
- **Novo Nordisk –** high voltage connection for new production plants in Hillerød.

MARKET OUTLOOK AND OPPORTUNITIES

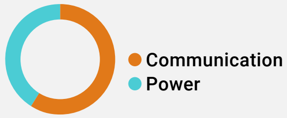
Eltel Denmark is working to maintain and even increase its share of the declining Danish communication market. It is also optimizing the efficiency of its power operations where there are many market opportunities in Denmark. This includes solar energy, BESS and e-Mobility – either alone or combined on single projects. There are also opportunities for Eltel to broaden its offering throughout the value chain – from design and installation to servicing and preventative maintenance.

Denmark

NET SALES 2024

92.0

EUR million



FINANCIAL PERFORMANCE

	2024	2023
Net sales (EUR million)	92.0	93.0
Adjusted EBITA (EUR million)	5.0	4.9
Adjusted EBITA margin (%)	5.4	5.2
Number of employees, FTE, average	487	511

Following a strong year of growth in 2023, we focused on consolidating our sales in 2024. We successfully secured projects in high voltage power, BESS, solar parks and e-Mobility, further establishing our presence in several adjacent growth markets. I am especially pleased that we maintained our high employee satisfaction ratings, as engaged employees are key to delivering exceptional customer service and driving our financial performance.

Claus Metzsch Jensen
Managing Director, Eltel Denmark

Case #3

Modular and scalable BESS solutions provide flexibility in Denmark

Eltel is leading the way with battery energy storage systems that can help promote renewables and support the electricity grid.

As the battery energy storage systems can be charged with power from renewable sources, such as solar and wind, they play an essential role in supporting the shift to clean energy. They additionally help to stabilize the frequency in the grid in the short term when more solar and wind energy are being produced.

"BESS can store energy generated by wind turbines or solar panels, which means we can store clean energy and use it when electricity is expensive or when demand is high," says Steffen Hagmann, Project Leader at Eltel. "The systems can also help to partially backup the national grid by meeting some of the electricity demand in the event of the power going down.

Eltel's BESS solutions are modular and scalable, which provides flexibility for future needs. Hagmann likens the solution to Lego blocks.

"If a customer needs more capacity, we can simply add more battery containers, just like building with Lego," explains Hagmann. "It's a flexible system that can grow as demand increases."

There is great potential to deliver similar projects to a variety of customers – not only in Denmark, but throughout the Nordics.

"One of our biggest clients, Copenhagen Airport, is looking to replace its old diesel generators with BESS systems," says Hagmann. "If airports, which have significant environmental impacts, can reduce their greenhouse gas emissions through solutions like this, it will open up more opportunities for more sustainable operations."

Other business

Eltel's Other business includes a Smart Grids business in Germany and a diverse business in Lithuania. Up until 5 June 2024 Eltel's Polish High Voltage business was also part of Other business, but on June 6th this business was divested to Mutares SE & Co. KGaA, a listed private equity investor headquartered in Munich, Germany.

Germany
In Germany, Eltel installs water, gas, heating and electricity meters and conducts gas adjustment services that are required in the ongoing switch from low-calorific gas (L-Gas) to high-calorific gas (H-Gas). The business also provides manual meter reading services. Eltel employs around 350 people in Germany.

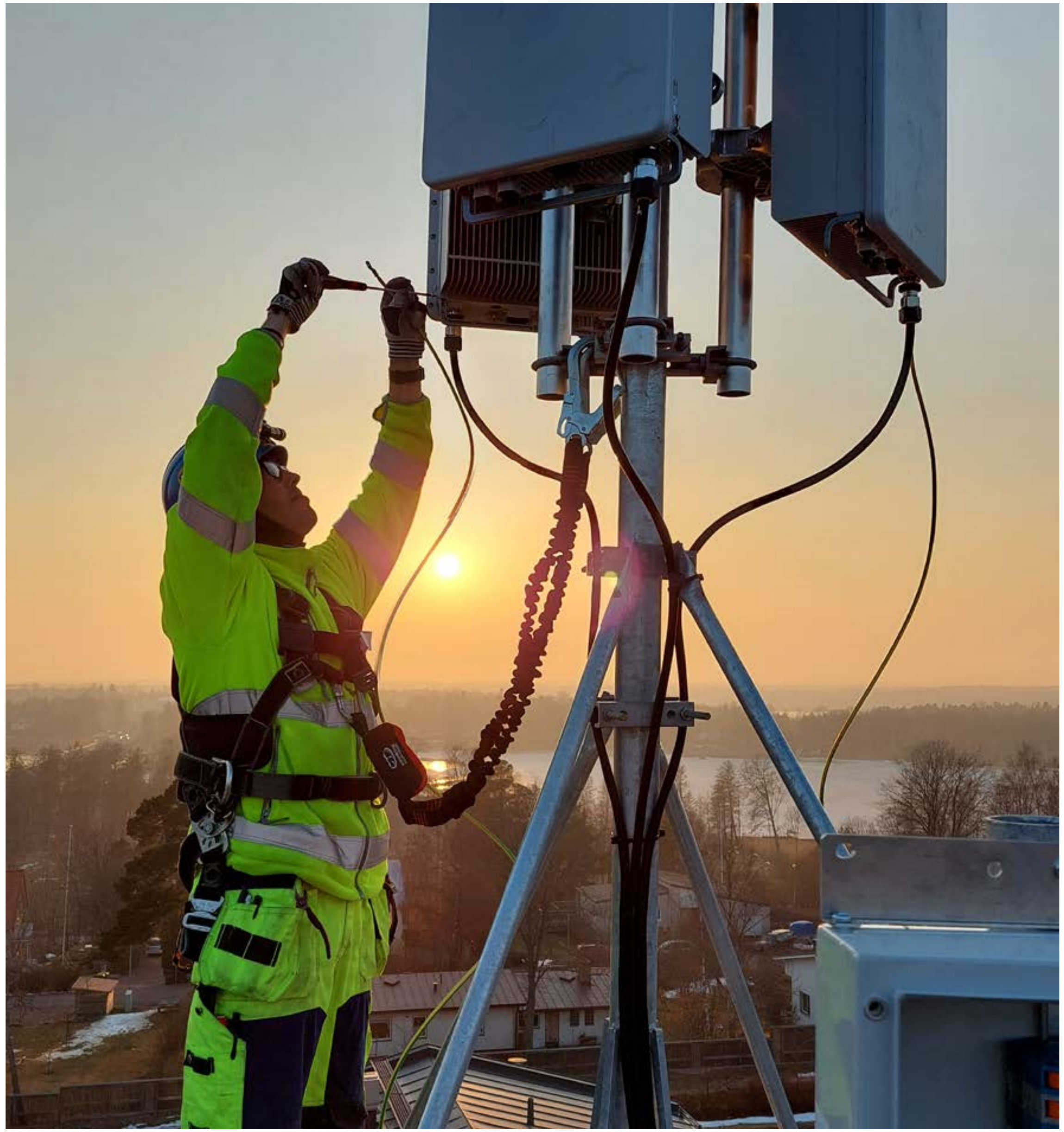
There are significant market opportunities for Eltel in Germany although there is a shortage of skilled people. In 2024, Eltel implemented measures to increase efficiency and reduce costs to prepare us for profitable growth in the years ahead.

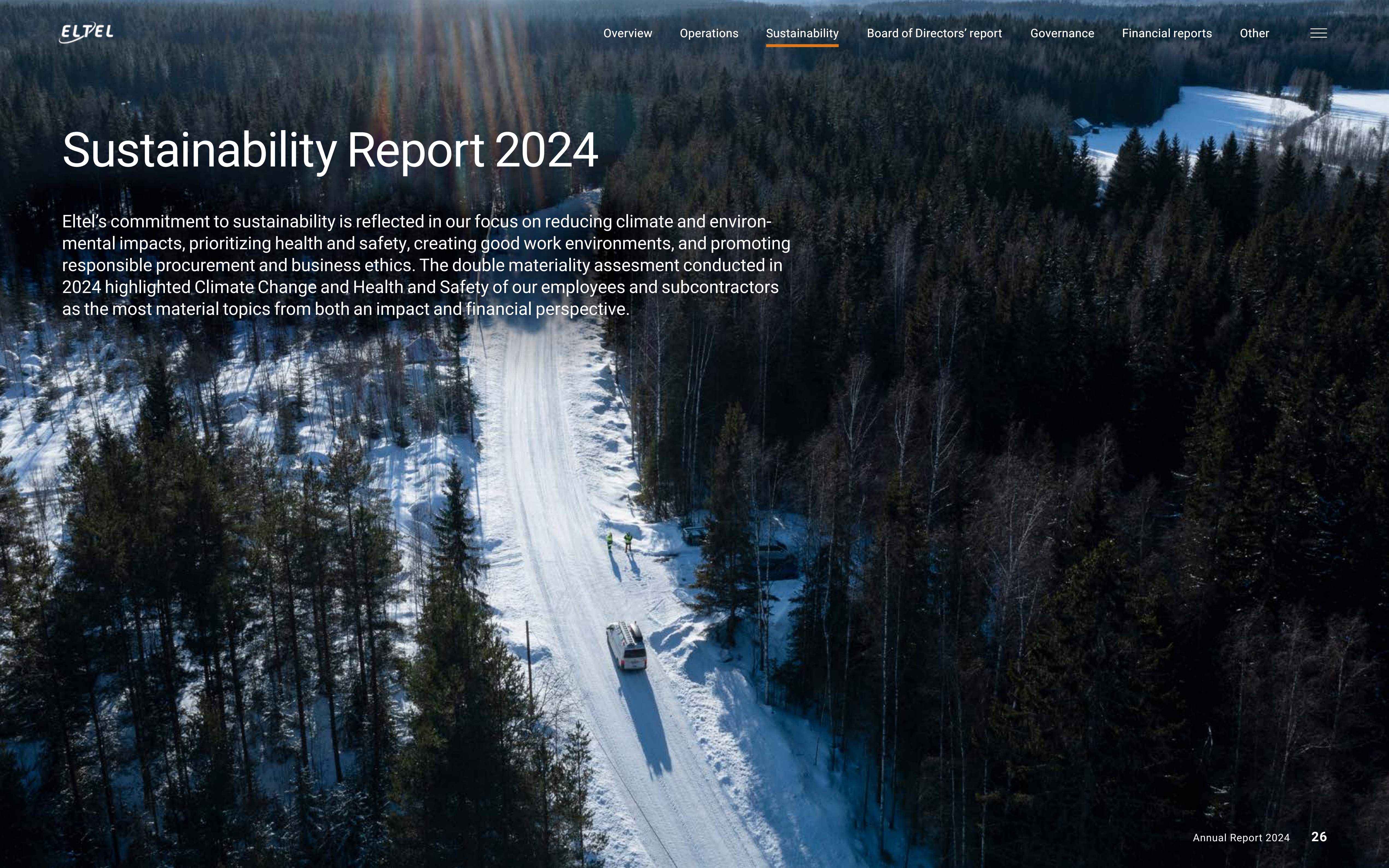
Lithuania
Eltel's business in Lithuania is focused on communication and the installation of fiber and 5G for telecommunications operators, e-Mobility and the solar energy market.

During the year, the business faced challenges related to the reduced opportunities to support Eltel Norway with a cross-border workforce although it continued to provide fiber technicians to Eltel Finland.

Our cross-border offering
Collaboration between Country Units is encouraged to share expertise and good practice throughout the Nordics. There are also opportunities to serve customers operating in multiple Nordic countries through our cross-border offering.

Additionally, Eltel has a highly skilled cross-border workforce that provides flexibility to other parts of the business. Our technicians based in Lithuania are used as a flexible resource in our Nordic markets.





Sustainability Report 2024

Eltel's commitment to sustainability is reflected in our focus on reducing climate and environmental impacts, prioritizing health and safety, creating good work environments, and promoting responsible procurement and business ethics. The double materiality assesment conducted in 2024 highlighted Climate Change and Health and Safety of our employees and subcontractors as the most material topics from both an impact and financial perspective.

General information

BASIS FOR PREPARATION AND ACCOUNTING PRINCIPLES
Eltel's Sustainability Report is included in the Annual Report and is prepared in line with the requirements of the statutory Sustainability Report as stated in the Swedish Annual Accounts Act.

We have changed the structure of the Sustainability Report compared to the previous reporting period.

In 2024, we have considered the European Sustainability Reporting Standards (ESRS) disclosure requirements in preparing the Sustainability Report, with the goal of ensuring that the 2025 report will meet the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD).

The sustainability topics covered in the report are selected based on Eltel's Double Materiality Assessment (DMA) conducted in 2024, inspired by ESRS.

As a signatory of the UN Global Compact, we detail our progress in upholding the ten Global Compact principles on human rights, labor standards, environment, and anti-corruption.

The report has been prepared on a consolidated basis, with the scope of consolidation matching that of the financial statements in the Annual Report.

Restatement principles
Greenhouse Gas (GHG) Emission baselines are restated according to Eltel's GHG Base Year Recalculation Manual. Previous GHG emissions will be recalculated if Eltel's organization is subjected to organizational changes.

The divestment of the High Voltage Poland resulted, in 2024, in the recalculation of GHG Scope 1 base year emissions.

Basis for calculation
The basis for calculation and presentation of sustainability metrics is described in the notes to the respective metrics, where applicable.

Our global commitment

The commitment to sustainability shapes Eltel's strategic decisions and creates value as a partner, employer, and investment opportunity. Our long-term dedication to global sustainability initiatives enhances transparency and deepens our understanding of our business's sustainability impacts.

Science Based Targets initiative (SBTi): Eltel has set three climate targets approved by the SBTi (see page 35).

CDP: Eltel has reported annually to the CDP climate change program since 2016 and to the water program since 2023. In 2024, Eltel scored B- in Climate and C in Water Security.

UN Global Compact: Eltel has been a signatory since 2014, embedding its ten principles on human rights, labor, the environment, and anti-corruption into our strategy and processes.

EcoVadis: Eltel has been rated annually since 2023, earning a bronze award for its work in the environment, labor and human rights, ethics, and responsible procurement.

Sustainable Development Goals (SDGs)
The United Nations Sustainable Development Goals (SDGs) provide a roadmap for overcoming global economic, social, and environmental challenges. Eltel supports all SDGs but focuses on seven key goals where we drive the greatest impact under three themes:

Responsible Employer: We provide fair work, promote health and safety, and ensure diversity and gender equality across our workforce and supply chain.

Sustainable Communities: We build and maintain critical infranets that meet the needs of businesses and individuals.

Climate and the Environment: We support the transition to a carbon-neutral society by delivering resilient infranet solutions, reducing our operational climate impact, and adopting circular economy principles, efficient waste management, and responsible material sourcing.

Strategy, business model and value chain

Eltel designs, builds, maintains, and upgrades communication and power infrastructure for network owners and operators.

OUR VALUE CHAIN
Eltel is a service provider for critical communication and power infrastructure. We deliver a comprehensive range of solutions – from maintenance and upgrade services to turnkey project delivery. This includes design, planning, building, installing and securing the operation of networks. Eltel operates in Finland, Sweden, Norway, and Denmark, and is also represented in Germany and Lithuania. Additionally, we have Group support functions based in Poland.

Direct operations
The core of our value chain is the services carried out by our 4,550 employees. We operate across a network of 135 facilities, each often facilitating multiple activities, including office work, warehousing, and waste sorting.

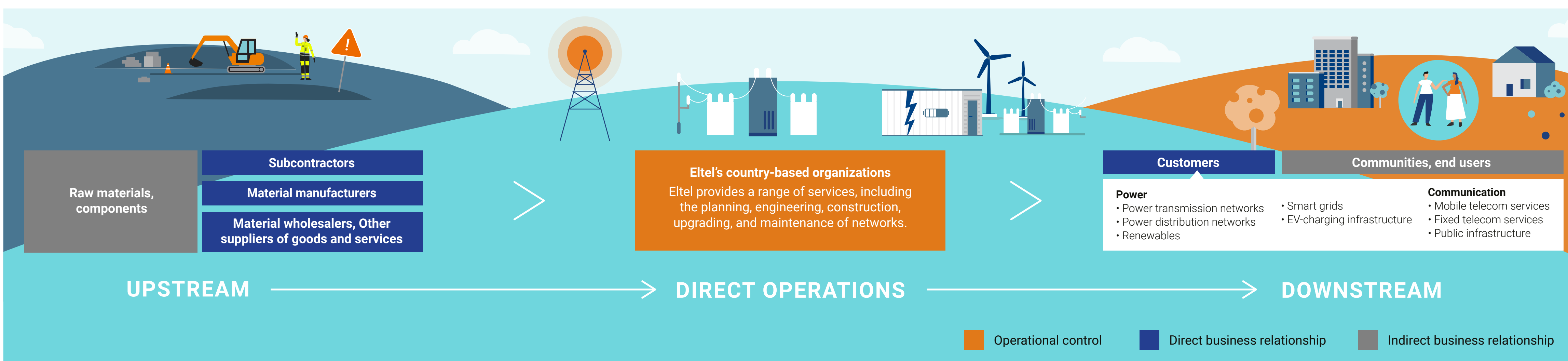
Our services, which involve mobile work in different locations, rely on a leased fleet of around 3,000 vehicles that use both fossil fuels and biofuels. 14% of the vehicles are fully electric. For more information on our operations and business model, see page 3.

Upstream value chain
Our procurement of materials and supplies encompasses a range of network materials and components. The scope of material procurement responsibilities that we assume varies by project, depending on the specific customer and project requirements.

Key actors in Eltel's upstream value chain include subcontractors, wholesalers, and manufacturers of materials and supplies. The majority of our Tier 1 suppliers are located in Europe. We work with an extensive network of subcontractors, whose services encompass construction, installation, and other professional services.

Downstream value chain
Eltel's customers include telecommunication and power network owners and operators, utility companies, industrial customers, and the public sector. We play a crucial role in ensuring that critical power and telecommunication networks function as they should.

The sites are often situated close to areas where people live, work or commute. This necessitates upholding high standards of health and safety to protect the communities we serve.



INTEREST AND VIEWS OF STAKEHOLDERS

The purpose of our stakeholder engagement is to foster meaningful collaboration and dialogue on sustainability matters. This ensures that we address key concerns, align on mutual goals, and drive positive environmental and social outcomes.

STAKEHOLDER	STAKEHOLDER ENGAGEMENT	THEMES IMPORTANT TO STAKEHOLDERS	IMPACT ON ELTEL'S OPERATIONS, BUSINESS MODEL AND STRATEGY
Own workforce (Employees)	• Employee engagement survey • PDDs (Performance and Development Dialogue) • Cooperation with unions and employee representatives • HSSEQ reporting • Trainings • HSE audits	• Health and safety • Leadership and manager relations • Remuneration and benefits • Equal treatment and opportunities • Competence development	• Health and safety management • Eltel's values • Training and leadership development • Certified work safety management system
Subcontractors and suppliers	• Safety orientations and daily collaboration • Meetings • Supplier surveys • Safety Walks and audits • Suppliers' events	• Long-term partnerships • Safety and work environment • Pricing and terms • Ethics and compliance	• Subcontractor training • Support of SMEs in SBTi target setting • Supplier code of conduct and responsible procurement policy • Incorporation of sustainability requirements in contracts and related processes
Customers	• Customer surveys • Meetings with customers • Customers' supply chain events • CDP and EcoVadis	• Climate change mitigation • Health and safety • Ethics and compliance • Upstream value chain responsibility	• Aligned sustainability targets with customers' climate ambition • Green Choice and collaboration in climate change mitigation • Certified work safety, quality and environmental management system
Shareholders	• Annual General Meeting • Investor dialogue • Press releases • Board meetings	• Mitigation of climate impact • Compliance and sustainability reporting	• Integration of sustainability as part of our culture, operations and service offering • Implementation of strategy for sustainable and profitable growth • Transparency through sustainability disclosures
Financiers	• ESG dialogue with financiers • Double materiality assessment	• Environmental sustainability • Good quality sustainability reporting	• Sustainability-Linked Financing
Communities and end-users	• Cooperation with authorities • Customer service	• Security of power supply • Continuity of telecommunication services • Safety; pedestrian and traffic management • Environmental management	• Emergency preparedness • Health and safety management

DOUBLE MATERIALITY ASSESSMENT PROCESS

Eltel has during 2024 conducted a first double materiality assessment (DMA), as a key element in preparing for the EU directive CSRD (Corporate Sustainability Reporting Directive), and the implementation of the ESRS (European Sustainability Reporting Standards) for the financial year 2025.

Our starting point was the impact assessment (inside-out) of Eltel's negative or positive impacts on the environment and society. We then conducted a financial assessment (outside-in) of the sustainability-related risks and opportunities.

A sustainability matter is considered material if it meets the criteria for impact materiality, financial materiality, or both. CSRD mandates that Eltel assess and report on these material topics.

Preparation and scoping

To ensure a thorough understanding of how Eltel's business operations interact with and influence the value chain, we mapped the key characteristics of Eltel's value chain and identified key actors in the upstream and downstream parts of the value chain.

Our stakeholders were categorized into affected stakeholders and users of sustainability reports to understand how their perspectives may inform the assessment. Affected stakeholders include employees and other workers within own workforce, potential employees, suppliers, subcontractors, workers in the value chain, customers, end-users, and affected communities. Users of sustainability reports include shareholders, potential investors, authorities, governments, creditors, insurers, and customers.

1. PREPARATION AND SCOPING	2. MAPPING IMPACTS, RISKS AND OPPORTUNITIES	3. ASSESSING MATERIALITY	4. VALIDATION AND REVIEW
Mapping affected stakeholders Eltel's stakeholder groups were categorized as affected stakeholders and users of sustainability reports.	**Mapping impacts, risks and opportunities** A list of potential sustainability IROs was created based on the ESRS. This list was cross-referenced and supplemented by consulting various sources.	**Scoring framework** The scoring criteria and assessment scales were defined	**Validation** The preliminary assessment results were presented to management in workshops covering environmental, social, and governance topics. Management provided feedback and validated the assessment result.
Mapping business model and value chain Eltel's activities and key actors in both the upstream and downstream value chains were identified.	**Defining potential material IROs** The list of sustainability matters was reviewed, and the related positive and negative impacts across Eltel's different value chain stages were identified and described. The potential material sustainability-related risks and opportunities were also identified and described.	**Materiality thresholds** Thresholds were defined for both impact and financial materiality.	**Updating the assessment** The assessment was adjusted based on feedback from the validation workshops.
Determining stakeholder involvement Key internal stakeholders with expertise in sustainability themes, and relevant external stakeholders were identified for engagement in the assessment process.		**Assessment of impacts, risks and opportunities** Each identified IRO was scored using the applicable evaluation criteria and input from internal and external stakeholders.	

Mapping impacts, risks and opportunities

We created a list of potential sustainability IROs (Impact, Risks and Opportunities), covering the topics, sub-topics, and sub-sub-topics for the ESRS. We cross-referenced the list with other sustainability frameworks and Eltel's previously published Annual and Sustainability Reports and supplemented the list accordingly.

The list of potential sustainability matters was reviewed, and related positive and negative impacts across our value chain were identified. Potential material risks and opportunities were also identified, along with their connections to Eltel's strategy and sustainability impacts. These steps involved consulting internal stakeholders with expertise on sustainability matters, using internal documents, and referencing public resources.

Assessing materiality

To assess the materiality of each identified IRO, we created a scoring framework with 1-to-5 assessment scales for each factor contributing to impact or financial materiality. Factors contributing to impact materiality included the scale and scope of an impact, the irremediability of a negative impact, and the likelihood of potential impacts. Financial materiality was evaluated based on the magnitude and likelihood of financial effects, with materiality determined by multiplying these scores.

We defined materiality thresholds for both impact and financial materiality. Impacts with an average score of 3 or higher across the applicable assessment criteria, and risks and opportunities with a score of 10 or more, were considered material.

Validation and review

The preliminary assessment results were presented to management in workshops covering environmental, social, and governance topics. Management provided feedback and validated the assessment results, and the assessment was adjusted accordingly.

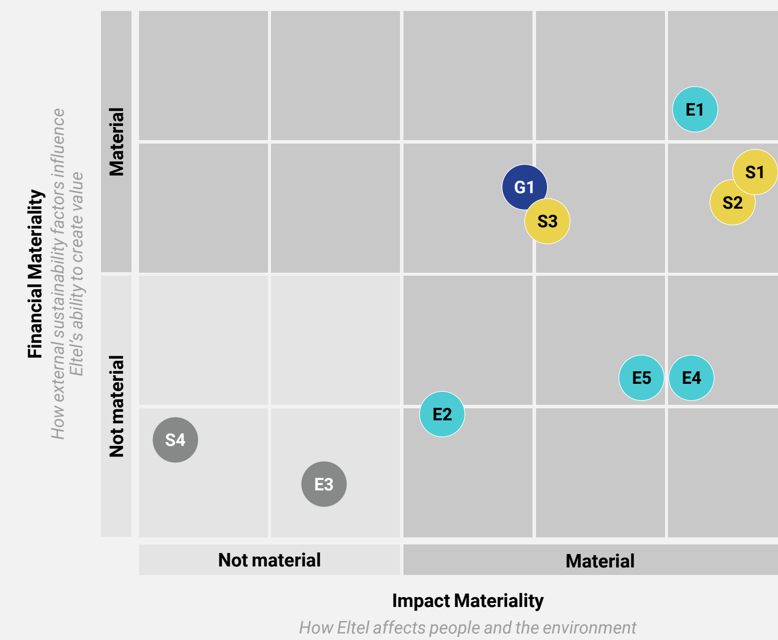
Outcome of the double materiality assessment

In our double materiality analysis performed in 2024, we identified the most material topics for Eltel from both an impact and a financial perspective. The most material topics are Climate change, Own workforce and Workers in the value chain. More specifically, Climate change mitigation and Health and safety for own employees as well as subcontractors are material from both an impact and financial perspective.

The graph and table to the right illustrate the sustainability-related topics and sub-topics we identified and assessed as material as a result of our double materiality assessment process. The outcome is aggregated by ESRS topic, as shown in the table below.

More information on how we respond to the effects of our impacts and risks is included in the topical sections under Environment, Social, and Governance.

Material impacts, risks and opportunities and their interaction with strategy and business model



MATERIAL SUSTAINABILITY MATTERS

E1 Climate change
- Climate change adaptation
- Climate change mitigation
- Energy

E2 Pollution
- Pollution of air

E4 Biodiversity and ecosystems
- Direct impact drivers of biodiversity loss

E5 Circular economy
- Resource inflows, including resource use
- Waste

S1 Own workforce
- Working conditions
- Equal treatment and opportunities for all
- Other work-related rights

S2 Workers in the value chain
- Working conditions
- Other work-related rights

S4 Affected communities
- Communities' economic, social and cultural rights

G1 Business conduct
- Corporate culture
- Corruption and bribery

Sustainability governance

Sustainability forms an integrated part of Eltel's overall corporate governance. The aim is to ensure our commitment to stakeholders by forming the strategy, setting policies and targets, and closely monitoring performance.

MANAGEMENT OF ELTEL

The Board

The Board of Directors (BoD) is responsible for overseeing our sustainability matters. Decisions made at the board level regarding strategy directly impact the Group's long-term business goals and sustainability commitments.

The BoD monitors the implementation of the business strategy, including the integration of environmental, social, and governance-related considerations. Additionally, the BoD approves Eltel's sustainability policies and commitments. Together with the Audit Committee (AC), they monitor compliance by regularly reviewing Eltel's sustainability risks and performance.

Both the BoD and the AC review the annual sustainability reporting and oversee internal and external audit processes. Specific agenda items related to environmental issues, such as progress on Eltel's climate targets, risk assessments, and sustainability-linked financing, are discussed during BoD and/or AC meetings.

The BoD and the AC are briefed by the Group Management Team and the heads of relevant functions, including sustainability and internal audit.

The Board of Directors consists of six members elected at the Annual General Meeting of shareholders, all of whom are independent of the company. Two of the members are women, representing 33% (50). Additionally, there are two employee representatives.

Senior Management

Eltel's President and Chief Executive Officer (CEO) holds the highest senior management-level position, responsible for overseeing the company's environmental, social, and governance (sustainability) impacts, risks, and opportunities. The CEO reports directly to the Board of Directors.

The CEO chairs the Group Management Team (GMT), which integrates sustainability considerations into high-level decision-making, including the development and implementation of our business strategy and Group-level sustainability target setting. The GMT provides regular updates to the Board on sustainability matters, including progress against established targets, at minimum on an annual basis.

Management groups within our country units are responsible for addressing sustainability matters across various functions, including HR, HSSEQ (Health, Safety, Security, Environment, and Quality), finance, legal, procurement, and customer relations.

The Group Management team consists of nine members, of which four are women.

INCENTIVES FOR SUSTAINABILITY-RELATED PERFORMANCE

Sustainability-related performance is incorporated into the short-term incentive scheme of the CEO and the members of the Group Management Team. The aim of the short-term incentives is to reinforce the right performance and behavior, both financially and operationally, and to align individual performance with the company's business strategy and long-term interests. These guidelines are approved and updated at the Annual General Meeting of shareholders.

The sustainability-related performance indicators are aligned with our sustainability priorities: *health and safety, and climate change mitigation*.

Health and Safety: accounting for 5% of the short-term incentives is measured by the Lost Time Injury Frequency Rate (LTIFR).

Climate Change Mitigation: accounting for 5% of the short-term incentives is meaasured using three KPI's derived from Eltel's SBTi targets.

- Decreasing direct emissions
- Increasing the share of renewable electricity
- Increasing the share of supply chain emissions covered by suppliers with SBTi targets.

RISK MANAGEMENT OF SUSTAINABILITY REPORTING

Eltel's risk management and internal control system for sustainability reporting is designed to comply with statutory Group-level reporting requirements and public commitments.

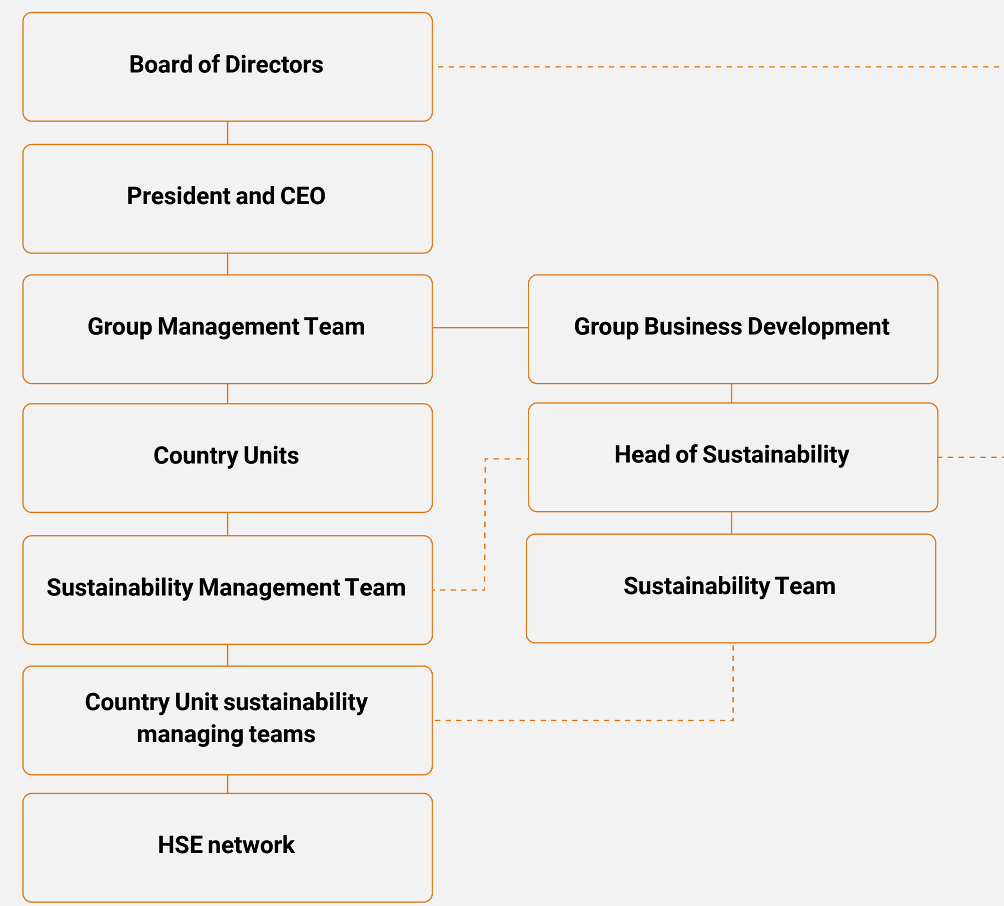
Our controls cover processes at both Group level and country unit levels, including policies and procedures for identifying, assessing, and reporting sustainability-related impacts, risks, and opportunities.

Key risks associated with sustainability reporting include potential inaccuracies in data reporting and compliance with evolving sustainability reporting standards. Eltel is committed to maintaining transparency and accountability throughout each stage of the reporting process.

To mitigate the risks, we employ control activities such as internal and external audits, routine data validation, process monitoring, and the establishment of internal controls to facilitate accurate data gathering, verification, and reporting. We are also defining roles and responsibilities in sustainability reporting to ensure an accurate, timely and transparent reporting process. Ongoing monitoring of reporting regulations, along with evaluations and developments in collaboration with third-party consultants and auditors, further strengthens our process.

The results of our risk assessments and control evaluations are integrated into core functions and processes. Findings are communicated across departments, and regular updates are provided to the Group Management Team and the Audit Committee, ensuring that significant findings or adjustments in risk management and controls are reviewed and approved at appropriate governance levels.

Sustainability governance



Environmental information

Eltel is focused on reducing its carbon emissions and strives to enable the transition to a carbon-neutral society. In our aim to manage and minimize the climate and environmental footprint of the projects we deliver, important steps are being taken toward efficient resource use and a circular economy.

CLIMATE CHANGE

Impacts, risks and opportunities

Climate change mitigation

We have both direct and indirect negative impacts on the climate, mainly due to greenhouse gas emissions from our direct operations and across our value chain. These emissions primarily stem from the fuel consumption of our fleet of around 3,000 vehicles, energy use within our facilities, and materials and services in the supply chain. Other sources of emissions are waste, business travel, and employee commuting.

We also recognize a potential transition risk as our customers increasingly prioritize climate change mitigation within their value chains. If we cannot meet their expectations and demonstrate effective climate change mitigation efforts across the entire value chain, it could become a barrier to securing customer contracts and expanding business opportunities.

Climate change adaptation

Climate change adaptation relates to Eltel's business through financial materiality. We see business opportunities in the shift from fossil fuels and the need for more resilient network infrastructure.

We provide upgrade and modification services to power infrastructure that support climate change adaptation and the transition away from fossil fuels. We can also aid in climate change adaptation and improve the durability of critical systems by designing and building more resilient network infrastructure.

Energy

Use of energy typically has a negative impact on the environment. Our business relies on subcontracted services especially civil works which often involve the use of fossil fuels. Additionally, our services require transportation to work sites resulting in the use of approximately 6 million liters of vehicle fuel annually. A risk to consider is that, as our fleet electrification progresses, access to electricity and charging will become increasingly critical for our services.

However, we also see business opportunities in the energy sector. Solutions for renewable energy and electrification of society are important growth areas for our business.

Policies

We have established two main policies to drive sustainable development for climate change.

- Sustainability Policy
- Environmental Policy

Our Sustainability Policy aims to ensure sustainability and responsible business practices in all Eltel's operations. The Policy sets out the responsibilities of Eltel and its employees regarding observing and upholding Eltel's commitment to sustainable development. One of the policy's objectives is to provide infrastructure solutions that facilitate the transition to a robust, resilient, and carbon-neutral society. Another objective is to reduce climate impact in alignment with Eltel's science-based targets.

The policy also states, among other things, our commitment to external climate-related initiatives such as CDP, the Science Based Targets initiative, and EcoVadis.

The Environmental Policy sets out the basic standards and objectives in the area of environmental management at Eltel. The policy addresses climate change mitigation, resource use and circularity, biodiversity and ecosystems and chemicals and hazardous material. We are committed to combating climate change, and have set science-based climate targets to reduce carbon dioxide emissions in line with the Paris Agreement.

Actions

- **The Green Choice concept was developed** – We are constantly building skills to integrate reduced climate impact into our service offerings and to account for the climate impacts of our projects, including those from vehicles, fuel and materials used.
- **Progress on fleet electrification was achieved** – Replacing fossil fuel vehicles with fully electric vehicles is a crucial part of our efforts to mitigate climate change within our operations. In 2024, the share of electric vehicles increased from 9.3% to 14.0%.
- **Biofuel use in transportation increased by 175,000 litres** – Overall, we replaced 376,000 litres of fossil diesel with HVO during the year.
- **Use of renewable electricity increased** – All Nordic country units now purchase renewable energy from their main electricity suppliers.
- **Supplier engagement increased** – During the year we have prioritized SBTi-committed suppliers in the procurement process. We also support smaller suppliers in setting their own SBTi targets.

Metrics and targets

Eltel' science-based climate targets are aligned with the Paris Agreement, aiming to limit global warming to 1.5°C. Our targets, verified by the Science-Based Targets initiative (SBTi), address impacts arising from Scope 1, 2, and 3 emissions. The target for Scope 1 is an absolute emission reduction target.

We have implemented a sustainability-linked finance framework, which connects financing with our science-based targets and climate actions. The Sustainability Performance Targets (SPT) established in our Sustainability Linked Finance Framework (SLFF) align with our SBTi targets. Eltel's Sustainability-Linked Finance Framework has been verified by Sustainalytics in 2023 to align with the Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2022. Progress towards the SPTs is disclosed in a separate report on Eltel's web page - Sustainable financing.

Eltel's climate targets approved by the SBTi	2024 Actual	2024 Target	Target 2025
Scope 1			
Reduce greenhouse gases by 42% by 2030 with a base year of 2021	14,163	12,821	12,076
Scope 2			
Increase the use of renewable electricity to 100% by 2030	57%	54%	62%
Scope 3			
Ensure that more than 67.4% of Eltel's suppliers by emissions set their own science-based targets by 2026	27.6%	30%	35%

[1] Covering Scope 3 categories 1, 2, 4, 5 and 6.

	2024		
Total emissions by country, tCO_2e	**Scope 1**	**Scope 2, market-based**	**Scope 3**
Finland	4,761	987	59,780
Sweden	3,393	209	22,589
Norway	1,770	753	12,536
Denmark	2,033	119	9,587
Others	2,205	395	3,353

GHG-intensity	2024
Total market-based CO_2 emissions per net sales, tCO_2e / euros	0.00015

Total emissions, tCO_2e	2024
Scope 1	**14,163**
Location-based Scope 2	**732**
Market-based Scope 2	**2,463**
Total Scope 3	**107,844**
Purchased goods and services	89,327
Capital goods	36
Fuel and energy-related activities not included in Scope1 or Scope 2	4,060
Upstream transportation and distribution	7,475
Waste generated in operations	516
Business travel	3,259
Employee commuting	3,170
Total GHG emissions, location-based	**122,739**
Total GHG emissions, market-based	**124,470**

The scope of greenhouse gas reporting is based on operational control. Reporting covers direct GHG emissions (Scope 1) from Eltel's own operations, indirect GHG emissions (Scope 2) from the production of purchased energy, and indirect GHG emissions from the upstream value chain (Scope 3), with the exclusion of emissions from the Polish operation High Voltage Poland, which was divested in June.

POLLUTION
Impacts, risks and opportunities

Air Pollution

The combustion of vehicle fuels, in our own fleet and in subcontracted services, contributes to air quality degradation by releasing various pollutants, including nitrogen oxides (NOx), particulate matter (PM), sulfur dioxide (SO_2), and volatile organic compounds (VOCs). While renewable fuels, such as biofuels, offer a reduced CO_2 environmental impact compared to traditional fossil fuels, they still contribute to air pollution.

Policies

To control pollution, two policies are implemented in our organization.

- Environmental Policy
- Sustainability Policy

While climate change mitigation is an immediate priority, in the long term, we prioritize mitigation efforts that address both CO_2 and other forms of air pollution.

Actions

- **Update of the Environmental Policy** – In late 2024, we updated our Environmental Policy to reflect not only mitigation efforts for CO_2 but also other forms of air pollution.

Metrics and targets

We do not have any targets set for the reduction of pollution. Our commitment to the gradual electrification of our fleet effectively mitigates this impact. Additionally, in our vans equipped with SCR technology to reduce exhaust emissions, we use diesel exhaust fluid (AdBlue) to lower nitrogen oxide emissions.

BIODIVERSITY AND ECOSYSTEMS
Impacts, risks and opportunities

Direct impact drivers of biodiversity loss

Across Eltel's value chain greenhouse gas (GHG) emissions contribute to biodiversity loss. Although we do not engage directly in land acquisition, we may be involved in preparing permits, as well as planning and executing projects that lead to land use changes. Our involvement in land use is attributable to our services in power transmission and distribution, as well as large-scale construction projects in the renewable energy sector.

Policies

Two policies control the risks of biodiversity losses and impact on ecosystems.

- Environmental Policy
- HSSEQ Policy

Eltel is committed to preventing and mitigating adverse direct and indirect impacts on ecosystems. We strive to reduce our climate impact, recognizing climate change as a driver of biodiversity loss. We adhere to legal and regulatory requirements.

Power and telecommunication infrastructure may be located in or near biodiversity-sensitive areas. As a service provider to these networks, some of our worksites may traverse or be in proximity to legally protected areas important for biodiversity. We strive to avoid harmful impacts on nature and adhere to all applicable regulations.

New network infrastructure construction within or near legally protected areas typically requires the preparation of an environmental impact assessment (EIA) and risk assessment, or similar environmental surveys, with mitigation of impacts on biodiversity and ecosystems incorporated from the planning phase. When performing activities that may significantly impact the environment in legally protected areas important for biodiversity, site-specific instructions are followed to minimize environmental impacts.

Actions

- **Biodiversity impact assessment** – In 2025, we plan to conduct a comprehensive biodiversity impact assessment across our value chain to identify priority locations where significant impacts on local ecosystems may occur.

Metrics and targets

Our most significant biodiversity impact is climate change, which acts as a driver of biodiversity loss. This issue is addressed through our science-based climate targets.

RESOURCE USE AND CIRCULAR ECONOMY
Impacts, risks and opportunities

Resource inflows, including resource use

In the upstream value chain, negative impact from resource inflow includes the environmental effects of sourcing and procuring materials and supplies, such as raw material extraction, energy consumption, water use, and emissions from production and transport in the value chains of manufactured goods.

Waste

Waste has a negative impact during operations and decommissioning. We see a potential negative impact from decommissioning old network infrastructure that involves handling hazardous materials. If not properly managed and disposed of, these materials could pose environmental risks, such as contamination.

Policies

To manage resource utilization effectively, we are guided by three key policies.

- Responsible procurement Policy
- Environmental Policy
- HSSEQ Policy

Material use

Our policies emphasize the commitment to drive more sustainable resource use within our value chain. We strive to increase the use of recycled and renewable materials and enhance our understanding of the life cycle impacts of the materials we procure.

Waste

Eltel is dedicated to responsible waste management practices and our primary focus is on sorting, recycling, and minimizing waste directed to disposal. We are committed to ensuring the safety of people and the environment by requiring proper and secure storage, handling, and disposal of waste, including hazardous materials.

We enhance transparency by actively requesting Environmental Product Declarations (EPD) and Product Environmental Profiles (PEP) from manufacturers of key network materials and components. These declarations provide standardized information about the environmental impacts of products, supporting informed decision-making and aligning with our Green Choice offering.

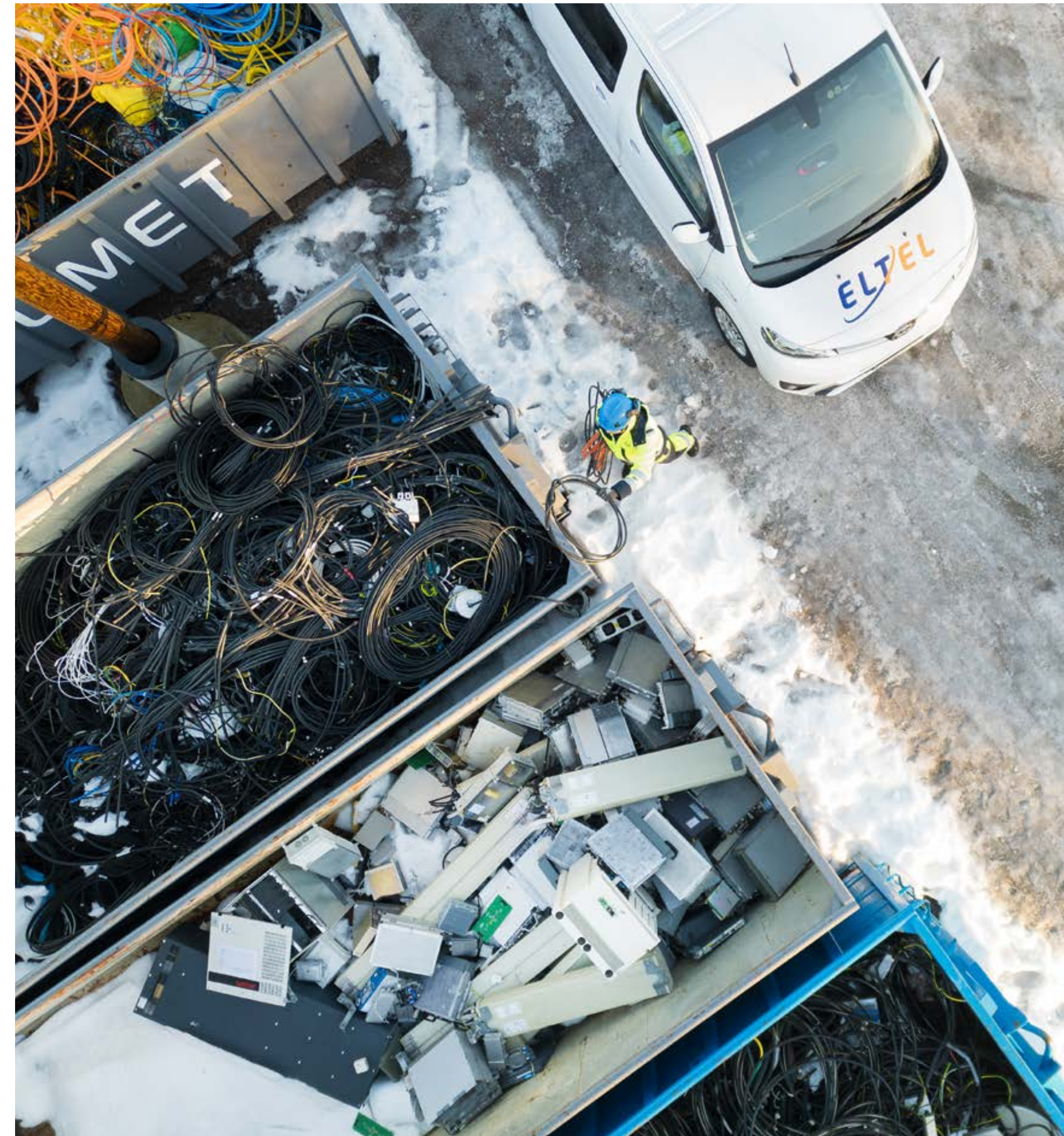
In 2024, we initiated a supplier survey targeting our material suppliers to gain insights into their responsible sourcing practices. The survey inquires whether suppliers have established policies addressing sustainable procurement and the use of conflict minerals, and initiatives addressing their supply chains. This effort enhances our visibility into the value chain and supports improved traceability of the key materials used in our projects.

Eltel partners with responsible companies for circularity, recycling, and waste management. The majority of waste and materials handled originate from decommissioned network infrastructure. Although we do not own network infrastructure, we perform upgrading activities for our customers that involve dismantling. The overall responsibility for waste management may vary by customer, contract, or project, with some cases organized by customers and others by Eltel. By ensuring that materials are carefully sorted and recycled, we contribute to the circularity and sustainable lifecycle of networks. In 2024 our sorting rate was 80%.

Waste, t	**2024**
Total waste generated	**7,612.68**
Of which non-hazardous waste	5,625.74
Of which hazardous waste	1,986.94
Waste diverted from disposal	**7,592.41**
Preparation for reuse	6.84
Recycling	5,256.02
Other recovery operations	2,329.56
Waste directed to disposal	**20.26**
Incineration	2.54
Landfilling	17.72
Other disposal operations	0.00

Common waste fractions include various telecommunication and power cables, construction waste and electronics. These fractions contain mainly metals, plastics and concrete. Electronic waste is categorized as hazardous waste in Sweden but as non-hazardous in Eltel's other operating countries.

Waste here reported includes waste handled through direct contracts between Eltel and circularity, recycling, and waste management partners. The reported amounts are based on data provided by these partners, along with general information from the suppliers on recovery and disposal operations. Waste managed under customers' or subcontractors' own waste management operations or contracts is not included.



EU Taxonomy

The EU Taxonomy is the EU's classification system for economic activities that have the most significant impact on the EU's climate and environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

An economic activity is considered Taxonomy-eligible if it is recognized in the EU Taxonomy as having the potential to contribute substantially to at least one of these objectives while ensuring it does not significantly harm any of the others.

Eltel has assessed the taxonomy eligibility of its activities based on the descriptions of economic activities outlined in Annexes 1 and 2 of the Climate Delegated Act, including amendments to the annexes.

The energy sector is one of the major sectors included in the taxonomy. Correspondingly, Eltel's operations in the Power business area are largely included in the economic activities specified in the EU Taxonomy (i.e. eligible activities). By developing the power grid, Eltel together with its customers contributes to climate change mitigation through a transition to a green electricity system. All Eltel's activities that are categorized as eligible are deemed to have the potential to make a substantial contribution to the first objective, climate change mitigation.

The communication sector, which contributes to the digitalization of society via modern and high-capacity communication networks, is generally not included in the activities specified in the EU Taxonomy at the present time. In line with this, most of Eltel's operations in the Communication business area are not included in the taxonomy (i.e. non-eligible activities).

Eltel has also evaluated taxonomy eligibility of its business operations according to the descriptions of economic activities substantially contributing to the environmental objectives 3–6 listed in the annexes of the Environmental Delegated Act. Eltel has reviewed the technical screening criteria laid out in the annexes when interpreting the nature of the activity. Eltel has not identified any activities applicable to its business operations.

Taxonomy alignment

Eltel's operations are concluded to be taxonomy-aligned when they are assessed to comply with all the requirements described in the taxonomy. This means that the activity 1) makes a substantial contribution to climate change mitigation, 2) does no significant harm to any of the other five objectives (DNSH) and 3) complies with the minimum safeguards.

Eltel has performed a DNSH assessment of the DNSH criteria for each relevant activity included in the taxonomy. Based on the assessment, Eltel has concluded that it complies with the DNSH criteria.

In addition to environmental impact analyses, Eltel has assessed that it complies with the minimum safeguards. Further information about minimum safeguards regarding human rights, corruption, taxation and fair competition is presented under the heading "Minimum safeguards alignment summary".

Net sales

Eltel identified 37.3% (37.7) of its net sales to be taxonomy-eligible regarding the economic activities defined in the taxonomy's objective: climate change mitigation. Eltel also identified 34.3% (33.2) of its net sales to be taxonomy-aligned (environmentally sustainable).

A major part of eligible and aligned net sales relate to activity 4.9 "Transmission and distribution of electricity". This activity includes Eltel's power transmission and distribution services from construction and upgrade to maintenance and fault repair, as well as smart grid operations relating to operating the distribution networks. A total of 23.7% (22.9) of net sales is deemed to be taxonomy-eligible. Furthermore, Eltel has concluded that 22.7% (20.6) of its net sales is also taxonomy-aligned. Eltel carries out work for the power grids that belong to the interconnected European system and its subordinate systems that are not dedicated to creating or expanding direct connections to power production plants that are more greenhouse gas intensive than 100 CO_2e/kWh. 1.1% (2.2) of net sales is not deemed to be aligned, primarily due to direct connections to power production plants that do not meet the criteria. In Germany, many of the electricity meters included in power distribution operations do not meet the EU criteria. Thus, these operations have been evaluated as being non-aligned.

Part of Eltel's smart grid operations is included in activity 7.5 "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings". 7.9% (6.0) of total net sales is included in this activity and it is concluded that 6.3% (4.6) of total net sales is taxonomy aligned. Smart grid operations in the Nordics are generally taxonomy-aligned as the installed meters meet the criteria for smart meters. In Germany, most of the meters are non-aligned but there are also meter installations that comply with the taxonomy criteria.

2.8% (2.8) of total net sales relate to activity 6.14 "Infrastructure for rail transport". These services are deemed to be fully taxonomy-aligned. Most of the operations are in Denmark and include, for example, installation and configuration of equipment related to the digitalization of railway signalling.

Eltel has also identified other taxonomy-eligible operations totalling 2.9% (6.0) of total net sales. 2.6% (5.1) of net sales included in these operations is taxonomy-aligned. Other taxonomy-aligned operations include installation, maintenance and repair of charging stations for electric vehicles not in buildings or parking spaces attached to buildings (3.20), installation of energy efficiency equipment in buildings (7.3), installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (7.4), and installation, maintenance and repair of renewable energy technologies, e.g. battery energy storage and solar systems (7.6). Other non-aligned activities include operations related to certain district heating facilities that do not meet the technical screening criteria for activity 4.15.

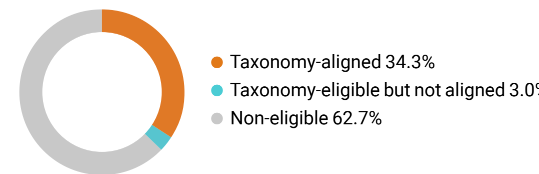
Capital expenditure (capex) and operating expenditure (opex)

Eltel identified 33.4% (44.6) of capital expenditure and 35.4% (39.6) operating expenditure (capex and opex) to be taxonomy eligible. Furthermore, 29.8% (38.6) of capex and 26.7% (27.9) of opex were identified as being taxonomy-aligned. Capex and opex have been included when they relate to operations generating net sales that are included in the taxonomy. Investments in a new car fleet are reported as taxonomy-aligned capex if the capex met the criteria for being sustainable according to taxonomy activity 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles". This mainly concerns electric vehicles.

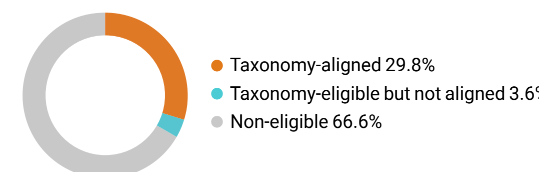
As the definition of opex is very narrow in the taxonomy, the amount of total opex in Eltel is negligible. Opex includes the cost of maintenance and repair of machinery and buildings and short-term lease expenses.

In order to avoid double counting, each business operation that generates taxonomy-eligible net sales was exclusively assigned to a specific taxonomy-eligible economic activity. The same procedure has been adopted for the allocation of capex and opex. However, capex for electric vehicles has been fully included in activity 6.5 and has therefore been excluded from the other taxonomy-eligible activities.

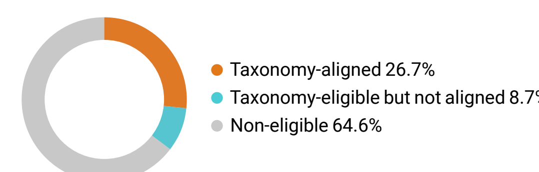
Net sales



Capex



Opex



MINIMUM SAFEGUARDS ALIGNMENT SUMMARY

Human rights
Eltel has multiple methods for assessing, safeguarding and promoting human rights. These include but are not limited to the human rights risks assessments made through the enterprise risk management process, the whistleblowing process, the annual Code of Conduct training, and Code of Conduct requirements towards our suppliers. Reporting on such matters is done on a regular basis to Eltel's executive management and the Board. No executive or management employee of Eltel AB or of any of its subsidiaries have been convicted or being found of being in violation of any laws or regulations relating to human rights.

Corruption
Eltel has anti-corruption practices in place, such as the whistleblowing channel and regular trainings in anti-corruption practices, which are governed by Eltel's Anti-Bribery and Anti-Corruption Policy as well as the Whistleblowing Policy. Eltel's Code of Conduct also outlines Eltel's stance on Anti-Bribery and Anti-Corruption. Code of Conduct trainings (including anti-corruption practices) are provided to employees annually. No executive or management employee of Eltel AB or of any of its subsidiaries have been convicted or being found of being in violation of any laws or regulations relating anti-corruption.

Taxation
Eltel treats tax compliance and governance as important elements of oversight, tax risks are assessed on an ongoing basis and tax compliance matters are reported to senior management as well as to the Audit Committee. No executive or management employee of Eltel AB or of any of its subsidiaries have been convicted or being found of being in violation of any tax laws or regulations.

Fair competition
Eltel is dedicated to promoting the importance of compliance with competition laws and regulations. Eltel's Competition Instruction is used to increase awareness and educate the workforce on the topic of fair competition. Additional directed training is provided to senior management. No executive or management employee of Eltel AB or of any of its subsidiaries have been convicted or being found of being in violation of any laws or regulations relating fair competition.

NET SALES

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Does not significantly harm)									
Economic activities	Code	Net sales	Proportion of net sales, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned (A.1) or -eligible (A.2) net sales, 2023	Category enabling activity	Category transitional activity
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation[1]	CCM 3.20	6.8	0.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	–	E	–
Electricity generation from wind power	CCM 4.3	–	–	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	–	Y	Y	Y	4.6%	–	–
Transmission and distribution of electricity	CCM 4.9	187.8	22.7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	Y	Y	20.6%	E	–
Infrastructure for rail transport	CCM 6.14	23.0	2.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	2.8%	E	–
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	–	–	Y	–	E	–
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.8	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.3%	E	–
Installation, maintenance and repair of instruments and devices measuring, regulation and controlling energy performance of buildings	CCM 7.5	51.8	6.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	4.6%	E	–
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	14.3	1.7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.2%	E	–
Net sales for environmentally sustainable activities (Taxonomy-aligned) (A.1)		**284.5**	**34.3%**	**34.3%**	**–**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**33.2%**		
Of which enabling		284.5	100.0%	100.0%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	86.1%	E	
Of which transitional		–	–	–						–	–	–	–	–	–	–	–		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation[1]	CCM 3.20	–	–	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6%		
Transmission and distribution of electricity	CCM 4.9	9.0	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.2%		
District heating / cooling distribution	CCM 4.15	2.5	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Installation, maintenance and repair of instruments and devices measuring, regulation and controlling energy performance of buildings	CCM 7.5	13.4	1.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.4%		
Net sales for taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**25.0**	**3.0%**	**3.0%**	**–**	**–**	**–**	**–**	**–**								**4.5%**		
A. Net sales of taxonomy eligible activities (A.1 + A.2)		**309.5**	**37.3%**	**37.3%**	**–**	**–**	**–**	**–**	**–**								**37.7%**		

B. Taxonomy-non-eligible activities		
Net sales for taxonomy-non-eligible activities	**519.2**	**62.7%**
Total	**828.7**	**100.0%**

Total net sales equals to net sales according to the 2024 financial statements.

[1] Amendment to Climate Delegated Act in 2023. Reported as taxonomy-eligible in 2023, taxonomy-alignment has been assessed for 2024.

CCM – Climate change mitigation
Y – Yes, taxonomy-eligible and taxonomy-aligned activity with relevant environmental objective
N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, taxonomy-non-eligible activity for the relevant environmental objective
EL – Eligible, taxonomy-eligible activity for the relevant environmental objective

CAPITAL EXPENDITURE (CAPEX)

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria (Does not significantly harm)									
Economic activities	Code	Capex	Proportion of capex, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned (A.1) or -eligible (A.2) capex, 2023	Category enabling activity	Category transitional activity
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	0.3	0.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	–	E	–
Electricity generation from wind power	CCM 4.3	–	–	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	–	Y	Y	Y	2.4%	–	–
Transmission and distribution of electricity	CCM 4.9	5.8	15.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	Y	Y	12.3%	E	–
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	3.7	9.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	–	Y	15.3%	–	T
Infrastructure for rail transport	CCM 6.14	0.2	0.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	3.0%	E	–
Installation, maintenance and repair of renewable energy technologies	CCM 7.3	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	–	–	Y	0.0%	E	–
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.4%	E	–
Installation, maintenance and repair of instruments and devices measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.8	2.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	5.0%	E	–
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.5	1.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.1%	E	–
Capex for environmentally sustainable activities (Taxonomy-aligned) (A.1)		**11.4**	**29.8%**	**29.8%**	**–**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**38.6%**		
Of which enabling		7.7	67.2%	67.2%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	54.0 %	E	
Of which transitional		3.7	32.8%	32.8%						–	Y	Y	Y	Y	Y	Y	39.7%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transmission and distribution of electricity	CCM 4.9	0.5	1.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.1%		
District heating / cooling distribution	CCM 4.15	0.1	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Installation, maintenance and repair of instruments and devices measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.8	2.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.6%		
Capex for taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**1.4**	**3.6%**	**3.6%**	**–**	**–**	**–**	**–**	**–**								**6.0%**		
A. Capex of taxonomy-eligible activities (A.1 + A.2)		**12.8**	**33.4%**	**33.4%**	**–**	**–**	**–**	**–**	**–**								**44.6%**		

B. Taxonomy-non-eligible activities		
Capex of taxonomy non-eligible-activities	**25.5**	**66.6%**
Total	**38.3**	**100.0%**

Capex includes additions into property, plant and equipment, right-of-use assets and other intangible assets (Notes 27–29 in the consolidated financial statements).

CCM – Climate change mitigation
Y – Yes, taxonomy-eligible and taxonomy-aligned activity with relevant environmental objective
N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, taxonomy-non-eligible activity for the relevant environmental objective
EL – Eligible, taxonomy-eligible activity for the relevant environmental objective

OPERATING EXPENDITURE (OPEX)

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria (Does not significantly harm)									
Economic activities	Code	Opex	Proportion of opex, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned (A.1) or -eligible (A.2) opex, 2023	Category enabling activity	Category transitional activity
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	0.1	0.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	–	E	–
Electricity generation from wind power	CCM 4.3	–	–	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	–	Y	Y	Y	3.9%	–	–
Transmission and distribution of electricity	CCM 4.9	1.8	17.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	Y	Y	17.3%	E	–
Infrastucture for rail transport	CCM 6.14	0.2	2.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	2.4%	E	–
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	–	–	Y	–	E	–
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.3%	E	–
Installation, maintenance and repair of instruments and devices measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.5	4.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	3.9%	E	–
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.1	1.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.1%	E	–
Opex for environmentally sustainable activities (Taxonomy-aligned) (A.1)		**2.7**	**26.7%**	**26.7**	**–**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**27.9%**		
Of which enabling		2.7	100.0%	100.0%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	86.1%	E	
Of which transitional		–	–	–						–	–	–	–	–	–	–	–		T
A.2. Taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transmission and distribution of electricity	CCM 4.9	0.3	3.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.7%		
District heating / cooling distribution	CCM 4.15	0.1	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Installation, maintenance and repair of instruments and devices measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.5	4.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.1%		
Opex for taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**0.9**	**8.7%**	**8.7%**	**–**	**–**	**–**	**–**	**–**								**11.7%**		
A. Opex of taxonomy-eligible activities (A.1 + A.2)		**3.5**	**35.4%**	**35.4%**	**–**	**–**	**–**	**–**	**–**								**39.6%**		

B. Taxonomy non-eligible-activities		
Opex for taxonomy-non-eligible activities	**6.4**	**64.6%**
Total	**10.0**	**100.0%**

Opex includes short-term leases, maintenance and repair costs of tangible assets. Note that opex as defined in EU Taxonomy is significantly narrower than Eltel's total operating expenditure.

CCM – Climate change mitigation
Y – Yes, taxonomy-eligible and taxonomy-aligned activity with relevant environmental objective
N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, taxonomy-non-eligible activity for the relevant environmental objective
EL – Eligible, taxonomy-eligible activity for the relevant environmental objective

Nuclear and fossil gas related activities

Eltel does not carry out, fund, or have exposures to an activity in rows 1 to 6 in template 1 of Annex XII Disclosures Delegated Act. Consequently, Eltel omits disclosing the corresponding rows in templates 2 to 5 of that Annex.

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

Social information

Eltel's goal is to be the most attractive employer in the industry by focusing on employee engagement and development opportunities. At the same time, we strive to be the best partner in the projects we deliver, prioritizing the well-being of all those affected by our operations.

ELTEL'S EMPLOYEES

Impacts, risks and opportunities

Working conditions

Working on sites and transportation to and from the different work locations involves significant health and safety risks due to the nature of the tasks performed. These include, for example, electrical safety hazards and risks associated with working at heights, managing aging infrastructure, and road safety.

The health and safety of our employees is critical to our services. Poor performance in this area would pose financial risks through loss of customer trust. Additionally, health and safety-related absences can lead to costs from lost time, reduced productivity, and the need for temporary staffing or overtime.

As a service company reliant on employee dedication and expertise, we recognize the importance of employee engagement. A safe working environment is a key driver of employee satisfaction, workforce attraction, and retention.

Other working conditions-related impacts include seasonal variations in the construction sector, particularly in Finland, Sweden, and Norway, which can negatively affect job security through temporary layoffs. Eltel positively contributes by engaging with employees and their representatives on matters related to working conditions, fostering a collaborative environment. By offering strong working conditions, we not only create a positive impact but also an opportunity to secure skilled cross-border workforce resources and quickly respond to customer demands.

Equal treatment and opportunities for all

Upskilling employees is an opportunity to drive efficiency, enhance employee retention, and support expansion into new and adjacent business areas.

Other work-related rights

There are potential negative impacts related to employee data privacy. These include the risk of unauthorized access, disclosure, or misuse of personal information which can lead to identity theft, financial losses, or breaches of confidentiality for employees.

Policies

We address material impacts, risks, and opportunities related to our workforce through several key policies:

- Code of Conduct
- Human and Labor Rights Policy
- Human Resource and Diversity Policy
- Whistleblowing Policy
- HSSEQ Policy

The policies are aligned with internationally recognized frameworks such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the International Bill of Human Rights, and the OECD Guidelines for Multinational Enterprises.

Eltel is a signatory to the United Nations Global Compact and our 10 principles on human rights, labor, environment and anti-corruption. Eltel respects internationally proclaimed human rights and is committed to not being directly or indirectly involved in human rights abuses.

These policies outline our commitment to respecting and promoting fundamental human and labor rights, including safety, equal opportunities, non-discrimination, and privacy.

Furthermore, Eltel has a Data Protection Policy that applies to customers, suppliers and other external stakeholders.

Health and safety

Eltel prioritizes its employees health and safety, aiming to lead the industry in occupational health and safety with a vision of zero accidents. This commitment is embedded in the company's policies, primarily Code of Conduct, HSSEQ Policy and Human Resource and Diversity Policy, which emphasize building a strong safety culture and minimizing risks across operations.

Equal opportunities and non-discrimination

The Human Resource and Diversity Policy states a working environment built on mutual respect, where employees are offered equal opportunities regardless of nationality, gender, sexual orientation, social origin, or other personal attributes. We are committed to promoting diversity and inclusion at all levels of the organization, actively addressing any form of discrimination, harassment, or violence with zero tolerance.

Privacy and data protection

In line with our Data Protection Policy, Eltel ensures that all personal data collected, processed and stored is handled confidentially and in accordance with international and local regulations. We respect individuals' rights to have their data deleted when no longer necessary or upon their request.

Whistleblowing and grievance mechanisms

Eltel's is committed to providing employees and other stakeholders with a whistleblowing channel to report suspected ethical misconduct in accordance with the EU Whistleblowing Directive. Our Whistleblowing Policy ensures that all reports are handled confidentially, with a strict no-retaliation policy to protect individuals who raise concerns in good faith.

Processes for engagement

Employee engagement survey

Eltel conducts an annual group-wide employee engagement survey. The purpose is to communicate and understand how the employees feel about various aspects of their work, including managerial duties, workload, and opportunities for professional development. The results inform decision-making and help us identify workplace improvements. The responses are anonymous, but the results can be aggregated at the appropriate organizational level. In 2024, 85% of permanent employees responded to the survey.

The Human Resource functions of Eltel's country organizations hold operational responsibility for promoting the engagement survey and integrating employee perceptions into management processes and decision-making within each operating country. The most senior roles responsible for engagement are the HR directors in Finland, Sweden, Norway, Denmark and Lithuania, or HR managers of the other operating countries, who are also part of the management teams of these country units.

Working conditions

Eltel's direct engagement with employees forms the foundation of monitoring and managing Health, Safety, Environment, Security and Quality (HSSEQ). This engagement informs country-specific HSE risk profiling and annual target setting.

To manage health and safety impacts, all employees have access to a tool to report near misses, safety observations, and incidents. These activities are carried out by HSE managers in each country, under the oversight of the Group HSE Director. The effectiveness of this engagement is assessed through regular monitoring and review of reported data, performance, and progress in action plan implementation.

Occupational healthcare is organized in compliance with regulations and local practices in each operating country. All employees are covered. Healthcare is planned and organized in cooperation with the occupational healthcare services.

Eltel's management also cooperates with employee representatives, with two representatives on the Group Board of Directors. In country organizations, cooperation with employees and their representatives is carried out in accordance with applicable local legislation. In the Nordic countries and Lithuania, various forms and practices of cooperation are organized around key areas such as occupational health and safety and collective bargaining. The purpose of this cooperation is to ensure that employees' perspectives are considered in decision-making processes.

Equal treatment and opportunities

Eltel ensures that the perspectives of our workforce inform decisions and activities related to training and skills development through the mandatory Performance and Development Dialogue (PDD). As stated in our Human Resource and Diversity Policy, all employees are to engage in an annual PDD with their supervisors.

The PDD serves as a structured opportunity to align individual or team performance with the company's strategy, identify learning and development needs, and discuss potential career growth. The PDD dialogues are a key part of enabling employees to express their perspectives on personal development and workplace improvement. The PDD is a part of the Performance management process.

Privacy

Eltel has a large workforce in the local companies in Sweden, Finland, Norway, Denmark, Germany, Lithuania, and Poland. To be able to fulfill our legal and contractual obligations as an employer and to maintain a safe and efficient administration, we need to process certain personal data related to employees.

All personal data relating to employees is processed in accordance with Eltel's Data Protection Policy and applicable data protection legislation. The Data Protection Policy is communicated to all employees, who must consent to how personal data is processed by Eltel, what data is processed, and the purpose of such processing.

Eltel has established processes for handling GDPR incidents, including a dedicated internal reporting channel that is accessible to all employees. We offer regular training on data privacy and cybersecurity, ensuring that our employees are informed about how to protect personal data and the proper steps for reporting any concerns. The GDPR training is mandatory for all employees, except technicians, and is conducted every other year.

Channels to raise concern

Eltel has a whistleblowing procedure providing employees with a secure platform to report potential concerns. The procedure is described in the section "Business conduct".

Actions

- **A Group-wide Lifesaving Rules Campaign was launched** to enhance awareness and understanding of critical safety guidelines. The campaign clarified common health and safety practices into clear, actionable rules, focusing on key areas such as working at heights, operating heavy machinery, and driving. Read more about Eltel Lifesaving Rules on page 48.
- **Safety Week was held in all operating countries.** The Safety Week is held each year to enhance the safety culture across the Group. This year, the Lifesaving Rules were the main focus with the aim to expand the knowledge about how to avoid safety risks and how to act in case of incidents or accidents.
- **Eltel's values were launched in February 2024** – In the Employee Engagement Survey (September 2024) a new section, Company values, was added. The efforts to communicate the values were quite well received by employees, as the average score in the survey for employee identification with the Company values was 3.9.
- **Gender pay gap assessments were expanded to Denmark and Finland**. Reporting of gender pay gap is compulsory in Sweden and Norway.

Outcome of the actions

We maintained the Employee Engagement score of 3.9 from last year. The eNPS remained the same at -5. The participation rate decreased from 85% to 83%.

This year we added a new area to the survey, 'Company values'. It appears that our efforts to communicate the values have been well-received by employees, as the average score for employee identification with these values was 3.9 out of 5.

Once again, 'Relationships with Colleagues' was the highest-rated area, improving to 4.2, from last year. 'Health and Safety,' 'Meaningfulness and Participation,' and 'Relationship with Manager' continue to be important drivers of employee engagement.

Even the lowest-scoring areas had relatively good scores (≥3.5). The lowest-scoring areas remained the same as last year. Scores in 'Feedback and communication' and 'Strategy, vision, and culture' stayed consistent, while 'Workplace and tools' improved slightly.

We continued to drive our Goal Zero vision across the Group. While we made progress in several areas, we did not quite achieve the excellent Lost Time Injury Frequency Rate (LTIFR) performance of the previous year. The LTIFR increased slightly from 2.7 in 2023 to 3.8 in 2024, though this result still met our established safety targets. The Total Recordable Injury Frequency Rate (TRIFR) also increased during the year from 10.5 to 13.2.

Metrics and targets

Eltel sets targets to manage impacts, risks and opportunities and follow regularly the outcome. Below is a list of metrics and targets for the material topic Own Workforce.

Employee headcount by gender	2024	2023
Number of employees	**4,248**	**4,965**
Male	3,659	4,265
Female	589	700

Employee headcount by country	2024	2023
Finland	1,455	1,575
Sweden	994	959
Norway	717	823
Denmark	457	510
Poland	106	534
Lithuania	167	216
Germany	352	348

Targets	2024 Actual	2024 Target	Target 2025
LTIFR[1]	3.8	4.5	4. 0
TRIFR[2]	13.2	12.0	12.0
Short-term sick leave, %[3]	3.5	4.0	<3.0
Fatalities	0	0	0
Employee satisfaction and motivation	3.9	3.75	3.75

[1] LTIFR – Lost time injury frequency rate, calculated of lost time incidents per million working hours (7.58 million working hours in 2024).
[2] TRIFR – Total recordable incident frequency, calculated as the total number of recordable incidents per million working hours.
[3] Short-term sick leave – The percentage of working hours lost due to short-term sick leave relative to available working hours .

Employees covered by collective bargaining agreements, %	2024
Finland	100
Sweden	100
Norway	100
Denmark	59
Poland	0
Lithuania	0
Germany	0

Gender distribution at Group Management Team	2024	2023
Male executives, headcount	5	6
Female executives, headcount	4	3
Men, %	57	67
Women, %	44	33

Employee headcount by age	2024	2023
Under 30 years old	745	1,013
30–50 years old	2,137	2,457
Over 50 years old	1,366	1,495

All Eltel's employees are covered by our certified health and safety management system, which is based on the ISO 45001 occupational health and safety standard. Eltel's integrated health, safety, environmental, and quality management system is certified against ISO 45001, ISO 9001 and ISO 14001 standards in all operating countries.

Health and safety metrics, employees	2024	2023
Fatal incidents, employees	0	0
Fatal incidents, subcontractors' employees	0	1
Lost time accidents	29	24
Restricted work cases	24	23
Medical treatment cases	38	35
Total recordable incidents	100	92
Total recordable incident frequency rate (TRIFR)	13.2	10.5
Own workforce covered by ISO 45001 certified management system, %	100	100

Privacy and security metrics, %	2024	2023
Security training completion rate	90	87

All employee counts are calculated using headcounts and year-end values.

Divestment of the High Voltage Poland in June 2024 concerned about 410 employees. The Group Shared Services remain in Poland.

WORKERS IN THE VALUE CHAIN

Impacts, risks and opportunities

Eltel has in our materiality analysis identified Working conditions as the most material sub-topic for Workers in the value chain.

Working conditions

The subcontractors performing work for Eltel may be subject to similar risks at work as Eltel's own employees, which can have a negative impact on the health and safety of the workers in the value chain.

An important prerequisite for work is the subcontractor's health and safety performance in the upstream value chain. If standards are not met this could lead to contract termination with our customers.

Eltel's fixed fall protection system Turvatikas Safety Ladder enhances the health and safety of workers in the downstream value chain.

Policies

To manage risks and negative impacts in the upstream value chain, Eltel has three main policies.

- Code of Conduct
- The Eltel Supplier Code of Conduct
- HSSEQ Policy

Subcontractor health and safety

At Eltel, the safety of our employees and subcontractor workers is a top priority. Our commitment is to ensure that everyone involved in our projects returns home safely each day.

Processes for mitigating negative impacts

Subcontractor health and safety is a key focus within our Health, Safety, and Environment (HSE) organization. In each of our operating countries, we develop and implement annual health and safety action plans based on country-specific risks and requirements. The Group HSE Director manages the implementation of actions, and delivery of targets, to ensure performance across the organization.

We require our subcontractors to comply, at a minimum, with all legal and site-specific safety standards. Subcontractor companies are responsible for providing their workers with occupational healthcare and maintaining statutory occupational accident insurance.

Eltel's HSE organization has identified services most at risk or critical to health and safety, and we have specific requirements for suppliers of these services. These requirements include that workers must hold relevant certifications or qualifications, and suppliers must have safety monitoring in place. Proven compliance with best practices, such as through instructions and site audits, is required, or can be demonstrated with valid certifications in quality, health and safety, and environmental management.

On projects where Eltel serves as the main contractor, we hold overall responsibility for the health and safety of everyone on-site. This includes the site safety orientation for subcontractor workers and visitors.

Our project sites are also monitored through management safety walks, safety inspections, customers' health and safety processes and third-party site inspections to address any safety concerns. Subcontractor workers are required to report near misses and injuries to Eltel project management.

Subcontractor workers and suppliers can report any breaches of the Code of Conduct or safety concerns through Eltel's whistleblowing channel.

Actions

- **Value chain LTIF tracking and monitoring was implemented** – To better monitor and reflect the scope of our HSE management, we started tracking and monitoring value chain LTIFR in 2024, expanding our focus beyond employees to include subcontractors and temporary staff.
- **Development of e-learning** — To further reduce the risks of incidents affecting health and safety, Eltel is developing an e-learning to be included in the onboarding of new subcontractors. It will be implemented in Finland in 2025 and subsequently used in other markets.
- **Introduction of a survey for subcontractors** — A survey was introduced in 2024 to gather information about our subcontractors' approach to health and safety, focusing on whether key practices are in place and demonstrating a professional commitment to health and safety beyond compliance on our sites. In addition to health and safety, the survey covers other aspects of ESG.

Fatalities	2024 Actual	2024 Target	Target 2025
Fatalities, subcontractor workers	0	0	0

AFFECTED COMMUNITIES
Impacts, risks and opportunities

Communities' economic, social, and cultural rights
A positive outcome from the operations is that Eltel plays a vital role in restoring power for communities in the event of storms or other disruptions. Additionally, our work in designing, building, maintaining, and upgrading critical infrastructure for affected communities presents business opportunities. During our construction activities, there is a potential risk of health and safety incidents affecting individuals in the surrounding area.

Policies
In the Sustainability policy and the HSSEQ policy Eltel states the guidelines for managing the effects on communities affected by the projects delivered.
- Sustainability Policy
- HSSEQ Policy

Security
Eltel's operations contribute to society by ensuring that communication and power networks function reliably. Secure energy supply and telecommunication networks are essential for the everyday needs of businesses, individuals, and public services, all of which increasingly depend on these systems. We play a crucial role in restoring operations during and after storms, floods, or crises. Additionally, our maintenance and upgrades to power and telecom networks enhance energy and information security.

Health and safety
Our commitment to health and safety extends to everyone in the vicinity of our worksites. This includes thorough risk assessments, ongoing risk monitoring, and quality control measures to protect the health and safety of people near our operations. Our integrated Health, Safety, Environment, and Quality (HSEQ) management system is certified against ISO 14001, 45001, and 9001 standards, ensuring high standards in all our operating countries.

Eltel life saving rules

Working at heights
We perform only tasks we are authorized for, protect ourselves with appropriate fall protection, and secure tools and equipment to prevent them from falling.

Roadside work safety
We ensure that precautionary measures are in place when working near roads and traffic.

Electrical work
We perform only tasks we are trained and qualified for and take all necessary measures to protect against electrical hazards.

Working with heavy machinery
We work safely by using appropriate, inspected machinery, restricting the worksite to authorized personnel, and maintaining clear communication.

Line of fire
We protect ourselves and others from hazards such as moving equipment and vehicles, falling or collapsing objects, electric shocks, and arc flashes.

Driving
We ensure vehicles are safe, drive responsibly, and remain alert to protect ourselves and others on the road.

Safety controls
We follow safety rules and ensure that a safe job analysis is conducted before starting work.

Governance information

Eltel is determined to uphold high standards in business ethics and comply with all laws and regulations.

BUSINESS CONDUCT

Impacts, risks and opportunities

Corporate culture and Corruption and bribery are identified as material sub-topics from the double materiality assessment. Eltel aims to uphold high standards in business ethics in general, with a focus on these areas.

Corporate culture

Breaches of Eltel's Code of Conduct, or Supplier Code of Conduct could lead to significant negative impacts on people or the environment. Engaging in or being associated with unfair competition practices may distort fair market conditions. By adhering to responsible tax practices, we contribute positively to society. Promoting the Code of Conduct presents an opportunity to strengthen our corporate culture, enhance resilience, and uphold brand integrity. Promoting the Code of Conduct presents an opportunity to strengthen our corporate culture and uphold brand integrity.

Corruption and bribery

Corruption and bribery undermine fair business practices and expose the company to legal risks, financial penalties, and reputational damage. Effective management of these risks is essential to maintaining stakeholder trust and ensuring compliance with regulations.

Policies

Eltel's Code of Conduct and its associated policies outline our expectations for employees and partners to uphold high business standards.

- Code of Conduct
- Supplier Code of Conduct
- Whistleblowing Policy
- Responsible Procurement Policy
- Anti-Bribery and Anti-Corruption Policy
- Tax Policy
- Risk Management Policy
- Competition Instruction
- Sanctions Policy

Anti-corruption

Eltel is dedicated to conducting business in an ethical and honest manner and is committed to implementing and enforcing systems that ensure bribery is prevented. We have a zero-tolerance policy for bribery and corrupt activities. We are devoted to acting professionally, fairly, and with integrity in all business contracts and relationships, wherever we operate.

Whistleblowing procedure

Eltel has established a whistleblowing system in accordance with the EU Whistleblowing Directive, providing employees with a secure platform to report potential violations or concerns. The system addresses conduct that may breach local or international law, the Code of Conduct, Eltel's values, policies, instructions, or human rights related to our operations.

The whistleblowing system is communicated to all employees, for example during mandatory annual Code of Conduct training, called Fair Play training.

A third-party service provider manages the whistleblowing procedure to ensure confidentiality and anonymity for those reporting. The system is implemented across all countries where Eltel has operations, except Lithuania and Germany. In each country, the local Legal Manager is responsible for handling whistleblowing reports, ensuring communication is conducted in the local language. Reports are investigated on a confidential basis, and the outcomes are communicated back to the whistleblower.

We regularly review the effectiveness of the grievance mechanisms to ensure that remedies provided are appropriate and that employee and other stakeholder concerns are properly addressed.

Responsible tax practices

In line with the Code of Conduct statement and Tax Policy, Eltel complies with local tax laws as well as international tax regulations such as OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD Guidelines) in all countries where Eltel operates. We aim to report taxes correctly and pay the correct taxes at the right time. Tax compliance and governance are important elements of internal control, tax risks are assessed on an ongoing basis and tax compliance matters are reported to senior management as well as to the Audit Committee. No executive or management employee of Eltel or by any of our subsidiaries has been convicted or found to be in violation of any tax laws or regulations.

Fair competition

Eltel is dedicated to emphasizing the importance of compliance with competition laws and regulations. Eltel's Competition Instruction is used to increase awareness and educate the workforce on the topic of fair competition. Directed training is additionally provided to senior management. No executive or management employee of Eltel or by any of our subsidiaries has been convicted or found to be in violation of any laws or regulations relating to fair competition.

Reports submitted to Eltel's whistleblowing channels	2024	2023
Business ethics (fraud, corruption, anti-competitive practices)	6	10
Discrimination, including harassment	9	2
Other HR matters	10	8
Environmental non-compliance	0	0

Of the 25 reports submitted in 2024, 18 were closed and 7 are still under investigation. The conclusions of the investigations were reported to the Audit Committee. None of the whistleblowing investigations resulted in criminal proceedings. In 2024, Eltel's Legal functions confirmed 1 instance of noncompliance with the anti-bribery and anti-corruption (ABAC) policy within the organization. Appropriate legal actions were taken in response to the confirmed incident. Other actions included the dismissal of 1 employee, process reviews, and the strengthening of internal controls to prevent similar occurrences in the future.

Managing supplier relationships

Eltel requires all our suppliers to uphold high ethical standards regarding legal compliance, environmental responsibility, fair competition, labor and human rights, and anti-corruption. These principles are detailed in our Supplier Code of Conduct.

In 2024, we adopted a Responsible Procurement Policy and accompanying instructions that outline our approach to integrating sustainability criteria into procurement decisions.

To follow-up on performance, we have introduced Supplier Surveys tailored to material suppliers, subcontractors, and indirect suppliers. The Supplier Surveys gather information on the suppliers' management of social, environmental, and governance (ESG) matters relevant to their role in our value chain. The responses to the surveys are used to assess the suppliers' alignment with our policies. In 2024, surveys were sent to 555 key suppliers, covering approximately 51% of the year's supplier spend. The key suppliers were identified based on their impact on Eltel's Scope 3 emissions and their share of total spend.

We are increasingly guided by environmental objectives in our approach to partnerships and supplier selection. Our Scope 3 climate target drives the prioritization of suppliers committed to the SBTi and those with set science-based climate targets.

Supply chain compliance	2024
Number of Supplier ESG Survey responses	246

Prevention of corruption and bribery

Eltel employs a risk-based approach to managing bribery and corruption, addressing risks through due diligence processes and employee training.

We continuously provide employee training on our policies, reinforcing the importance of integrity in everyday decisions. Our interactive Fair Play training promotes the Code of Conduct, covering areas such as safety, security, fair competition and anti-corruption. Annual Fair Play training is mandatory for all employees, and new employees receive the training as part of their onboarding process.

In 2024, no significant fines, sanctions or incidents were recorded relating to any non-compliance with Eltel´s Code of Conduct or any laws and regulations. No fines or convictions related to anti-corruption or anti-bribery laws occurred in 2024.

Code of conduct training	2024	2023
Fair Play training completion, % of employees	87	79

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in
Eltel AB (publ), corporate identity number 556728-6652

Engagement and responsibility
It is the board of directors who is responsible for the sustainability report for the year 2024 on pages 26–50 and that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

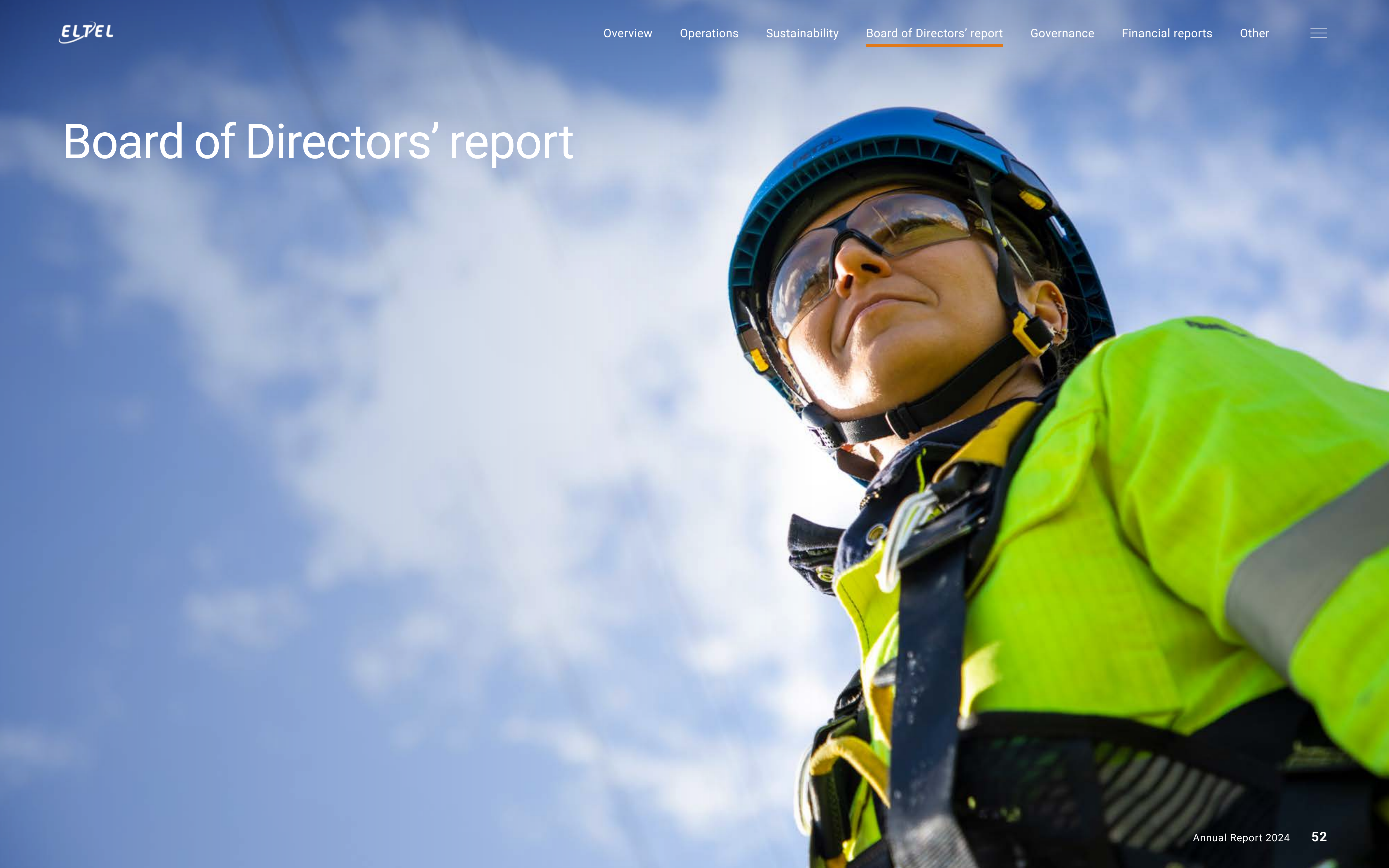
The scope of the examination
Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope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

Opinion
A statutory sustainability report has been prepared.

Stockholm 25 March 2025
KPMG AB

Fredrik Westin
Authorized Public Accountant

Board of Directors' report



Board of Directors report 2024

The Board of Directors and the CEO of Eltel AB, corporate registration number 556728-6652, with its registered office in Stockholm, hereby submit the Annual Report and consolidated financial statements for the 2024 financial year. Eltel AB and its subsidiaries operate under the Eltel brand. The consolidated group is called Eltel Group.

Company overview

Eltel is the leading service provider for critical infrastructure in the Nordics. We deliver a comprehensive range of communication and power services – everything from the design and build phase to corrective maintenance. This includes design, planning, building, installing, maintaining and securing the operation of networks for a more sustainable and connected world today and for future generations.

Our customers are primarily national owners and operators of communication and power networks. We offer a 24/7 and extensive geographical presence in our home markets.

Most of our work is conducted through long-term framework agreements that run between two to five years. This allows us to create and maintain long-term relationships with our customers and, through close cooperation, help them achieve their objectives.

As a consequence of the global trends affecting society, the infranet sector is constantly changing. The key ongoing trends driving this change include increasing customer and security demands, network reliability and surveillance, regulatory requirements, the need to upgrade ageing power infrastructure and the growing use of renewable energy in society. Eltel operates in the Nordic market and is also represented in Germany and Lithuania.

Communication services

Eltel optimizes communication networks to address society's growing demand for digitalization, transforming how people live, work and play. The business is primarily driven by technology upgrades, maintenance needs and increased demand for improved capacity and faster networks.

Eltel's main customers are large telecom operators and communication network infrastructure owners. Operations generally involve long-term relationships with a steady inflow of orders generated by framework agreements.

Read more about Eltel's Communication offering on page 14.

Power services

Eltel's Power services enable the electrification of society, which is playing a crucial role in developing sustainable energy solutions and helping to achieve national climate objectives. The demand for increased network capacity and capabilities is a major driver in the power market that will continue in the foreseeable future.

Primary customers include national transmission system operators, owners of power distribution grids and utility companies. Eltel also serves industrial companies and the public sector.

Read more about Eltel's Power offering on page 15.

Major contracts 2024

During 2024, Eltel signed contracts with a combined value of about EUR 863.3 million (714.0). Selection of important contracts:

- Eltel Sweden signed two contracts with the Swedish Transport Administration, with a total value of EUR 165 million. Both contracts have a maximum duration of seven years.
- Eltel Norway signed a three-year continuation of a current agreement with Telenor with an estimated value between EUR 90–180 million.
- Eltel Finland was selected by Taaleri Energia to construct and maintain the second largest solar park in Finland, with a contract value of EUR 73.5 million.
- Eltel Finland and Telia in Finland signed a three-year continuation of a current frame agreement worth about EUR 70 million.
- Eltel Finland and Elisa prolonged their partnership with a frame agreement by two years, with an estimated value approximately EUR 62 million.
- Eltel Finland and Helen Electricity Network Ltd signed a five-year agreement to construct and maintain Helsinki's electricity distribution network, with an estimated value of EUR 50 million.

Significant events 2024

Polish High Voltage business divested
Eltel divested its loss-making High Voltage business in Poland to minimize complexity and risks, focusing on core markets.

Continued focus on operational and commercial efficiency
All Country Units improved operational excellence with initiatives to boost profitability, including price increases and renegotiations.

Broadened customer base
We expanded our customer base in Communication, focusing on public infrastructure and defence, and in Power, attracting diverse new customers.

Position taken in new and adjacent markets
Eltel established itself as a reliable turnkey provider in renewable energy across the Nordics, by delivering solar park projects, implementing EV charging stations, and completing the first BESS, Battery Energy Storage System projects.

Green offering intensified
The Eltel Green Choice concept was launched to highlight sustainable project alternatives. The first project began for Helen Electricity Network in Helsinki.

January–December 2024

In segments, net sales increased by EUR 10.4 million. Organic net sales in segments, adjusted for currency effects, increased by 1.5%. Mainly as a consequence of the divestment of High Voltage Poland, net sales decreased by 2.5% to EUR 828.7 million (850.1). Organic growth, adjusted for currency effects and divestments was 1.8%. Currency effects had a positive impact of EUR 0.1 million.

Eltel's main operations in the four Nordic countries are presented as segments. In Q4 2024, the segments represented 94% of the net sales.

Other business includes High Voltage Poland until its divestment in Q2 2024, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International.

Adjusted EBITDA

Adjusted EBITDA was EUR 45.2 million (31.8). Adjusted EBITA improved to EUR 10.5 million (1.7) and the adjusted EBITA margin was 1.3% (0.2). Adjusted EBITA in segments was EUR 21.1 million (11.8) and the margin was 2.7% (1.5). In Other business, adjusted EBITA was EUR 0.7 million (-1.0)

Finland

Net sales increased by EUR 13.3 million, or 3.8%, to EUR 357.7 million (344.5). Growth in Communication, especially in the fiber-to-the-home business continued to be strong in 2024. Customers' investments into fiber have remained at high levels and volumes of other Communication business offerings have been stable throughout the year.

In line with our expectations, our Power services related to power infrastructure experienced a slight decline in volumes, mainly as a result from the market regulation. Power transmission volumes declined, mainly due to postponed customer decisions and investments in green energy transition projects. To fit our offering and organization to future market demand, we initiated and completed change negotiations, resulting in a reduction of 74 positions.

Adjusted EBITA improved by EUR 9.1 million to EUR 15.7 million (6.5). The adjusted EBITA margin was 4.4% (1.9). The profitability improvement is partly due to the increased volumes in Communication, but is also attributed to efficiency improvements and rightsizing the operations for the future market demands.

During 2024, Eltel Finland signed new contracts with a combined value of about EUR 383.0 million (232.2) adding to the total orderbook.

Read more about Eltel Finland on page 16–17.

Sweden

Net sales increased by EUR 13.3 million, or 6.7%, to EUR 211.8 million (198.5). Growth in local currency was 6.2%. Currency effects had a positive impact of EUR 1.0 million. Net sales growth was mainly a result of good volumes in Power. In Communication, the strong fourth quarter resulted in full year net sales growth.

Adjusted EBITA amounted to EUR 6.1 million (2.9). The adjusted EBITA margin was 2.9% (1.5). The improved profitability mainly resulted from better margins in Power, both in services related to power infrastructure and to the Smart Grids business. Also in Communication, the adjusted EBITA improved slightly.

During 2024, Eltel Sweden signed new contracts with a combined value of about EUR 234.5 million (198.2) adding to the total orderbook.

Read more about Eltel Sweden on page 19.

Norway

Net sales decreased by EUR 15.2 million, or 11.7%, to EUR 114.9 million (130.1). Currency effect was EUR -1.7 million. Growth in local currency was -10.3%. Decreased customer investments in Communication burdened net sales heavily throughout the year. However, the strong focus on broadening the customer base started to yield results during the year.

Adjusted EBITA was EUR -5.7 million (-2.5). The adjusted EBITA margin was -4.9% (-1.9). The profitability was negatively impacted by declining volumes in Communication.

Rightsizing the operations for the future market demands, including a restructuring process with reduction of over 200 employees and fleet, continued. In line with Eltel's strategy, the focus has been, and will continue to be, on margins and profitability rather than volumes.

During 2024, Eltel Norway signed new contracts with a combined value of about EUR 184.6 million (161.2) adding to the total orderbook.

Read more about Eltel Norway on page 21.

Denmark

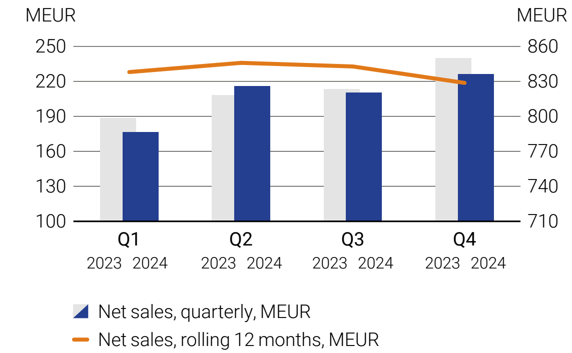
Net sales decreased by EUR 1.0 million, or 1.1%, to EUR 92.0 million (93.0). Net sales continued to decline in Communication, while the Power business showed a strong growth, albeit not compensating for the decline in Communication.

Adjusted EBITA was EUR 5.0 million (4.9). The adjusted EBITA margin was 5.4% (5.2). Thanks to improved profitability in Communication as well as in the Smart Grids business in Power, margins were kept at a healthy level.

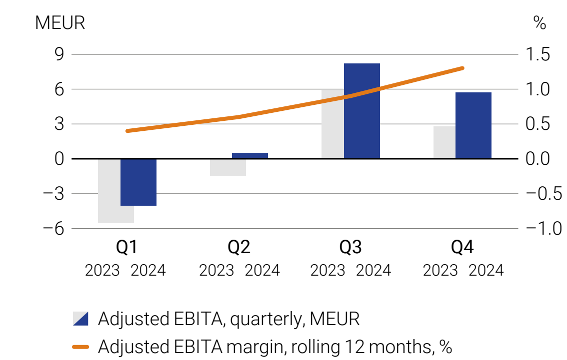
During 2024, Eltel Denmark signed new contracts with a combined value of about EUR 36.2 million (48.1) adding to the total orderbook.

Read more about Eltel Denmark on page 23.

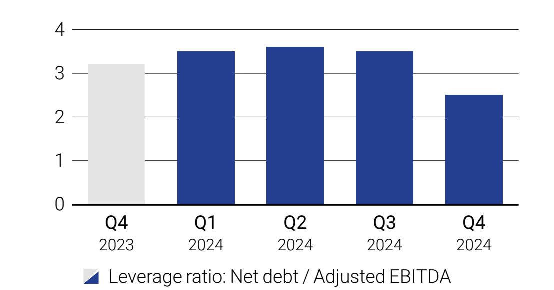
Net sales



Adjusted EBITA



Leverage



Other business

Net sales decreased by EUR 31.8 million to EUR 61.9 million (93.7). Of the decline EUR 20.9 million came from High Voltage Poland, which was divested in Q2 2024. In 2023, the net sales in High Voltage Poland amounted to EUR 36.3 million.

Adjusted EBITA improved by EUR 1.7 million to EUR 0.7 million (-1.0). In High Voltage Poland adjusted EBITA was EUR -1.0 million (-4.9), which contributed to the improved profitability until its divestment in Q2 2024.

Read more about Other business on page 25.

Cash flow

Cash flow from operating activities was EUR 27.5 million (34.0). Main items included EBITDA EUR 16.7 million (24.8), adjustment for gain/loss on sale of assets and business EUR 22.8 million (-0.1), cash flow from change in net working capital EUR -2.5 million (29.4, including EUR 28.3 million positive impact from tax deferral in Sweden), financial items EUR -12.4 million (-12.0) and income taxes EUR -0.9 million (-3.2). 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 -6.6 million (-4.3) including EUR -4.6 million cash flow impact from divestment of the Polish High Voltage business in Q2 2024 and net capital expenditure on machinery and equipment EUR -2.0 million (-4.3).

Cash flow from financing activities was EUR -24.0 million (-52.3). Utilization of short-term financing increased by EUR 8.9 million (decrease of 42.5). Amortization of term loan amounted to EUR 4.0 million (11.0), payment of hybrid bond interests amounted to EUR 3.4 million (0.8) and payments of lease liabilities were EUR 25.2 million (22.1). In addition, in January–December 2023 net proceeds from issue of the hybrid bond and related transaction costs amounted to EUR 24.2 million. In January–December 2023 Eltel also issued and purchased shares in accordance with a long-term incentive program, which had a cash flow impact of EUR 2.4 million and EUR -2.4 million, respectively.

Financial position, cash and cash equivalents

Equity at the end of the period was EUR 189.3 million (223.6) and total assets were EUR 585.4 million (624.3). The equity ratio was 35.5% (39.6).

INTEREST-BEARING LIABILITIES AND NET DEBT

EUR million	31 Dec 2024	31 Dec 2023
Interest-bearing debt	76.3	71.1
Leasing liabilities	58.7	53.9
Allocation of effective interest to periods	0.2	0.3
Less cash and cash equivalents	-21.3	-24.7
Net debt	**114.0**	**100.6**

EUR million	31 Dec 2024	31 Dec 2023
Non-current interest-bearing debt	15.8	20.7
Current interest-bearing debt	60.5	50.4
Total interest-bearing debt	**76.3**	**71.1**
Non-current leasing liabilities	36.0	33.9
Current leasing liabilities	22.7	19.9
Total leasing liabilities	**58.7**	**53.9**

CREDIT FACILITIES

EUR million	31 Dec 2024	Maturity
Term loan, current	4.0	Mar 2025–Dec 2025
Term loan, non-current	16.0	Jan 2026
Revolving credit facility	90.0	Jan 2026
Account overdrafts	15.0	Jan 2026
Total committed credit facilities	**125.0**	
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 80.3 million (90.7). 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 December 2024, EUR 10.0 million (8.0) of the commercial paper program and EUR 46.0 million (39.0) of the revolving credit facility were utilized.

Commercial guarantees

On 31 December 2024, the commercial guarantees issued by the banks and other financial institutions on behalf of the Group amounted to EUR 52.3 million (89.3).

Sustainability

Eltel has, in accordance with the Annual Accounts Act chapter 6 section 11, prepared the statutory Sustainability Report as a separate report which was approved for issue by the Board of Directors and the President and CEO. The scope of the Statutory Sustainability Report is defined on pages 26–50.

Employees

Eltel's goal is to be the most attractive employer in the industry by focusing on employee engagement and development opportunities. At the same time, we strive to be the best partner in the projects we deliver, prioritizing the well-being of all those affected by our operations.

Ensuring that all employees return home safely every day is Eltel's top priority. Working on sites and transportation to and from the different work locations involves significant health and safety risks due to the nature of the tasks performed. These include, for example, electrical safety hazards and risks associated with working at heights, managing aging infrastructure, and road safety. In 2024, the Lost Time Injury Frequency rate (LTIFR) increased slightly from 2.8 to 3.5, though this result still met our established safety targets.

Eltel conducts an annual group-wide employee engagement survey. The purpose is to communicate and understand how the employees feel about various aspects of their work, including managerial duties, workload, and opportunities for professional development. In 2024, a new area was added to the survey, Company values. It appears that efforts to communicate the values have been well-received by employees, as the average score for employee identification with these values was 3.9 out of 5. Once again, Relationships with Colleagues was the highest-rated area, improving to 4.2, from last year. Health and Safety, Meaningfulness and Participation, and Relationship with Manager continue to be important drivers of employee engagement.

In 2024, the average number of employees decreased by 9.4% to 4,550 (5,024). At the same time as Eltel recruited new skills to meet the needs in the new areas of renewable energy such as solar power and e-Mobility, a certain number of employees in the various charging units were laid off due to lower volumes than previously expected.

For more information, please refer to social information, pages 44–48.

Risk management

The goal of Eltel's Risk Management is to safeguard strategy execution from unexpected risks through assessing risks and opportunities on a daily basis. Risk awareness is part of our daily mindset.

The control environment within Eltel's corporate governance framework includes a set of clear rules of procedure for the Board of Directors and its committees, a clear organizational structure, documented delegation of authority (from the Board of Directors to the Group Management Team) and a series of Group policies and instructions. The governance framework and internal controls are applicable to all Eltel companies.

Eltel has a risk management process in place. The Internal Audit Function evaluates if the process is being followed and communicates identified deficiencies to top management.

For more information regarding financial risk management, please refer to note 14 in the Consolidated financial statements.

Risk Reporting
The Group Risk Management Team (RM Team), which is comprised of members of the current Group Function Management as defined in the Risk Management Policy, is responsible to ensure that risks are addressed adequately by Country Unit management. This is performed bi-annually when the forum discusses the risks and reviews them with a comparable view to ensure adequate risk management is in place. The forum provides feedback to the Audit Committee and the Board of Directors.

RISK REPORTING ROLES

Reports →

← **Provides feedback**

Country Unit	Group CEO/CFO	Group RM Team	Board/ Audit Committee
Identifies operational risks and opportunities. Reports risks, weight of risks and potential action plan via Monthly Business Review template. Addresses risks and opportunities as part of the Business Plan.	Reviews risks and opportunities during monthly business reviews. Confirms actions and deadlines. Reviews and approves risks as part of the Business Plan. Reports top operational risks to the Audit Committee at least bi-annually.	Meets bi-annually to review top risks to identify issues and decide whether further actions are needed, or reporting should be escalated. Prepares a bi-annual risk report to the Audit Committee as a summary of top strategic and operational risks.	Reviews deliverables from management and provides advice to the CEO.

MOST SIGNIFICANT RISKS

Strategic risk	Actions	Type
Sales and EBITA development long term: Eltel's limited capability to adjust to fluctuating customer demands is a sales and profitability risk. During the strategy period 2024–2026 the actual timing and value of telecom customers' CAPEX investments is uncertain. Furthermore, there is a risk of project delays due to higher than acceptable financing costs for customers, in new market segments such as e-Mobility, solar PV and mobile indoor. Inability to realize savings measure targets may further impact Eltel's ability to improve profitability as planned.	Actions are ongoing to develop the offering and secure project timelines. Increased Group Management steering and analysis of the effect of saving measures.	Sales and EBITA
Financial risk: The most significant financial risks are risks related to the availability of financing (refinancing and obtaining new loans) and liquidity.	As it is unlikely that bank financing can be increased in the short term, Eltel will likely have to seek some other form of liquidity buffer to secure continued operations and investment in growth.	Financing and liquidity
High dependency on one key customer in Norway: Contract renegotiations and changes in volumes coming from the key customer have a significant impact on the net sales, profitability and operations of the Norwegian Country Unit.	There are ongoing activities to find growth and broaden the customer base, as well as increased support and focus from Group Management and Group Functions.	Customer

Operative risk	Actions	Type
Health and safety in the working environment: Risk to employee or subcontractor health and safety in our operations is Eltel's most salient human rights risk. Main risk is injuries and incidents which may occur to our employee's and/or subcontractors through their daily activities.	Sharing of learnings from incidents and cascading safety bulletins throughout the organization including sharing such details with subcontractors, mainly to technicians and project managers, to improve awareness and incident prevention.	Health and safety
Capacity and competences: Lack of strong commercial mindset through-out the organization increases the risk of not reaching targets related to Eltel's overall profitability and market share on new markets. The availability of resources and finding the right competences is a challenge. The increasing salary levels make it even more challenging to attract and retain the right people.	Increased training of relevant personnel and overall awareness of commercial mindset. Increasing capacity to manage growth into new markets. Increasing resources through recruitment and the use of subcontractors. Actions also include moving resources between teams where possible to ensure the production capacity.	Capacity and competence
Inconsistent ways of working: Lack of standardized processes, sub-optimal systems/applications and inconsistent general ways of working decrease Eltel's ability to reach desired savings, efficiency and EBITA targets as well as perform accurate forecasting. Such also increases the risk of unexpected write-downs, penalties and/or poor result.	Harmonization initiatives steered by cross-border forums and use of Group Shared Services (GSS) as a strategic partner. This includes process and tool development as well as sharing of key learnings and best practices.	Process
IT & Cybersecurity: Increased cybercrime activity can present risks to the Group's data security and continuity. Human behavior is a key risk for IT security (e.g. downloading of unlicensed or malicious software or improper data transfers).	Investing in capabilities to identify serious threats to security and continuity. Security training given high focus to secure that the human firewall is in place. Group and Local NIS2 steering committees and defined action plans.	IT & Cybersecurity
Sustainability: There is a risk that during the tendering and planning phases the increasing sustainability related requirements in customer contracts are not fully considered or accurately defined, leading to unexpected costs, penalties and/or reputational damage for Eltel. Further refer to Sustainability Report, pages 26–50.	Ensuring that sustainability requirements are comprehensively considered during the tendering and planning phases and subsequent implementation phase. Further refer to Sustainability Report, pages 26–50.	Sustainability

Remuneration of senior executives

For information regarding remuneration to senior executives in 2024 and 2023, please refer to note 30 Remuneration to senior executives, in the Consolidated financial statements.

The Board of Directors of Eltel AB does not propose any changes to the guidelines for remuneration to senior executives, as adopted at the Annual General Meeting 2024.

Guidelines for remuneration to senior executives of the company

Eltel AB's Annual General Meeting 2024 resolved to adopt guidelines for remuneration to senior executives on the following principal terms and conditions.

Scope and applicability of the guidelines

These guidelines for remuneration to senior executives cover remuneration to the Board of Directors, the CEO, the Deputy CEO and other senior executives (the Group Management Team). The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after the adoption of the guidelines by the Annual General Meeting 2024.The guidelines apply until the general meeting resolves to adopt new guidelines for remuneration to senior executives. These guidelines do not apply to any remuneration decided or approved by the general meeting, e.g. remuneration to the Board of Directors and long-term incentive programs, which are decided separately by the general meeting of shareholders.

The Board of Directors shall be entitled to temporarily deviate from these guidelines, in whole or in part, if special reasons justify doing so in an individual case and such deviation is necessary in order to meet the Company's long-term interests and sustainability or to ensure the company's financial viability. If such a deviation occurs, it must be reported in the Remuneration Report before the next Annual General Meeting. As set out below, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration related matters, including potential matters regarding deviation from the guidelines.

The guidelines promote the company's business strategy, long-term interest and sustainability

The Board of Directors considers that a prerequisite of the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain a highly competent management with capacity of achieving specified goals. To this end, it is necessary that the company can offer competitive remuneration to motivate senior executives to do their utmost.

Variable cash remuneration covered by these guidelines shall be based on criteria that aim at promoting the company's business strategy and long-term interests, including its sustainability, and where the fulfilment of the criteria is determined by the method set out below. For a description of the company's strategy, please refer to www.eltelgroup.com/investors/investor-information/strategy-and-targets/

Forms of remuneration

The remuneration to senior executives shall be based on market terms. The remuneration may consist of fixed base salary, variable remuneration, pension, and certain other benefits. In addition, the general meeting may – regardless of these guidelines – resolve on share-related or share price related remuneration.

Fixed base salary

Fixed base salary for senior executives reviewed yearly and in accordance with local practices. The fixed base salary constitutes 60–80% of total remuneration excluding LTI and assuming a 50% outcome of STI.

Cash short-term incentives (STI)

The aim of the short-term incentive is to reinforce the right performance and behaviors – financially and operationally – and to align the individual performance with the company's business strategy, long-term interests, and sustainability.

The key performance criteria for senior executives are primarily financial, i.e. net sales, EBITA, operative cash-flow, net working capital (NWC) in relevant currencies and safety measured as the lost time injury frequency rate (LTIFR). A minor part of certain senior executives' key performance criteria can be discretionary under special circumstances.

The minimum financial performance of the company for any STI pay-out is defined by the Board of Directors as a level of result in EBITA. This level is set to guarantee a lowest level of earnings for the company before any STI pay-out is made.

The short-term incentives can amount to a maximum of 80% of the fixed base salary for the CEO and 60% for other senior executives.

Unless otherwise provided by mandatory law or obligations in applicable collective bargaining agreements, short-term incentives shall not entail any deposition of pension.

The STI is paid in connection with the ordinary monthly salary that is paid four months after the end of the qualifying period. The company is not able to recover remuneration paid out as STI.

In specific situations, for example in relation to potential divestments, M&A or specific projects, Eltel may offer cash bonuses that are conditional on the success of the specific transaction or project.

Long-term Incentives (LTI)

Senior executives can be offered share-related or share price-related remuneration. LTI are intended to improve the participants' commitment to the company's development and they shall be implemented on market- based terms. Resolutions on incentive programs related to shares and share prices must be passed at the general meeting and are therefore not covered by these guidelines.

Other benefits

Pension

Senior executives are offered pension benefits that are primarily based on defined insurance payments and in accordance with local practices.The pension benefits are generally funded through payments to insurance companies or trustee-administered funds.

Company car

Senior executives are offered a company car and other benefits (such as allowances to physical activity, personal health, lunch facilities, health insurance etc.) in accordance with local rules, regulations, and practices in each country.

Other benefits constitute 4–14% of total remuneration excluding LTI and assuming a 50% outcome of STI.

Notice of termination and severance pay
The senior executives' employment or contractual agreements shall be valid until further notice or for a specified period of time.

The notice period is twelve months for the CEO in the event of termination by the company and twelve months in the event of termination by the CEO. In the event of termination by the company, the CEO is entitled to a severance pay equivalent of twelve months' fixed base salary and payable in one sum. The total amount of the salary and severance payment for the CEO may not exceed an amount corresponding to two years' fixed base salary.

The notice period is twelve months for other senior executives in the event of termination by the company and six months in the event of termination by other senior executives themselves. No other senior executive than the CEO is entitled to severance payment.

Salary and terms of employment for employees
In preparing the Board of Directors' proposal for these remuneration guidelines, the salaries, and terms of employment for the company's employees have been taken into account.

Information about employees' total remuneration, components of their remuneration as well as increases in remuneration and increases over time have been obtained and have constituted a part of the Remuneration Committee's and the Board of Directors' decision basis in their evaluation of the fairness of the guidelines and the limitations arising from them.

The resolution process
The Board of Directors shall prepare a proposal for new guidelines when there is a need for significant changes to the guidelines, however at least every four years. The Board of Directors' proposal is prepared by the Remuneration Committee. The chairman of the Board of Directors may chair the Remuneration Committee. In order to manage conflicts of interest, other members of the Remuneration Committee who are elected by the Annual General Meeting must be independent in relation to the company and the senior executives.

The Remuneration Committee shall, inter alia, monitor and evaluate the application of the guidelines for remuneration to senior executives decided by the Annual General Meeting. When the Remuneration Committee has prepared the proposal, it is submitted to the Board of Directors for decision.

The CEO or other senior executives shall not be present while the Board of Directors addresses matters related to remuneration and passes resolutions about them, insofar as they are affected by the matters.

If the Annual General Meeting does not resolve to adopt guidelines when there is a proposal for such, the Board of Directors shall submit a new proposal no later than the next Annual General Meeting. In such cases, remuneration shall be paid in accordance with the current guidelines or, if no guidelines exist, in accordance with the company's practice.

External advisors are used in the preparation of remuneration-related matters when deemed necessary.

Subsequent events
Ingrid Therese Tjøsvold appointed as new Managing Director for Eltel Norway
On 15 January 2025, it was announced that Ingrid Therese Tjøsvold had been appointed as new Managing Director for Eltel Norway. Ingrid Therese Tjøsvold replaces Thor-Egel Bråthen who is leaving Eltel. Ingrid Therese Tjøsvold assumed her role in February 2025.

Corporate Governance Report
Eltel has issued a Corporate Governance Report for the financial year 2024. The Corporate Governance Report has been prepared in accordance with the Swedish Corporate Governance Code.

The Eltel share
Eltel's shares are listed on Nasdaq Stockholm, under the trading symbol "ELTEL". As per 31 December 2024, the total number of shares amounts to 160,585,581 divided into 156,736,781 ordinary shares with 1 vote per share and 3,848,800 C shares with 1/10 vote per share. The share capital entered in the trade register per 31 December 2024 is EUR 161,950,203.

More about the Eltel share please refer to pages 110–111.

Dividend policy
A dividend policy has been adopted whereby 50% of Eltel's consolidated net profit shall be paid in dividends over time (with flexibility in relation to the pay-out ratio).

The Parent Company
Eltel AB owns and governs the shares of 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 Parent Company's income amounted to EUR 8.3 million (1.9) related to support function services provided to the Group. The operating expenses amounted to EUR 9.1 million (7.4).

Financial income amounted to EUR 21.2 million (20.8) related to interest income from Group companies. Financial expenses amounted to EUR 4.2 million (3.6) and Group contribution of EUR 16.0 million (11.6) was given to a subsidiary company. Net result was EUR 0.2 million (0.1).

The Board's proposal for the distribution of profits
The Parent Company's non-restricted equity on 31 December 2024 was EUR 303,317,433.53 of which the net profit for the year was EUR 164,746.60. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the year 2024 and that the non-restricted equity of EUR 303,317,433.53 be retained and carried forward.

Corporate Governance report

Eltel AB (publ) (hereafter referred to as "Eltel" or the "Company") is a Swedish public limited liability company with its shares admitted to trading on Nasdaq Stockholm.

Eltel complies with the guidelines and provisions of its Articles of Association, the Swedish Companies Act (Sw. Aktiebolagslagen (2005:551)), the Swedish Annual Accounts Act (Sw. Årsredovisningslagen (1995:1554)), the rules and regulations of Nasdaq Stockholm's Rule Book for Issuers, as well as other applicable Swedish and international laws and regulations. Eltel applies the Swedish Corporate Governance Code (the "Code"), issued by The Swedish Corporate Governance Board (Sw. Kollegiet för svensk bolagsstyrning), available at www.corporategovernanceboard.se

Eltel's Audit Committee has reviewed this Corporate Governance Report (the "Report") and confirms that the description of the main features of the internal audit and risk management section, as related to the financial reporting process, is consistent with the financial statements, as set out in Eltel's Annual Report 2024.

Eltel's governance structure

Eltel's internal governance is regulated by the Swedish Companies Act and the Code.

Shareholders

Ownership structure

As per 31 December 2024, Eltel has 3,321 shareholders. The four largest shareholders of Eltel AB are Solero Luxco S.á.r.l. 16.4% (a company controlled by Triton Funds), Wipunen Varainhallinta Oy 14.9%, the Fourth Swedish National Pension Fund (AP4) 9.6%, and Heikintorppa Oy 8.7%. The four largest shareholders referred above together represent 49.5% of the votes in the Company.

Shares and votes

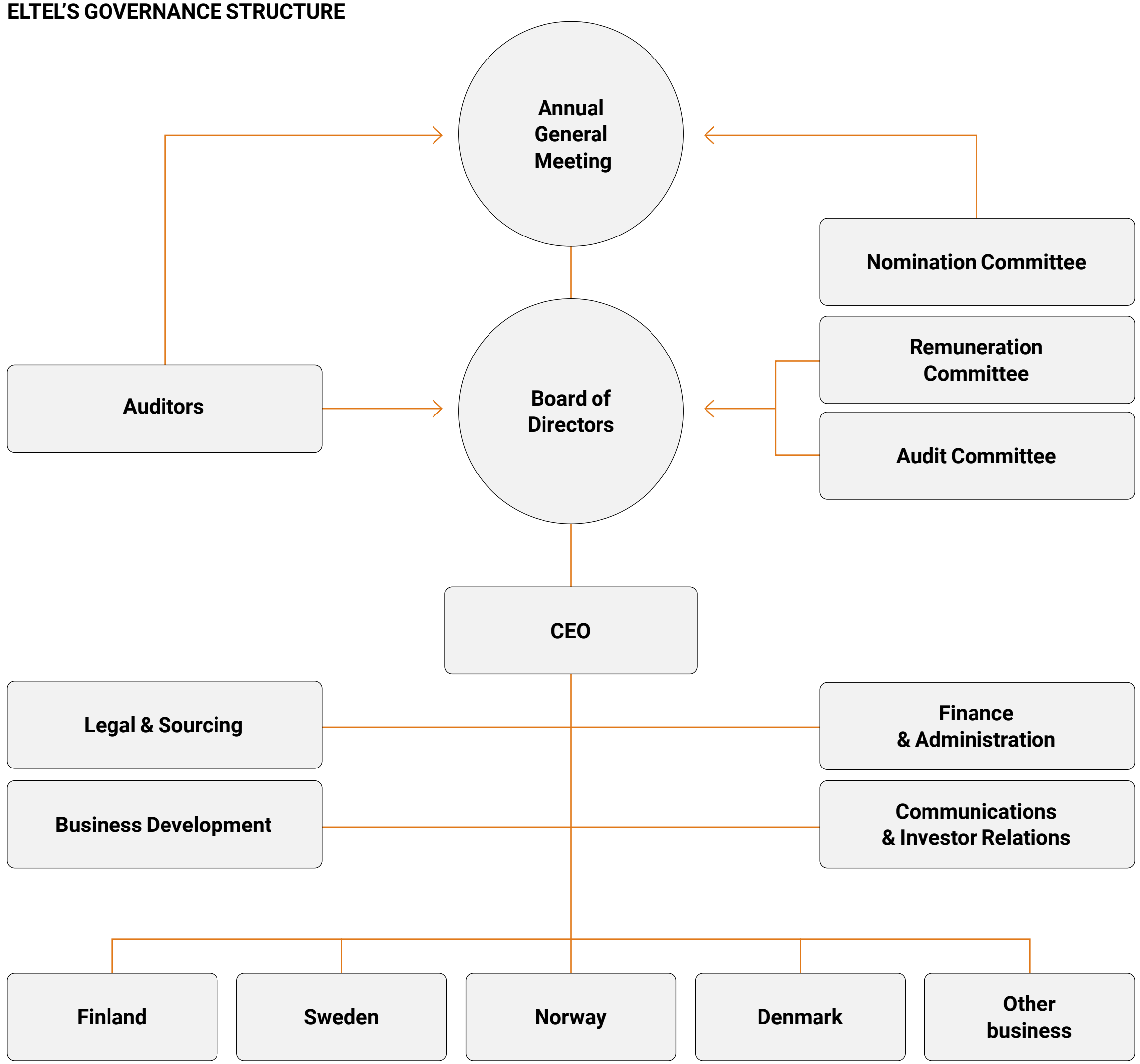
Eltel's shares are listed on Nasdaq Stockholm, under the trading symbol "ELTEL". As per 31 December 2024, the total number of shares amounts to 160,585,581 divided into 156,736,781 ordinary shares with 1 vote per share and 3,848,800 C shares with 1/10 vote per share. The share capital entered in the trade register per 31 December 2024 is EUR 161,950,203.

The General Meeting of shareholders

The General Meeting of shareholders is Eltel's highest decision-making body. In addition to the Annual General Meeting of shareholders, Extraordinary General Meetings of shareholders may be convened at the discretion of the Board of Directors or, if requested by the external auditor or by shareholders holding at least 10% of the shares. At the Annual General Meeting, shareholders exercise their voting rights on matters such as:

- Approving the financial statements
- Deciding on the distribution of dividends
- Discharging the company's Board of Directors and CEO from liability for the financial year

ELTEL'S GOVERNANCE STRUCTURE



- Electing the Company's Board of Directors and auditors and deciding on their remuneration
- Other matters as stipulated in the Swedish Companies' Act, the Articles of Association or the Code, as applicable.

All General Meetings are convened by notice in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by publishing the notice of the meeting on Eltel's website. At the time of the notice, an announcement with information that the notice has been issued is published in the newspaper Svenska Dagbladet. Eltel also publishes invitations to its General Meetings as regulatory press releases.

All shareholders who have been entered in the share register and have informed the Company of their attendance within the time limit stated in the notice of the meeting are entitled to participate at Eltel's General Meetings and vote according to the number of shares held. Shareholders are also entitled to be represented by a proxy at the meeting.

Annual General Meeting 2024

Eltel's Annual General Meeting was held on 14 May 2024. Shareholders representing 94,902,767 shares, constituting 59.1% of the total number of shares and votes in the Company, participated. Matters addressed at the meeting included the following:

- Resolution regarding adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and consolidated balance sheet and resolution regarding appropriation of the Company's profit according to the adopted balance sheet
- Resolution regarding discharge from liability for the members of the Board of Directors and the CEO
- Re-election of Ann Emilson, Joakim Olsson, Erja Sankari, and Roland Sundén as members of the Board of Directors. New election of Per Sjöstrand and Johan Nordström as members of the Board of Directors and Per Sjöstrand as Chairman of the Board of Directors.
- Election of KPMG AB as the auditor (whereby it was announced that Fredrik Westin will continue as auditor-in-charge)
- Resolution regarding approval of the Remuneration Report for 2023
- Resolution regarding adoption of guidelines for remuneration to senior executives
- Resolution regarding a share-based long-term incentive program 2024 ("LTIP 2024")
- Authorization for the Board of Directors to resolve to issue new shares and authorization for the Board of Directors to resolve to repurchase and transfer the Company's own shares.

The minutes of the Meeting and other related documents can be found on Eltel's website: https://www.eltelgroup.com/about-us/corporate-governance/annual-general-meeting/agm-archive/

Annual General Meeting 2025 and Annual Report 2024

Eltel's Annual General Meeting 2025 will be held on 13 May 2025.

The Annual Report 2024 will be made available on the Group website www.eltelgroup.com from week 13, 2025.

Nomination Committee

According to the Rules of Procedures for the Nomination Committee (the "Rules of Procedure"), the committee shall, as a starting point, comprise four members, each representing one of the four largest shareholders in Eltel as per the last banking day in August the year before the Annual General Meeting. The Rules of Procedures stipulate that the Nomination Committee's main duties are to propose candidates for the Board of Directors, the Chairman of the Board, as well as fees and other remuneration for the members of the Board of Directors, and that the Nomination Committee is to make proposals on the election and remuneration of the statutory auditor. Shareholders in Eltel are invited to submit proposals to the Nomination Committee. Further, under the Rules of Procedures, the Nomination Committee shall pay special attention to the requirements relating to diversity and breadth of qualifications, experience, and background, as well as the requirement to strive for gender balance in the Board of Directors.

Pursuant to the Rules of Procedures, the Nomination Committee shall accomplish its duties in accordance with the Code. As stated in the Nomination Committee's motivated statement in April 2024, when preparing its proposal on the composition of the Board of Directors for the Annual General Meeting 2024, the Nomination Committee applied rule 4.1 of the Code as diversity policy. Pursuant to rule 4.1 of the Code, (i) the Board of Directors shall have a composition appropriate to the company's operations, phase of development and other relevant circumstances, (ii) the Board members elected by the general meeting shall collectively exhibit diversity and breadth of qualifications, experience and background, and (iii) the company shall strive for gender balance on the Board. The aim of the diversity policy is that the Board of Directors shall have a composition that ensures its capacity to manage the Company's affairs efficiently, with integrity and in the best interests of the Company and all its shareholders. Out of the Board members elected by Eltel's Annual General Meeting 2024, four (4) were men and two (2) were women.

An annual evaluation of the Board of Directors' work, expertise, composition, and independence of its members is initiated by the Chairman of the Board of Directors, partly to assess the preceding year and partly to identify areas of development for the Board of Directors. The evaluation is performed with the support of an evaluation form and through discussions, as well as through individual interviews of the members of the Board of Directors.

Nomination Committee for the AGM 2025

For the 2025 Annual General Meeting, the Nomination Committee consists of the following members (votes as per last banking day in August 2024):

- Gustaf Backemar, Chairman, Solero Luxco S.á.r.l. (approx. 16.4% of votes)
- Peter Immonen, Wipunen Varainhallinta Oy (approx. 14.9% of votes)
- Thomas Ehlin, the Fourth Swedish National Pension Fund (approx. 9.6% of votes)
- Ingeborg Åkermarck, Heikintorppa Oy (approx. 8.0% of votes).

The members of the Nomination Committee have met on three occasions and held separate sessions to interview individual members of the Board.

The Nomination Committee's complete proposals for the 2025 Annual General Meeting will be published in the notice convening the 2025 Annual General Meeting.

The Board of Directors

The Board of Directors' responsibility is regulated by the Swedish Companies Act, the Swedish Annual Accounts Act, the Company's Articles of Association, directions given by the General Meeting and the Charter for Eltel's Board of Directors adopted by the Board of Directors. In addition, the Board of Directors shall comply with the Code and Nasdaq Stockholm's Rule Book for Issuers, as well as other applicable Swedish and international laws and regulations.

Responsibility of the Board of Directors

The Board of Directors is responsible for the Company's organization and administration of the Company's affairs. The Board of Directors shall continuously assess the Group's financial situation, as well as ensure that the Company's organization is structured in such a way that the accounting, management of funds and the financial conditions are securely controlled.

The Board of Directors is also responsible for setting objectives and strategies, ensuring efficient systems for follow-up and control of the Company's operations, identifying how sustainability issues impact risks to and business opportunities for the Company, and that satisfactory controls are in place to ensure the Company's compliance with laws and other regulations applicable to Eltel's operations. Furthermore, the Board of Directors shall ensure the implementation of appropriate policies and other steering documents regarding the Company's conduct and that any public disclosure of information is made in accordance with laws and established practices (including Nasdaq Stockholm's Rule Book for Issuers). In addition, the tasks of the Board of Directors include appointing, evaluating and, if necessary, dismissing the CEO.

With the exception of employee representatives, members of the Board of Directors are appointed at the Annual General Meeting one year at a time for the period until the end of the next Annual General Meeting. According to the Company's Articles of Association, the number of members of the Board of Directors to be elected at the General Meeting shall be no less than three and no more than ten ordinary members and no more than three deputies. In accordance with the Code, the majority of the members of the Board of Directors shall be independent of the Company and its management.

Eltel's Board of Directors has adopted a Charter for its work. The Charter is reviewed annually. The Charter regulates, for example, the Board of Directors' roles and responsibilities, the Board's ways of working and the division of tasks within the Board. The Board of Directors also has adopted an Instruction for the CEO of Eltel, as well as an Instruction for financial reporting.

MEMBERS OF THE BOARD OF DIRECTORS

Name	Position	Year of birth	Election year	Share-holding	Remuneration EUR	Independence from main owners	Independence of the Company
Per Sjöstrand[1)]	Chairman	1958	2024	–	79,100	Yes	Yes
Ulf Mattsson[2)]	Chairman	1964	2017	–	39,600	Yes	Yes
Ann Emilson	Member	1965	2022	–	44,700	Yes	Yes
Gunilla Fransson[2)]	Member	1960	2016	–	17,600	Yes	Yes
Johan Nordström[1)]	Member	1965	2024	–	24,300	Yes	Yes
Joakim Olsson	Member	1965	2018	–	44,700	No	Yes
Erja Sankari	Member	1973	2022	–	44,700	Yes	Yes
Roland Sundén	Member	1953	2018	150,000	58,400	Yes	Yes
Stefan Söderholm	Employee representative	1960	2021	–	–	Yes	No
Björn Tallberg	Employee representative	1976	2015	–	–	Yes	No

1) From 14 May 2024. 2) Until 14 May 2024.

Information about the Board of Directors' other assignments can be found on page 65.

BOARD MEETING PARTICIPATION 2024

	30 Jan	5 Feb (extra)	13 Feb	21 Mar	25 Apr	10 May[3)]	14 May	28 May	13 June	24 July	11 Sep	30 Oct	7 Nov (extra)	12 Dec
Per Sjöstrand[1)]	–	–	–	–	–	–	•	•	•	•	•	•	•	•
Ulf Mattsson[2)]	•	•	•	•	•	•	–	–	–	–	–	–	–	–
Ann Emilson	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Gunilla Fransson[2)]	•	•	•	•	•	•	–	–	–	–	–	–	–	–
Johan Nordström[1)]	–	–	–	–	–	–	–	•	•	•	•	•	•	•
Joakim Olsson	•	•	•	•	•	•	•	–	•	•	•	•	–	•
Erja Sankari	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Roland Sundén	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Stefan Söderholm	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Björn Tallberg	•	•	–	•	•	•	•	–	•	•	•	•	•	•

1) From 14 May 2024. 2) Until 14 May 2024. 3) Per capsulam.

Board of Directors in 2024

As per 31 December 2024, the Board of Directors consists of eight ordinary members (six members elected by the General Meeting of shareholders and two employee representatives):

- Per Sjöstrand, Chairman
- Ann Emilson
- Johan Nordström
- Joakim Olsson
- Erja Sankari
- Roland Sundén
- Stefan Söderholm, employee representative
- Björn Tallberg, employee representative

The members of the Board of Directors are presented in greater detail in the section "Board of Directors" on page 65.

The Chairman Per Sjöstrand and the Board members Ann Emilson, Johan Nordström, Erja Sankari and Roland Sundén are deemed to be independent of the owners and the Company. Joakim Olsson is deemed to be independent of the Company but dependent on significant shareholders due to his positions in relation to Solero Luxco S.á.r.l.

Matters for the Board of Directors during 2024

In 2024, the main focus of the Board of Directors was to ensure the execution of the Company's strategy and improvement of profitability and liquidity. The sale of HV Poland was also a main focus.

In 2024, the Board of Directors held 14 meetings. For details of Board member participation in Board meetings, please see table Board meeting participation 2024.

Evaluation of the Board of Directors' performance

To ensure the quality of the work of the Board of Directors and to identify the possible need for further expertise and experience, the work of the Board of Directors and its members is evaluated annually. In 2024, evaluations, led by the Chairman of the Board of Directors, were carried out by way of each Board member responding to an online questionnaire. The compiled results were presented to the Board of Directors at the final Board meeting of the year. The Chairman of the Board of Directors also presented the results of the evaluations at a meeting with the Nomination Committee.

Board committees

An Audit Committee and a Remuneration Committee is annually appointed by the Board of Directors in its constituent meeting following the Annual General Meeting. The Board of Directors may also appoint other committees, if deemed necessary. The Board of Directors appoints the members of the committees and their chairmen by taking account of the expertise and experience required for the duties. The members of each committee are appointed for the same term of office as the Board of Directors itself. The main responsibilities of the committees, as further outlined below, are to prepare matters that are within the Board of Directors' decision power.

The Audit Committee

The main responsibilities of the Audit Committee are to:

- Monitor the Company's financial reporting
- Monitor the effectiveness of the Company's internal control, internal audit, and risk management
- Keep itself informed regarding the audit of the Annual Report and Group accounts
- Review and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides the Company with services other than auditing services
- Assist in the preparation of proposals to the resolutions to the General Meeting regarding the election of an auditor
- Advise and perform tasks that are specifically delegated from the Board of Directors, if any.

As part of the tasks described above, the Chairman of the Audit Committee shall support senior management with matters related to financial reporting and information disclosure and have ongoing contact with the auditor on these topics.

The Audit Committee Chairman shall also support the CEO, the CFO and Group Communications in matters relating to information disclosure, financial reporting, and media contacts, particularly in the event of a crisis.

The Audit Committee in 2024

As per 31 December 2024, the Audit Committee consists of three members: Roland Sundén (Chairman), Joakim Olsson and Erja Sankari.

In 2024, the Audit Committee held six meetings, at which Eltel's external auditor (except for one extra Audit Committee Meeting) and representatives of the Company's management were present.

AUDIT COMMITTEE PARTICIPATION 2024

	13 Feb	23 Apr	24 Jul	5 Sep (extra)	30 Oct	10 Dec
Gunilla Fransson[1]	•	•	–	–	–	–
Joakim Olsson	•	•	•	•	•	•
Erja Sankari	•	•	•	•	•	•
Roland Sundén	•	•	•	•	•	•

1) Until 14 May 2024.

The Remuneration Committee

The main responsibilities of the Remuneration Committee are to:

- Prepare the Board of Directors' resolutions on issues concerning remuneration principles, remunerations, and other terms of employment for the senior management
- Monitor and evaluate programs for the variable remuneration of senior management, both ongoing and terminated during the year
- Monitor and evaluate the application of the guidelines for the remuneration of senior management upon which the Annual General Meeting is legally obliged to decide, as well as the current remuneration structures and levels in the Company
- Assess and plan the succession of senior management at Eltel.

The Remuneration Committee in 2024

As per 31 December 2024, the Remuneration Committee comprises three members: Per Sjöstrand (Chairman), Ann Emilson and Roland Sundén.

The Remuneration Committee held four meetings in 2024.

REMUNERATION COMMITTEE PARTICIPATION 2024

	6 Feb	21 Mar (extra)	3 Oct	9 Dec
Per Sjöstrand[1]	–	–	•	•
Ulf Mattsson[2]	•	•	–	–
Ann Emilson	•	•	•	•
Roland Sundén	•	•	•	•

1) From 14 May 2024.
1) Until 14 May 2024.

Remuneration principles at Eltel

Eltel's guidelines for remuneration to senior executives, as adopted at the Annual General Meeting 2024, are set out in the Board of Directors' Report. Eltel's Remuneration Report for 2024 will be submitted for approval at Eltel's Annual General Meeting 2025.

External Audit

The Annual General Meeting appoints an external auditor for one year at a time. The external auditor is responsible for auditing the annual financial statements of the Group and Parent Company.

The external auditor also reviews the third quarter interim report, the Corporate Governance Report, the Sustainability Report and the Company's administration. The external auditor attends all regular Audit Committee meetings and reports observations related to internal control, administration of the Company and the review of the third quarter and the annual financial statements. The external auditor attends at least one Board meeting each year.

External auditor in 2024

The Annual General Meeting in 2024 elected KPMG AB as Eltel's external auditor for a one-year mandate, with Fredrik Westin as auditor-in-charge. In 2024, total fees paid to the external auditors, KPMG AB, amounted to EUR 0.8 million, of which non-auditing services totaled EUR 0.1 million.

Group Management Team

Chief Executive Officer

Eltel's President and Chief Executive Officer (CEO) reports to the Board of Directors. Håkan Dahlström is the President and CEO of the Eltel Group. The CEO's responsibility is governed by the Swedish Companies Act, the Swedish Annual Accounts Act, the Company's Articles of Association, directions given by the General Meeting, Eltel's Instructions to the CEO and other directions and guiding principles established by the Board of Directors.

Group Management Team

The Group Management Team ("GMT"), chaired by the CEO, meets a minimum of 10 times annually (12 times in 2024). The GMT considers strategic and operational issues related to the Group and its businesses, as well as investments, Group structure and corporate steering systems, and it supervises the Company's operations. The GMT also delivers the annual business plan, budget and forecast updates to the Board of Directors in accordance with the Company's established planning cycle.

The Group Management Team comprises the following members[1]:

- Håkan Dahlström, President and CEO
- Tarja Leikas, CFO
- Caroline Lindgren, General Counsel and Head of Sourcing
- Alexandra Kärnlund, Director, Communications and Investor Relations
- Pamela Lundin, Director, Business Development
- Juha Luusua, Managing Director, Eltel Finland
- Lars Nilsson, Managing Director, Eltel Sweden
- Ingrid Therese Tjøsvold, Managing Director, Eltel Norway
- Claus Metzsch Jensen, Managing Director, Eltel Denmark.

Information on the members of the GMT can be found on page 66.

Control systems

Guidelines and manuals

Eltel's internal control system, which comprises all corporate governance including policies, guidelines, and procedures, is communicated via management, and is organized according to the requirements of each Country Unit. Eltel's IFRS Accounting Manual contains instructions and guidance on accounting and financial reporting to be applied at all Eltel Group companies. The manual's objective is to provide guidance on Eltel Group accounting principles to be applied in Group reporting as well as preparation of the consolidated financial statements.

Fundamental Eltel policies cover areas such as authorization, Code of Conduct, internal control and risk management, reporting of suspected violations of laws, sanctions and export control, ethics or misconduct (whistleblowing) to Eltel's Compliance unit, health and safety, crisis and communications and investor relations, sustainability, responsible procurement, restrictions on insider trading, accounting and controlling, IT (including AI).

As part of regular monitoring, Eltel conducts internal audits to verify that the Company complies with the approved governance. Regular reporting, follow-up and escalation procedures have been implemented in which the Audit Committee is ultimately made aware if issues are identified.

The CEO is primarily responsible for implementing the Board of Directors' instructions in the day-to-day work. The CEO regularly reports to the Board based on established procedures. Furthermore, monthly operational business reviews are conducted with the CEO and CFO.

Information and communications

All external communications are carried out in accordance with the relevant regulations and Eltel's Crisis and Communications Policy.

Eltel has a Group Communications function that focuses on three key communication areas: Investor Relations, internal and external communications and brand and marketing.

Follow-up

The Board of Directors and GMT monitor Eltel's compliance with adopted policies and guidelines. At each Board meeting the Company's financial position is addressed. The Remuneration and Audit Committees play key roles in terms of, for example, remuneration, financial statements and internal control. Prior to the release of interim reports and the Annual Report, the Audit Committee and the Board of Directors review the financial statements.

Eltel's management conducts a monthly follow-up of earnings, analyzing any deviations from the budget, forecasts and the previous year.

The duties of the external auditor include performing an annual review of the internal controls of the Group and Group subsidiaries. Status and identified deviations are addressed at the Audit Committee meetings or escalated earlier, when appropriate.

The Board of Directors meets with the auditors once a year to review the internal controls and, in specific cases, to instruct the auditors to perform separate reviews in specific areas. The auditors attend all regular Audit Committee meetings.

Priority areas in 2024

Eltel's significant priority areas for 2024 included the following:

- Continued implementation and execution of the strategy (including the launch of the Eltel values create opportunities, always professional, care for life and combine strengths; and implementation of Objectives and Key Results (OKR) to measure the execution of the strategy)
- Improving commercial capabilities
- Expanding the customer base and broadening the offering e.g. in solar, BESS, etc.
- Prioritize core operational improvements
- Sale of HV Poland to minimize complexity and risks associated with project business outside Nordics
- Sustainability work accelerated due to its impact on our business and the reporting requirements.

Internal audit 2024

Internal audit is responsible for internal audit engagements, the internal control framework, the group risk management process and the monitoring of Eltel's compliance with governance principles, which are based on Eltel's Policy and Instruction landscape, applicable laws and generally accepted accounting principles.

During the year, the function performed internal audits as per the annual audit plan and updated the internal control catalogue as well as performed internal control testing. The function also assessed and improved compliance and risk management processes. The internal audit engagements covered select projects and business processes both on Group and Country unit level.

The outcome of the internal audits and control testing has been followed up and communicated accordingly. The function will continue to focus on the testing and development of internal controls, leading the group risk management process, as well as performing internal audits of customer projects and key business processes as outlined in the 2025 internal audit plan.

Risk management

Please see Board of Director's report page 56–57.

[1] Henrik Sundell, General Counsel, left the company on 31 January 2024 and was replaced on 1 February 2024 by the current General Counsel, Caroline Lindgren. Elin Otter, Director, Communications and Investor Relations left the Company on 26 April 2024 and was replaced on the same day by the current Director, Communications and Investor Relations, Alexandra Kärnlund. Thor-Egel Bråthen, Managing Director, Eltel Norway left the company on 10 February 2025 and was replaced by the current Managing Director, Eltel Norway, Ingrid Therese Tjøsvold.

Board of Directors

PER SJÖSTRAND

Chairman of the Board since 2024

Born: 1958

M.Sc. Engineering

Positions and other board memberships:
Chairman of the Board of Instalco, Håndverksgruppen, Green Landscaping, Uniwater and BPG. Member of the Board of NCG.

Board committees:
Chairman of the Remuneration committee

Previous positions:
CEO at Instalco AB. Director, Major Projects at the Swedish Transport Administration. Chairman of the Board of Fasadgruppen Group AB.

Shareholding:
–

ANN EMILSON

Member of the Board since 2022

Born: 1965

M.Sc. Industrial Management and Engineering

Positions and other board memberships:
–

Board committees:
Member of the Remuneration Committee

Previous positions:
EVP, Global Sales & Marketing at Tobii AB. Head of Business Unit Public& Key at Telia. Vice President, Retail, Telecom and Utility Business at CGI Stockholm. Various managerial positions at Ericsson AB.

Shareholding:
–

JOHAN NORDSTRÖM

Member of the Board since 2024

Born: 1965

MBA

Positions and other board memberships:
CEO of Green Landscaping Group. Member of the Board of several of Green Landscaping Group's subsidiaries.

Board committees:
–

Previous positions:
Chairman of the Board of Car-O-Liner Group AB. CEO at Alignment Systems. Managing Director at Europe Drivesol Worldwide Inc. Strategic Business Development Director at Teleflex. CEO at Telair.

Shareholding:
–

JOAKIM OLSSON

Member of the Board since 2018

Born: 1965

MBA and M.Sc. Mechanical Engineering

Positions and other board memberships:
Partner at Triton. Chairman of the Avisory Board of Arvos Group and Dywidag. Member of the Board of Trench Group Advisory Board.

Board committees:
Member of the Audit Committee

Previous positions:
Chairman of the Board of Seves Group S.á r.l. Member of the Board of Logstor A/S. Chairman of the Board of Ovako Group AB. Member of the Board of FläktGroup GmbH, VCST and Semcon AB. CEO at SAG Group GmbH and Haldex AB.

Shareholding:
–

ERJA SANKARI

Member of the Board since 2022

Born: 1973

M.Sc. Economics

Positions and other board memberships:
EVP and Chief Operating Officer at iLOQ. Member of the Board of Nurminen Logistics, Partnera Oyj, Proventia Oy and Leden Group.

Board committees:
Member of the Audit Committee

Previous positions:
Vice President, Global Supply Chain at Nokia. Vice President, Supply Chain Engineering at Nokia. Head of Oulu Factory at Nokia/Nokia Siemens Networks. Various managerial positions at NSN and Nokia.

Shareholding:
–

ROLAND SUNDÉN

Member of the Board since 2018

Born: 1953

M.Sc. Mechanical Engineering

Positions and other board memberships:
MD at PrimeValue Consult AB.

Board committees:
Chairman of the Audit Committee, Member of the Remuneration Committee

Previous positions:
President at Hiab and Member of Cargotec Executive Board. President and CEO at LM Wind Power. President, Agricultural Division at Case New Holland. Executive Vice President at Volvo Construction Equipment.

Shareholding:
150,000 shares

STEFAN SÖDERHOLM

Member of the Board – Employee Representative, since 2021

Born: 1960

Member of the Board of SEKO at Eltel Sweden.

Positions and other board memberships:
–

Board committees:
–

Previous positions:
Several different technical and managerial positions in the current Eltel organization.

Shareholding:
–

BJÖRN TALLBERG

Member of the Board – Employee Representative, since 2015

Born: 1976

Chairman of the trade union Unionen at Eltel Sweden.

Positions and other board memberships:
–

Board committees:
–

Previous positions:
Team Leader at Eltel Aviation & Security. Network Engineer at Eltel Aviation & Security.

Shareholding:
–

Shares held in Eltel as of 31 December 2024.

Group Management Team

HÅKAN DAHLSTRÖM

President and CEO, since 2022

Born: 1962

M.Se. Computer Technology and M.Sc. Digital Technology

Positions and other board memberships:
–

Previous positions:
CEO at Fujitsu Sweden AB. CEO at Tieto Sweden AB and Executive Vice President, Tieto Corporation. President, Mobile Business area at TeliaSonera AB. President, Broadband Business area at TeliaSonera AB. Commander, Swedish Royal Navy.

Shareholding:
800,000 shares

TARJA LEIKAS

CFO, since 2023

Born: 1967

M.Sc. Economics

Positions and other board memberships:
–

Previous positions:
CFO at Ginolis Group. COO at Eniram Group. CFO (Acting) CEO at Dovre Group. CFO at TeliaSonera Finland. CFO, Business Area Broadband Services Finland at TeliaSonera Group.

Shareholding:
24,010 shares

ALEXANDRA KÄRNLUND

Director, Communications, since 2024

Born: 1973

Bachelor of Arts, Media and Communication and English

Master studies, Journalism and Environmental Science

Positions and other board memberships:
Member of the Board of CISV Östersund.

Previous positions:
Communications Director, County Administrative Board of Jämtland. Head of Corporate Communications, Tietoevry. Senior PR Consultant, Informedia. Other managerial positions at Tietoevry, CGI, Ortivus and Cision.

Shareholding:
–

CAROLINE LINDGREN

General Counsel and Head of Sourcing, since 2024

Born: 1978

Master of Laws (LL.M.)

Positions and other board memberships:
–

Previous positions:
Head of Legal Sweden at Sweco Sverige AB. Group Legal Counsel at Sweco AB. Associate and Attorney at Mannheimer Swartling Advokatbyrå AB.

Shareholding:
1,000

PAMELA LUNDIN

Director, Business Development, since 2023

Born: 1970

M.Sc. Political Science

Positions and other board memberships:
Member of Council, Chamber of Commerce and Industry of Southern Sweden.

Previous positions:
CEO at Enercon’s Swedish, Norwegian and Finnish operations. COO at Enercon GmbH Germany Filial. Deputy CEO and Member of the Board of Enercon Energy Converter AB. Project Manager/Project Developer at Eurowind AB.

Shareholding:
32,500

JUHA LUUSUA

Managing Director, Eltel Finland, since 2018

Born: 1965

M.Sc. Electrical Engineering

Positions and other board memberships:
Member of the Board of Sähköpooli (part of the Finnish National Emergency Supply Agency). Deputy Chairman of the Board of the Football Association of Finland.

Previous positions:
President BU Power at Eltel. President Power Distribution at Eltel. Managing Director

Country Unit Finland, Eltel 2008–. SVP Electricity at Eltel Networks/Group Corporation.

Shareholding:
121,360 shares

LARS NILSSON

Managing Director, Eltel Sweden, since 2023

Born: 1967

B.Sc. Business Administration

Positions and other board memberships:
Member of the Board of Confederation of Swedish Enterprise. Member of the Board of Nordic Level Group.

Previous positions:
CEO at CERTEGO Group. CEO at Marum Management AB. CEO at Imtech VS-teknik AB. CEO at Ericsson Local Services AB. CEO at GoExcellent AB. Various management positions at Microsoft.

Shareholding:
10,000 shares

INGRID TJØSVOLD

Managing Director, Eltel Norway, since 2025

Born: 1968

Bachelor of Arts (Hons.) Finance and Marketing

Positions and other board memberships:
Chairman of the Board of Hesselberg Maskin AS and Risa Gruppen.

Previous positions:
Advisor of the Board interim consultant/CEO Production Companies at CTS Nordic AS and Nordic Epod AS. Segment Director/Chairman at Norsk Gjenvinning – NG Vekst. Several senior management positions in contracting, logistics and renewable industries.

Shareholding:
–

CLAUS METZSCH JENSEN

Managing Director, Eltel Denmark, since 2018

Born: 1968

M.Sc. Business Administration

Positions and other board memberships:
Member of the Board of NKEL I/S.

Previous positions:
Vice President at Caverion A/S. Senior Vice President at TDC A/S.

Shareholding:
31,000 shares

Shares held in Eltel as of 31 December 2024.

Consolidated financial statements

Consolidated income statement

EUR million	Note	2024	2023
Net sales		828.7	850.1
Cost of sales	7	-736.8	-774.5
Gross profit		**91.8**	**75.6**
Other income	7, 8	4.3	3.5
Selling and administrative expenses	7	-88.2	-82.4
Other expenses	7, 9	-25.9	-2.0
Operating result (EBIT)		**-18.0**	**-5.3**
Financial income		1.0	1.2
Financial expenses		-13.7	-13.9
Net financial expenses	11	-12.7	-12.7
Result before taxes		**-30.7**	**-17.9**
Taxes	12	1.6	10.3
Net result		**-29.1**	**-7.6**
Attributable to:			
Equity holders of the parent		-29.7	-7.9
Non-controlling interest	25	0.6	0.3
Earnings per share (EPS)	13		
Basic, EUR		-0.21	-0.07
Diluted, EUR		-0.21	-0.07

Consolidated statement of comprehensive income

EUR million	Note	2024	2023
Net result for the year		-29.1	-7.6
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Revaluation of defined benefit plans, net of tax		3.8	-1.5
Items that may be subsequently reclassified to profit and loss			
Net investment hedges, net of tax		-0.1	–
Currency translation differences		-5.5	-1.9
Total		**-5.6**	**-1.9**
Other comprehensive income/loss for the year, net of tax		-1.8	-3.4
Total comprehensive income/loss for the year		**-30.9**	**-11.0**
Total comprehensive loss attributable to:			
Equity holders of the parent		-31.5	-11.3
Non-controlling interest	25	0.6	0.3

Consolidated balance sheet

EUR million	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Goodwill	27	249.3	253.6
Intangible assets	27	30.3	32.9
Property, plant and equipment	28	5.9	10.5
Right-of-use assets	29	53.5	51.9
Deferred tax assets	24	27.2	27.9
Financial assets	31, 32	13.4	9.8
Total non-current assets		**379.6**	**386.7**
Current assets			
Inventories	21	19.3	17.3
Trade and other receivables	4, 17, 20	165.3	195.6
Cash and cash equivalents		21.3	24.7
Total current assets		**205.8**	**237.7**
TOTAL ASSETS		**585.4**	**624.3**

EUR million	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity	15		
Share capital		162.0	162.0
Other equity		-5.6	29.1
Equity attributable to shareholders of the parent		156.3	191.0
Hybrid bond		25.0	25.0
Non-controlling interest	25	8.0	7.6
Total equity		**189.3**	**223.6**
Non-current liabilities			
Interest-bearing debt	16,17	15.8	20.7
Leasing liabilities	16, 17, 29	36.0	33.9
Retirement benefit obligations	32	6.6	5.6
Deferred tax liabilities	24	10.7	11.3
Provisions	22	5.2	3.4
Other non-current liabilities[1)]		31.3	0.6
Total non-current liabilities		**105.7**	**75.5**
Current liabilities			
Interest-bearing debt	16, 17	60.5	50.4
Leasing liabilities	16, 17, 29	22.7	19.9
Provisions	22	3.8	3.7
Advances received		51.4	59.3
Trade and other payables	17, 23	152.0	191.8
Total current liabilities		**290.3**	**325.2**
Total liabilities		**396.0**	**400.7**
TOTAL EQUITY AND LIABILITIES		**585.4**	**624.3**

[1)] The increase in other non-current liabilities is due to transfer of tax deferral in Sweden from trade and other payables to other non-current liabilities.

Consolidated statement of cash flow

EUR million	Note	2024	2023
Cash flow from operating activities			
Operating result (EBIT)		-18.0	-5.3
Adjustments:			
Depreciation and amortization		34.7	30.1
Gain/loss on sales of assets and business		22.8	-0.1
Defined benefit pension plans		2.0	-3.1
Other non-cash adjustments		1.8	-1.7
Cash flow from operations before interests, taxes and changes in working capital		43.3	19.9
Interests received		0.6	1.2
Interest and other financial expenses paid		-13.1	-13.2
Income taxes received/paid		-0.9	-3.2
Cash flow from operations before changes in working capital		30.0	4.6
Changes in working capital:			
Trade and other receivables		11.4	-18.0
Trade and other payables		-8.6	39.8
Inventories		-5.3	7.7
Changes in working capital		-2.5	29.4
Net cash from operating activities		**27.5**	**34.0**

EUR million	Note	2024	2023
Cash flow from investing activities			
Purchases of property, plant and equipment (PPE)		-2.4	-4.4
Proceeds from sale of property, plant and equipment (PPE)		0.4	0.1
Disposal of business, net of cash disposed of	25	-4.6	–
Net cash from investing activities		**-6.6**	**-4.3**
Cash flow from financing activities			
Proceeds from issuance of hybrid bond		–	24.4
Payments of transaction costs and interests for hybrid bond		-3.4	-1.1
Proceeds from issuance of share capital		–	2.4
Acquisition of own shares		–	-2.4
Proceeds from short-term financial liabilities	16	49.0	54.5
Payments of short-term financial liabilities	16	-40.1	-97.1
Payments of financial liabilities, term loans	16	-4.0	-11.0
Payments of lease liabilities	16	-25.2	-22.1
Dividends to non-controlling interest		-0.2	-0.0
Change in non-liquid financial assets		-0.1	0.0
Net cash from financing activities		**-24.0**	**-52.3**
Net change in cash and cash equivalents		**-3.1**	**-22.6**
Cash and cash equivalents at beginning of the year		24.7	47.9
Foreign exchange rate effect		-0.3	-0.6
Cash and cash equivalents at end of the year		21.3	24.7

Consolidated statement of changes in equity

	Equity attributable to shareholders of the parent									
EUR million	**Share capital**	**Other paid-in capital**	**Accumulated losses**	**Revaluation of defined benefit plans, net of tax**	**Hedging reserve, net of tax**	**Currency translation**	**Total**	**Hybrid bond**	**Non-controlling interest**	**Total equity**
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 year	–	–	-29.7	3.8	-0.1	-5.5	-31.5	–	0.6	-30.9
Interests on hybrid bond	–	–	-3.4	–	–	–	-3.4	–	–	-3.4
Transactions with owners[1]:										
Equity-settled share-based payment	–	–	0.2	–	–	–	0.2	–	–	0.2
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	-0.2	-0.2
Total transaction with owners	–	–	0.2	–	–	–	0.2	–	-0.2	-0.1
31 Dec 2024	**162.0**	**487.5**	**-423.7**	**-28.8**	**10.8**	**-51.5**	**156.3**	**25.0**	**8.0**	**189.3**

[1] For more information about equity-settled share-based payments see note 30 Remuneration to senior executives and for share transactions see note 15 Shares and share capital.

	Equity attributable to shareholders of the parent									
EUR million	**Share capital**	**Other paid-in capital**	**Accumulated losses**	**Revaluation of defined benefit plans, net of tax**	**Hedging reserve, net of tax**	**Currency translation**	**Total**	**Hybrid bond**	**Non-controlling interest**	**Total equity**
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 year	–	–	-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[1]:										
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
31 Dec 2023	**162.0**	**487.5**	**-390.8**	**-32.6**	**10.9**	**-45.9**	**191.0**	**25.0**	**7.6**	**223.6**

[1] For more information about equity-settled share-based payments see note 30 Remuneration to senior executives and for share transactions see note 15 Shares and share capital.

Equity attributable to shareholders of the parent company
Shareholders' equity consists of the share capital, other paid-in capital, reserves and accumulated profits and losses. Other paid-in capital includes share subscription prices to the extent that they are not included in share capital (premium) and unconditional shareholders' contribution. Actuarial gains and losses arising from employee benefits are recorded under revaluation of defined benefit plans. Hedging reserve comprises of net investment hedges. Gains and losses from hedge accounted derivative instruments are temporarily recognized in other comprehensive income under hedging reserve for their effective part and will be reclassified to the income statement as the hedged item affects the income statement. The currency translation reserve includes differences arising on translation of the financial statements of foreign entities.

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Basis for preparation

This section comprises the following notes

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1 Corporate information

Eltel AB (the Company) through its subsidiaries (together the Group) is the leading infrastructure and service provider for critical communication and power networks. We deliver a comprehensive range of solutions – from maintenance and upgrade services to project delivery. This includes design, planning, building, installing and securing the operation of renewable energy and high-performing power and communication networks. In 2024, the number of employees was approximately 4,500. Eltel mainly operates in the Nordic market, but is also represented in Germany, Lithuania and Poland (a shared services center).

Eltel AB (publ) is a public limited liability company domiciled in Stockholm, Sweden. The address of the head office is Adolfsbergsvägen 13, Bromma, Sweden. Eltel AB's ordinary shares are quoted on the Nasdaq Stockholm. The operations of Eltel AB through the subsidiary companies are performed under the Eltel brand. The consolidated group is called Eltel Group.

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.

2 Material accounting policies for the consolidated accounts

These consolidated financial statements of the Group are prepared in accordance with IFRS Accounting Standards as adopted by EU effective at 31 December 2024. In addition, the Group applies RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board. The financial statements have been authorized for issue by the Board of Directors of Eltel AB on 24 March 2025 and are subject to adoption by the Annual General Meeting on 13 May 2025.

The financial statements are prepared on a going concern basis. At the date of signing the financial statements, management is required to assess the parent company's and the Group's ability to continue as a going concern, and this assessment should cover the parent company's and the Group's prospects for a minimum of 12 months from the end of the reporting period.

Consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, which are measured at fair value. The information in the consolidated financial statements is presented in millions of Euro unless otherwise stated. All figures in the financial statements have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

Adoption of new or amended IFRS standards and interpretations
The IFRS standards, amendments and interpretations that took effect in the financial year 2024 include the following:

- *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.
- *International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)*. Eltel is within the scope of the OECD Pillar Two model rules. Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The new standards and amendments effective for 2025 financial year or later include the following:

- *IFRS 18 Presentation and Disclosure in Financial Statements*
  IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs) and eliminates classification options for interest and dividends in the statement of cash flows. This standard will change the presentation and disclosure of the consolidated financial statements. The standard will be effective for financial years beginning on 1 January 2027. The standard is not yet endorsed by EU.

The other published standards, amendments and interpretations that are effective on the financial year beginning 1 January 2025 or later are not expected to have significant impact on the Group.

European Single Electronic Format (ESEF)
As required under the EU Commission's Delegated Regulation (EU) 2019/815 (ESEF Regulation), Eltel's annual report for the financial year 2024 is filed in the European Single Electronic Format (ESEF). The primary statements and notes in the IFRS consolidated financial statements are tagged in accordance with ESEF taxonomy in electronic format called iXBRL. ESEF taxonomy is developed by ESMA and it is based on the IFRS taxonomy published by the IFRS foundation.

Critical accounting estimates and judgments
The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the reported amounts of income and expenses during the period. The actual results may differ from these estimates and assumptions. Possible changes in estimates and assumptions are recognized in the financial period when the changes occur and in all subsequent financial periods.

The areas where significant judgments and estimates are made in preparing the financial statements and where a subsequent change in the estimates and assumptions may cause a material adjustment to the carrying amounts of assets and liabilities are outlined below:

a) Impairment testing
The Group tests annually and always, if there are indications of impairment, whether goodwill has suffered any impairment by comparing the book value with the recoverable value. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The value-in-use calculations require estimation of future cash flows expected to arise from cash-generating units and a suitable discount rate in order to calculate present value. See note 27 intangible assets for more information on impairment testing.

b) Revenue recognition over time
The Group applies the five-step model of IFRS 15 when recognising revenue from contracts with customers. Revenue for the period is recognized to the extent that the performance obligation(s) to the customer have been satisfied. The Group typically uses input method to measure the progress of satisfying the performance obligation(s). The progress is measured based on costs incurred relative to the total estimated costs and revenue is recognized based on this percentage of completion.

The estimated outcome of a long-term contract that extends over several accounting periods may vary due to changes in circumstances and, for this reason, lead to revised estimations in the next reporting period. Cost estimates require estimate of the final outcome of the project and the actual future outcome may deviate from the estimate. Deviations from original plan in project execution may result in significant increases in cost to complete due to various reasons including cost for additional work and materials, price increases as well as cost for delays and available resources. Project business contains inherent risks related to the pricing of the project and estimates of the ultimate cost and performance of the contract. Additionally, project business involves risk related to authority, customer or other external conditions outside of Eltel's control, including the risk of delays and in certain cases the risk of inability of the Group's customers to obtain financing to fund planned projects and services. The essential skills for performance and profitability of a project are the Group's ability to accurately foresee the project's costs, to correctly assess the various resources necessary to carry out the project, to effectively manage the services provided by subcontractors, and to control technical events that could affect and delay progress on the project.

c) Taxes
Determination of income taxes and deferred taxes when the ultimate tax determination is uncertain requires management judgement. The Group recognizes deferred tax assets resulting from tax losses and temporary differences when the realization of related tax benefit due to future taxable profits is probable. However, deferred tax asset is always recognized if it can be utilized against current taxable temporary differences. The assumptions regarding future taxable profits requires significant judgement and are based on the current business plan and further estimates added by consideration for the uncertainties. The Group uses estimates for recognition of liabilities for anticipated tax audit and tax controversy issues based on all available information at the time of recognition.

d) Provisions and contingent liabilities
The Group uses estimates when assessing the amount of the provisions recognized in the balance sheet. The real outcome may differ from the provision recorded.

A contingent liability is a possible obligation that does not fulfil the criteria to be recognized in balance sheet as a provision due to future uncertainties towards the existence of obligation or outflow of resources required to settle the obligation. Information on contingent liabilities is disclosed in note 19 Commitments and contingent liabilities. Contingent liabilities are regularly monitored, and in case the outflow of resources becomes probable, they are recognized as provisions.

e) Defined benefit plans
When preparing actuarial calculations in determining the pension obligation related to defined benefit plans, certain actuarial assumptions need to be made. As the assumptions will vary, the real payment will differ from the estimated obligation, affecting the profit or loss. The assumptions used in actuarial calculations are presented in note 32 Retirement benefit obligations.

f) Lease contracts valid until further notice
The IFRS 16 standard requires use of estimates for valuating contracts that are valid until further notice. Eltel has estimated the length of these contracts based on expected usage in current business operations. This has considerable impact in the amount of right-of-use assets and leasing liabilities for premises. The right-of-use assets and leasing liabilities are presented as separate lines in the balance sheet.

Principles of consolidation
The consolidated financial statements include the parent company Eltel AB and all companies in which, at the end of the financial year, Eltel exercises control, i.e. subsidiary companies. Control is achieved when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. This usually means that Eltel holds over 50% of the voting rights or otherwise has the power to govern the financial and operating policies of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and disposed subsidiaries are consolidated up to their date of disposal.

Acquired subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recognized as goodwill.

Intercompany transactions, receivables, liabilities and unrealized margins, as well as distribution of profits within the Group, are eliminated in full on consolidation. Non-controlling interest is presented separately from the net profit and disclosed as a separate item in the equity.

Joint operations are joint arrangements whereby the partners, which have joint control of the arrangement, have rights to the assets and obligations for the liabilities relating to the arrangement. Joint control, which is the contractually agreed sharing of the control of an arrangement, exists only when decisions about the relevant activities require unanimous consent of the partners sharing control.

The Group recognizes its interest in joint operations using the proportionate method of consolidation, whereby the Group's share of each of the assets, liabilities, income and expenses of the joint operations are combined with the similar items, line by line, in its consolidated financial statements.

A list of subsidiaries and joint operations is presented in note 35 Group companies.

Foreign currency translation
Functional and presentation currency
Items included in the financial statements of each of the Group companies are measured using the currency of the primary economic environment in which the company operates (the functional currency). The consolidated financial statements are presented in Euros, which is also the functional and presentation currency of the parent company.

Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at the balance sheet date. Non-monetary items measured at fair value are translated into functional currency at the exchange rates prevailing at the valuation date. All other non-monetary items are valued using the exchange rates prevailing at the date of transaction.

Foreign exchange gains and losses resulting from the translation of business transactions and monetary items are recognized in the income statement. Exchange rate gains and losses on actual business operations are recognized in respective items above operating profit. Exchange rate gains and losses on financing are entered as exchange rate differences in financial income and expenses.

See further information on hedge accounting for foreign currency differences arising from the translation of financial assets and liabilities designated as hedges in note 14.

Foreign subsidiaries
Income statements and cash flow statements of foreign subsidiaries are translated into Euros at the average exchange rates for each month and the balance sheets are translated using the exchange rates prevailing at the balance sheet date. Exchange differences arising from the translation are recognized in other comprehensive income.

When a subsidiary is partially disposed or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on the sale.

Revenue recognition (IFRS 15)
The Group applies the five-step model of IFRS 15 when recognizing revenue from contracts with customers. IFRS 15 requires identifying deliverables in contracts with customers that qualify as separate performance obligations. The deliverables may include good(s) or service(s) or a combination of goods and services. Revenue is recognized for each performance obligation separately on a relative stand-alone selling price basis and takes place when a customer obtains control of the related good(s) or service(s) and has the ability to direct the use of and obtain the benefits from the good(s) or service(s), either over time or at a point in time.

Major part of Group's revenue comes from the following revenue types: project delivery services, upgrade services and maintenance services. The Group's contracts are either standalone agreements or contracts within frame agreements. Only agreements that are committing both of the contracting parties are defined as a contract under IFRS 15.

A contract includes promises to transfer good(s) or service(s) to a customer. If those goods or services are distinct, the promises are performance obligations that are each accounted for separately in revenue recognition. The Group has analyzed the different revenue types and concluded that in the project delivery and upgrade services revenue is typically recognized over time as customer controls the asset Eltel creates or enhances. In maintenance services customer typically receives benefits as Eltel performs and revenue is and continues to be recognized based on the services performed.

When revenue from contracts with customers is recognized over time, revenue for the period is recognized to the extent of satisfying the performance obligation(s) to the customer. The Group typically uses the input method based on the costs incurred to measure the progress of satisfying the performance obligation(s) over time. The progress is measured based on costs incurred relative to the total estimated costs and revenue is recognized based on this percentage of completion. An expected loss on a customer contract is recognized as an expense immediately. IFRS 15 does not include any guidance on how to account for loss contracts. Accordingly, such contracts are accounted for using the guidance in IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Whenever the Group's customer contracts contain a variable consideration the amount shall be withhold so that the Group does not recognize any amount relating to variable consideration until it is highly probable that a significant revenue reversal will not incur. The assessment of the likelihood of revenue reversal is based on historical evidence from earlier similar type of contracts. Also the materiality is estimated. A typical variable price element in Eltel's contracts is delay penalties.

In some contracts the timing of customer payments may differ significantly from the timing of the transfer of goods or services to the customer (for example the consideration is prepaid or is paid after the services are provided). When the difference is more than a year the Group assesses at the beginning of the contract whether the contact contains a significant financing component. If the contract contains a significant financing component the promised amount of consideration is adjusted and Eltel recognizes revenue at an amount that reflects the cash selling price of the promised goods or services.

Contract assets and contract liabilities
IFRS 15 distinguishes between contract assets and contract receivables. Contract receivable is a right to consideration that is unconditional and only passage of time is required before the payment is due, i.e. trade receivable. Contract asset is a right to consideration in exchange for goods or services the Group has transferred to customer, i.e. revenue recognized but not yet invoiced. The contract receivables and contract assets are included in the balance sheet in the trade and other receivables.

A contract liability is an obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Advances received in the balance sheet represent the Group's contract liabilities.

Note 2 continued

Segment reporting (IFRS 8)
Eltel's main operations are presented by four country segments: Finland, Sweden, Norway and Denmark. All communication and power business in these four Nordic countries are presented under the country segments. Other business includes High Voltage Poland until its divestment in Q2 2024, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International. Other business represents less than 15% of the operations and each of the operations have a size of less than 10% of sales, adjusted EBITA and total segment assets.

To simplify the operational structure and leverage the Danish management, the segment structure will be updated from 1 January 2025. The operations in Denmark and Germany will be presented in one segment named Denmark & Germany. Smart Grids Germany has been presented outside segments under Other business until 31 December 2024. The remaining part of the Other business and Group functions will be combined and named as Group support functions. Starting from 1 January 2025 the segments will be Finland, Sweden, Denmark & Germany and Norway. All communication and power business in these countries will continue to be presented under country segments. The Group support functions will include Group functions and Lithuania as well as closing activities for Power Transmission International and High Voltage Poland until its divestment in Q2 2024. Comparative figures will be presented according to the new segment structure starting from the January–March 2025 Interim Report.

Operating segments are business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker, the CEO, and for which financial information is available. Operating segments constitute the operational structure for governance, monitoring and reporting. Revenues, costs, operative assets and liabilities are allocated to segments on consistent basis. Income statement items below adjusted EBITA are not allocated to the segments.

Goodwill and other intangible assets (IAS 38)
Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets of the acquired company on the date of acquisition. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is not amortized, but tested annually for any impairment and always, if there are indications of impairment. For the purpose of testing goodwill for any impairment, goodwill is allocated to cash-generating units. Goodwill is stated at cost less impairments.

Other intangible assets
Intangible assets are recognized only if the cost of the asset can be measured reliably and it is probable that the future economic benefits attributable to the asset will flow to the Group. Intangible assets in the Group include acquired computer software, brand, order backlog and customer relationships. The valuation of intangible assets acquired in a business combination is based on fair value. Other intangible assets (except for brands) subsequent to initial recognition, are recognized at cost less amortizations and impairments, if any. On initial recognition they are recognized at fair value at the acquisition date which is regarded as their cost.

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized using the straight-line method over their expected useful lives (3–7 years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads and external consultancy fees. Computer software development costs recognized as assets are amortized over their expected useful lives (7 years).

Brand, order backlog and customer relationships have been acquired in business combinations. The brand relates to the Eltel brand as a result of the acquisition of Eltel Group Corporation. Fair value of the brand is determined based on the relief-from-royalty method. Brand is not amortized, but tested annually for impairment. The fair value of order backlog is determined based on the future cash flows expected to arise from the existing contracts with customers. Order backlog is amortized using the straight-line method over the period until delivery (2–4 years).

The fair value of customer relationships is determined based on the future cash flows expected to arise from contracts with the existing customers. Customer relationship is amortized using the straight-line method over their expected useful lives (5–10 years).

The amortization period for an intangible asset is reviewed at least at each financial year-end. If the expected useful life of the asset is different from previous estimates, the amortization period is changed accordingly.

Impairment
Assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment. In addition, other assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Should any indication of an impaired asset exist, the asset's recoverable amount will be estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows and which are mainly independent (cash-generating units or groups of cash-generating units). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value-in-use is determined by reference to discounted future net cash flow expected to be generated by the asset.

Whenever the asset's carrying amount exceeds its recoverable amount, it is impaired, and the resulting impairment loss is recognized in the income statement.

Impairment will only be reversed if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. Impairment is not reversed over the balance sheet value that existed before the recognition of impairment losses in the previous financial periods. Impairment losses recognized for goodwill are not reversed in any circumstances.

In addition to goodwill and brand, the Group does not have any assets that have an indefinite useful life. See note 27 Intangible assets for information on impairment testing of goodwill.

Property, plant and equipment (IAS 16)
Property, plant and equipment are stated at historical cost less accumulated depreciation according to plan and any impairment. Land is not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and structures	15–40 years
Machinery and equipment	3–10 years
Heavy machinery	10–15 years

The expected useful life of an asset is reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation periods are changed accordingly.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Right-of-use assets and leasing liabilities (IFRS 16)
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The IFRS 16 standard requires use of estimates for valuating contracts that are valid until further notice. The Group has estimated the length of these contracts based on expected usage in current business operations. The cost of a right-of-use asset also includes an estimate of costs to be incurred by the Group in restoring the asset to the condition required by the terms and conditions of the lease. The recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessments according to IAS 36.

At the commencement of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term using the incremental borrowing rate at the lease commencement date. The lease payments include fixed payments, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease liabilities are subsequently measured at amortized cost using the effective interest method. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, e.g. a change in the lease term or a change in future lease payments resulting from a change in an index or rate used to determine those payments. Generally, the amount of remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

Note 2 continued

Short-term leases and leases of low-value assets

The Group applies the recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Incremental borrowing rate

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. To arrive at the incremental borrowing rate the Group applies the respective country's (economic environment) risk free rate for the term corresponding to the lease term, adjusted for credit risk of each Group company.

Financial instruments (IAS 32, IFRS 7, IFRS 9)

Recognition and derecognition

All purchases and sales of financial assets are accounted for at trade date. Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognized at fair value and transaction costs have been included for all financial assets not carried at fair value through profit or loss. However, trade receivables without significant financing components are recognized at transaction price. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Classification and measurement

The Group classifies its financial assets into the following categories according to IFRS 9: Financial assets at amortized cost, fair value through other comprehensive income or fair value through profit and loss. The classification is made on the basis of the Group's business model for managing the financial assets and the characteristics of the contractual cash flow of the financial assets. The Group classifies all the financial liabilities at amortized costs except the derivative financial instruments which are classified at fair value through profit or loss. The classification is made on the basis of the purpose of the acquisition of financial instruments at the time of initial recognition. See note 17 Financial instruments by category.

Financial assets and liabilities at fair value through profit or loss are financial assets held for trading, derivative financial assets not designated as hedges and financial assets relating to pension capitalization plans, as the Group has not designated any other financial assets as at fair value through profit or loss upon initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, except for the financial assets relating to pension capitalization plans.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are recognized in the income statement in the period in which they arise either as other income and expenses or financial income or expenses depending on whether they relate to business or financial items. Derivatives not designated as hedges are classified as a current asset or liability and presented in the balance sheet as other receivables or other liabilities.

Financial assets at amortized costs are non-derivative financial assets with fixed or determinable payments not quoted in an active market nor held for trading. They are measured at amortized cost. They include trade and other receivables which are measured at amortized cost less impairment and are presented in the balance sheet as current assets, except for maturities greater than 12 months after the balance sheet date. The impairment losses according to the expected credit losses method (ECL) in IFRS 9, related to trade receivables and contract assets are recognized in other expenses. Financial assets at amortized costs also include cash and cash equivalents, consisting of cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial liabilities at amortized cost include all other financial liabilities than derivative instruments. Financial liabilities are classified as both current and non-current liabilities and they can be interest-bearing as well as non-interest-bearing. Bank overdrafts are shown within debt in current liabilities.

Transaction costs including the arrangement and amendment fees related to the financial liabilities are allocated to the expected lifetime of the financial instrument.

Impairment of financial assets

The Group applies the expected credit losses (ECL) model according to IFRS 9 for impairment of trade receivables, contract assets and other financial assets.

Credit risk is the risk of a loss if a customer or counterparty in a financial instrument does not fulfil its contractual obligations. The Group's credit risk relates primarily to account receivables and to cash and cash equivalents. The Group evaluates the credit risk of existing receivables at each reporting date.

Account receivables and contract assets

The Group's accounts receivable and contract assets are divided into two groups for measurement of credit risk. One group consists of larger customers that account for a significant part of the Group's net sales. These customers are solid infrastructure network owners, typically well-known publicly listed companies or companies owned by governments or municipalities in Europe. The other group consists of other customers. The Group's loss allowance for expected credit losses on account receivables and contract assets are measured according to the simplified method. This means that the loss allowance is measured for the remaining time to maturity, which is generally less than one year.

The loss allowance for expected credit losses is based on individual assessments regarding the largest customers, where a rating-based model is used in combination with other known information and forward-looking factors. The Group uses external ratings if possible and for unrated companies an estimated corresponding rating is applied. For the other group consisting of several smaller customers, the Group applies an collective impairment model based on age analysis of the receivables and historically realized losses in combination with forward-looking factors that affect the customers' ability to pay the outstanding receivables.

Cash and cash equivalents

Credit risk also originates from investments in cash and cash equivalents. Eltel's investments in bank accounts are kept in Eltel's financing banks. For any other deposits, the aim is that the counterparty has a credit rating of at least AA (S&P) or equivalent. The expected credit risk for cash and cash equivalents is measured by a rating-based model in combination with other known information and forward-looking factors. Due to the short maturity and high creditworthiness of counterparties, the loss allowance is generally not assessed to be significant.

Other receivables and assets, not measured at fair value in income statement

For any other receivables and assets, the need for impairment is assessed by the rating model described above, if applicable, or otherwise based on management's assessment of the present value of the difference between contractual and expected cash flows. Measurement of the loss reserve corresponds to 12 months' expected credit losses, or a shorter time period due to time to maturity. In the event of a significant increase in credit risk, the loss reserve is based on the entire remaining time to maturity of the receivable or asset.

Financial instruments, hedging (IFRS 9)

The Group's derivative instruments include currency forward contracts and currency swaps. The Group has not applied cash flow hedge accounting in 2024 or 2023. However, all derivative contracts are entered into for economic hedging purposes.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at fair value on each balance sheet date. Derivatives are classified as financial assets or liabilities measured at fair value through profit or loss.

Net investment hedges

The Group has applied net investment hedge accounting for certain foreign currency denominated loans which hedge the translation risk relating to net investments in subsidiaries. The foreign exchange differences for these loans have been recognized in other comprehensive income under translation reserve. If the amount of the net investment decreases through divestment or otherwise, the related accumulated gains or losses recognized in translation reserve are transferred to profit or loss (see note 14.1 for more information).

Share capital

Share capital presents the registered share capital of the parent company Eltel AB. Share subscription proceeds in excess of share capital (premium) is presented in other paid-in capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Hybrid bond

In April 2023, Eltel AB issued subordinated sustainability-linked hybrid capital securities in the aggregate principal amount of EUR 25 million (the "hybrid bond"). The instrument has no maturity date and, if no dividends are distributed, the payment of interest can be deferred in perpetuity. The hybrid bond is sustainability-linked, and a premium up to 1.20% of the principal amount is paid if the sustainability targets measured at 31 December 2025 are not met. The hybrid bond bears interest at a fixed rate of 13.50% per annum until the reset date in July 2026. After the reset date, the hybrid bond will bear interest at a floating rate corresponding to 3-month EURIBOR plus a spread of 10.29% and a margin of 5.00% per annum. The interest payment obligation arises if the annual shareholders' meeting decides to distribute dividends. The hybrid bond is classified as an equity instrument and recognized at fair value. Interest is recorded into retained earnings when the commitment to payment arises.

Note 2 continued

Earnings per share (IAS 33)
The basic earnings per share (EPS) is calculated by dividing the net result attributable to the parent company's shareholders with the weighted average number of ordinary shares during the financial period. Ordinary shares purchased and held by the Group, if any, are subtracted from number of outstanding shares. Diluted earnings per share reflect the possible impact of the share-based incentive plans.

Provisions and contingent liabilities (IAS 37)
Provisions are recognized in the balance sheet when: the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Where some of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized as a separate asset, but only when it is certain that the reimbursement will be received.

A warranty provision is recognized, when the product including a warranty clause is sold. The amount of the warranty provision is based on the past experience of the realization of the warranty costs and the future expectations.

A provision for restructuring is recognized when management has developed and approved a detailed formal plan for restructuring to which it is committed. Employee termination benefits are recognized when the representatives of employees or individual employees have been informed of the intended measures in detail and the related compensation packages can be reliably measured. The costs included in a provision for restructuring are those costs that are either incremental or incurred as a direct result of the plan or are the result of a continuing contractual obligation with no continuing economic benefit to the Group or a penalty incurred to cancel the contractual obligation. Restructuring expenses are recognized in respective expenses depending on the nature of the restructuring expenses. Provisions are not recognized for future operating losses.

A provision is recognized for an onerous contract, when the costs required to meet the obligations under the contract exceed the benefits to be received.

A contingent liability is a possible obligation that does not fulfil the criteria to be recognized in balance sheet as a provision due to future uncertainties towards the existence of obligation or outflow of resources required to settle the obligation. Contingent liabilities are regularly monitored, and in case the outflow of resources becomes probable, they are recognized as provisions.

Income taxes (IAS 12)
The Group's income tax expense includes taxes of the group companies based on current period's taxable income and the changes in the deferred taxes. Income tax is recognized in the income statement, except for the items recognized directly in other comprehensive income, when the tax effect is accordingly recognized in other comprehensive income. Income tax expense is based on the local tax rate in each country. Tax adjustments from previous periods are included in tax expense.

Deferred tax assets or liabilities are calculated using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it appears probable that future taxable profit will be available, against which the tax losses or temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Eltel is within the scope of the OECD Pillar Two model rules. The Pillar Two legislation has been effective since 1 January 2024. Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group applies the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Employee benefits (IAS 19)
Short-term benefits to employees are calculated without discounting and are recognized as a cost when the related services are received.

The Group companies have different pension schemes in accordance with the local conditions and practices in the countries where they operate including statutory pension plans and supplementary pension benefits. The schemes are generally funded through payments to insurance companies or trustee-administered funds.

The plans are classified as either defined contribution plans or defined benefit plans.

In the defined contribution plan, pension contributions are paid directly to insurance companies and once the contributions have been paid, the Group has no further payment obligations if the company receiving the payments cannot fulfil its obligations. These contributions are charged to the income statement in the year to which they relate. For supplementary pension capitalization plans the Group recognizes a long-term pension provision and corresponding financial asset, which is classified and measured according to IFRS 9.

For defined benefit plans, the liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets. The pension obligation is defined using the projected unit credit method separately for each plan. The discount rate applied to calculate the present value of post-employment benefit obligations is determined by the market yields of long-term corporate bonds or government bonds with corresponding maturity to the obligation. The net interest cost is estimated by applying the discount rate to the net defined benefit obligation and recognized as financial expenses. Past service costs are recognized immediately in the income statement. Remeasurements of the defined benefit plan are recognized directly in other comprehensive income.

Termination benefits
A provision is recognized in connection with termination of employment if the company is committed to a formal and detailed plan to terminate employment before the normal retirement date. When a termination benefit is offered to encourage voluntary redundancy, a cost is recognized if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Share-based payments (IFRS 2)
Eltel has three incentive programs that are recognized as share-based payments settled with equity instruments in accordance with IFRS 2. The fair value of the share incentives granted to the key employees is recognized as an employee expense on a straight-line basis over the vesting period when employee services are performed with corresponding entry to equity. The fair value of the share incentives is the market value at the grant date. The total amount to be expensed over the vesting period is determined based on the grant date fair value of shares and Group's estimate of the number of the shares that are expected to be vested by the end of the vesting period. The impact of a non-market vesting condition and estimate for the fulfilment of continued employment criteria at the end of the vesting period is included in the assumptions about the number of share incentives. The estimate is updated at each reporting date and changes in estimate are recorded through the statement of income. Social costs related to the share-based incentive scheme are expensed during the periods when services are performed based on the fair value at the reporting date.

Financial performance

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3 Segment reporting

Eltel reports its operations in four country segments: Finland, Sweden, Norway and Denmark. All communication and power business in these countries is presented under country segments. Other business includes High Voltage Poland until its divestment in Q2 2024, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International. To simplify the operational structure and leverage the Danish management, the segment structure will be updated from 1 January 2025. The operations in Denmark and Germany will be presented in one segment named Denmark & Germany. Smart Grids Germany has been presented outside segments under Other business until 31 December 2024. The remaining part of the Other business and Group Functions will be combined and named as Group Support Functions. Starting from 1 January 2025 the segments will be Finland, Sweden, Norway and Denmark & Germany. All communication and power business in these countries will continue to be presented under country segments. The Group Support Functions will include Group Functions and Lithuania as well as closing activities for Power Transmission International and High Voltage Poland until its divestment in Q2 2024. Comparative figures will be presented according to the new segment structure starting from the January–March 2025 Interim Report.

Net sales by segment

EUR million	2024	2023
Finland	357.7	344.5
Sweden	211.8	198.5
Norway	114.9	130.1
Denmark	92.0	93.0
Sum segments	**776.5**	**766.1**
Other business	61.9	93.7
Eliminations	-9.7	-9.7
Total	**828.7**	**850.1**

In 2024 and 2023 the Group has had two customers that represent over 10% of total sales of the Group. The customers' share of the sales amounts to 26% (29). Revenues from these customers were reported mainly in segments Norway and Sweden and to a smaller extent also in other country segments. Customer means a legal entity, and where applicable, a collection of legal entities in the same group.

Segment results

EUR million	2024	2023
Adjusted EBITA by segment		
Finland	15.7	6.5
Sweden	6.1	2.9
Norway	-5.7	-2.5
Denmark	5.0	4.9
Sum segments	**21.1**	**11.8**
Other business	0.7	-1.0
Group functions	-11.3	-9.1
Adjusted EBITA, Group	**10.5**	**1.7**
Restructuring and resizing	-5.3	-7.0
Divestments	**-23.1**	–
Total items affecting comparability in EBITA	-28.5	-7.0
Operating result (EBIT)	**-18.0**	**-5.3**
Financial expenses, net	-12.7	-12.7
Result before taxes	**-30.7**	**-17.9**

Net working capital and operative capital employed

EUR million	31 Dec 2024	31 Dec 2023
Inventories	19.3	17.3
Trade and other receivables	165.3	195.6
Provisions	-8.4	-7.1
Advances received	-51.4	-59.3
Trade and other payables	-152.0	-191.8
Other	-34.1	-4.8
Net working capital	**-61.3**	**-49.8**
Intangible assets excluding acquisition-related allocations	4,1	6.4
Property, plant and equipment	5,9	10.5
Right-of-use assets	53,5	51.9
Restructuring provisions	-0.5	-0.3
Operative fixed assets	**62.9**	**68.6**
Total operative capital employed	**1.7**	**18.7**
Operative capital employed (average over reporting period)	**10.2**	**31.9**

Net working capital by segment

EUR million	31 Dec 2024	31 Dec 2023
Finland	-37.3	-31.1
Sweden	13.8	7.5
Norway	-8.4	-8.0
Denmark	-2.1	-1.5
Other business	-2.0	15.2
Group functions	-25.2	-31.9
Total	**-61.3**	**-49.8**

Operative fixed assets by segment

EUR million	31 Dec 2024	31 Dec 2023
Finland	20.7	21.2
Sweden	13.7	12.5
Norway	17.5	15.8
Denmark	8.3	9.2
Other business	5.2	8.7
Group functions	-2.6	1.1
Total	**62.9**	**68.6**

Operative capital employed by segment

EUR million	31 Dec 2024	31 Dec 2023
Finland	-16.6	-9.9
Sweden	27.5	20.0
Norway	9.1	7.8
Denmark	6.2	7.7
Other business	3.2	23.9
Group functions	-27.8	-30.8
Total	**1.7**	**18.7**

4 Revenue recognition

Net sales by business

EUR million	2024	2023
Communication	505.9	514.8
Power	322.8	329.1
Other operations	0.0	6.2
Total	**828.7**	**850.1**

Net sales by segment and business

EUR million		2024	2023
Finland	Communication	174.4	154.3
	Power	183.4	190.2
Sweden	Communication	159.9	158.0
	Power	52.0	40.5
Norway	Communication	114.6	129.8
	Power	0.3	0.3
Denmark	Communication	54.4	66.4
	Power	37.6	26.6
Other business	Communication	10.7	14.5
	Power	51.2	73.0
	Other operations	0.0	6.2
Eliminations		-9.7	-9.7
Total		**828.7**	**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 country segments.

Net sales by service type
Eltel's revenue consists of project delivery, upgrade and maintenance services.

Project delivery services (Engineering, procurement, construction)
Project delivery services comprise engineering and delivering customer specific network infrastructure projects. The contracts include projects with estimated scope of works and variation orders as well as turnkey projects and Eltel's activities typically include tasks relating to design, construction, installation and project management. The size of a contract is typically large (EUR 1–40 million) and project execution time frame from months to years. For project delivery services revenue is typically recognized over time as customers control the asset that Eltel creates or enhances.

Upgrade services (Upgrade and conversion projects)
Upgrade and conversion services are services to recover and upgrade the condition or technology of an existing infrastructure network where Eltel typically dismantle, build and/or install on customer specifications. The projects are typically based on multi-year frame agreements where the services are ordered based on individual purchase orders but also on separately tendered projects. Size of a project varies typically from EUR 10,000 to over EUR 1 million projects and pricing is typically based on units. For upgrade services revenue is typically recognized over time as customers control the asset that Eltel creates or enhances.

Maintenance services
Eltel's maintenance services comprise of scheduled and corrective care services and connect services where the customer contracts are usually multi-year frame agreements. The works are performed based on continuous flow of small orders that are typically unit priced, but also certain fixed fee-based contracts exist. The services are not highly customized to a particular customer. The nature of Eltel's maintenance services is such that the customer typically can benefit from the services either on its own or together with other readily available resources. In maintenance services customers receive benefits as Eltel performs and revenue is recognized over time based on the services performed.

Net sales by business and service type

EUR million	2024	2023
Communication		
Project delivery	31.9	28.5
Upgrade services	326.1	346.6
Maintenance	147.8	139.7
Total Communication	**505.9**	**514.8**
Power		
Project delivery	153.7	159.9
Upgrade services	75.6	94.4
Maintenance	93.5	74.8
Total Power	**322.8**	**329.1**
Other operations		
Project delivery	–	6.4
Maintenance	0.0	-0.2
Total other operations	**0.0**	**6.2**
Total	**828.7**	**850.1**

In 2024 project delivery services form 22% (23), upgrade services 48% (52) and maintenance services 29% (25) of Eltel's total net sales.

Committed order backlog by business and service type
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 below table presents the committed order backlog by business and service type. The currency impact in total order backlog at year-end 2024 was EUR -4.1 million.

EUR million	31 Dec 2024	31 Dec 2023
Communication		
Project delivery	32.3	48.1
Upgrade services	137.2	180.0
Maintenance	25.9	30.6
Total Communication	**195.3**	**258.6**
Power		
Project delivery	123.0	189.9
Upgrade services	36.1	57.7
Maintenance	30.7	26.0
Total Power	**189.8**	**273.6**
Other operations		
Project delivery	–	–
Total other operations	**–**	**–**
Total	**385.1**	**532.3**

More than two thirds of the committed order backlog in project delivery services and nearly all of the committed order backlog in upgrade services and maintenance service is to be recognized as revenue during 2025.

Contract balances

EUR million	31 Dec 2024	31 Dec 2023
Trade receivables	89.6	106.2
Contract assets	58.9	66.7
Total assets related to contracts with customers	**148.5**	**172.9**
Advances received from contracts with customers	46.7	54.6
Total liabilities related to contracts with customers	**46.7**	**54.6**

Trade receivables and contract assets are included in the trade and other receivables in the balance sheet. Contract assets mainly consist of recognized net sales not yet invoiced. Advances received represent the contract liabilities.

5 Personnel by segment

Number of personnel by segment, FTE[1)]

Average	2024	Of whom men %	2023	Of whom men %
Finland	1,478	91	1,503	91
Sweden	950	85	988	85
Norway	761	88	860	87
Denmark	487	88	511	88
Other business	693	85	995	84
Group and shared functions	180	35	166	36
Total personnel FTE, average	**4,550**	**86**	**5,024**	**86**
Total personnel FTE, year-end	**4,160**	**87**	**4,931**	**86**

[1)] Full time equivalent

6 Employee benefit expenses

Employee benefit expenses

EUR million	2024	2023
Wages and salaries	251.2	254.3
Post-employment benefits:		
Defined benefit plans	-1.3	-1.1
Defined contribution plans	27.5	25.7
Other statutory social costs	31.4	34.0
Total	**308.7**	**312.8**

Employee benefit expenses by function

EUR million	2024	2023
Cost of sales	248.3	259.5
Selling and administrative expenses	60.8	53.6
Sum in operative expenses	**309.1**	**313.1**
Financial income and costs	-0.4	-0.3
Total	**308.7**	**312.8**

7 Function expenses by nature

EUR million	2024	2023
Other income	-4.3	-3.5
Total other income	**-4.3**	**-3.5**
Expenses		
Materials and supplies	120.1	139.9
Employee benefit expenses	309.1	313.1
Subcontractors and other external services	259.2	269.7
Other costs	127.8	106.1
Depreciation, amortization and impairment	34.7	30.1
Total expenses	**850.9**	**858.9**
Total net expenses	**846.7**	**855.4**

Main items in other costs include direct costs and production overheads as well as IT costs, transportation, premises and other personnel-related costs. In 2024 other costs also include EUR 23.1 million impact from divestment of High Voltage Poland.

The total amount recognized in the income statement is divided by function as follows:

EUR million	2024	2023
Cost of sales	736.8	774.5
Other income	-4.3	-3.5
Selling and administrative expenses	88.2	82.4
Other expenses	25.9	2.0
Total	**846.7**	**855.4**

8 Other income

EUR million	2024	2023
Gains on sales of assets	0.3	0.1
Supplier invoice financing cost compensation	3.2	2.7
Other income	0.7	0.6
Total	**4.3**	**3.5**

9 Other expenses

EUR million	2024	2023
Loss on divestments	23.1	–
Supplier invoice financing expenses	2.6	0.9
Loss on foreign exchange contracts	0.2	0.4
Other expenses	0.0	0.6
Total	**25.9**	**2.0**

In 2023, additional to the EUR 0.9 million of supplier invoice financing expenses presented in above table, EUR 1.9 million were reported in selling and administrative expenses in the income statement.

10 Depreciation, amortization and impairment

EUR million	2024	2023
Depreciation of right-of-use assets	25.5	22.3
Impairment losses on right-of-use assets	3.1	0.9
Other depreciation and amortization	6.2	6.9
Total	**34.7**	**30.1**

The total amount recognized in the income statement is divided by function as follows:

EUR million	2024	2023
Cost of sales	20.2	17.8
Selling and administrative expenses	14.5	12.3
Total	**34.7**	**30.1**

11 Financial income and expenses

EUR million	2024	2023
Interest income arising from financial assets at amortized cost	0.5	1.1
Other financial income	0.4	0.1
Total financial income	**1.0**	**1.2**
Interest expenses from liabilities at amortized cost[1]	-12.7	-12.6
Fee expenses	-1.1	-1.1
Fair value change of foreign exchange derivatives	-0.6	0.2
Other foreign exchange differences	0.8	-0.4
Total financial expenses	**-13.7**	**-13.9**
Net financial expenses	**-12.7**	**-12.7**

[1] Includes EUR 2.8 million (2.6) of interest expenses for leasing liabilities.

12 Income tax

Income tax expense in the consolidated income statement

EUR million	2024	2023
Current tax	1.8	-0.3
Deferred tax	-3.5	-10.0
Total tax cost (+)/ income (-)	**-1.6**	**-10.3**
Tax rate, %	5.3%	57.6%

The difference between income taxes at the statutory tax rate in Sweden 20.6% and income taxes recognized in the consolidated income statement is reconciled as follows:

EUR million	2024	2023
Profit before tax	-30.7	-17.9
Total tax cost (+)/income (-)		
Tax calculated at Swedish tax rate	**-6.3**	**-3.7**
Effect of different tax rates outside Sweden	0.4	0.4
Income not subject to tax	-0.1	-0.1
Expenses not deductible for tax purposes	0.5	0.4
Effect of divestments	4.5	–
Impact of deferred tax asset valuation	-0.6	-4.9
Taxes and adjustments in respect of prior years	-0.1	-2.3
Other items	0.2	-0.0
Income taxes in the consolidated income statement	**-1.6**	**-10.3**

Eltel is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been effective from 1 January 2024. The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. Deferred taxes are presented in note 24.

13 Earnings per share

	2024	2023
Net result attributable to equity holders of the parent	-29.7	-7.9
Interest on hybrid bond	-3.4	-2.5
Net result attributable to ordinary shares	-33.1	-10.4
Weighted average number of ordinary shares, basic	156,736,781	156,736,781
Weighted average number of ordinary shares, diluted	156,736,781	156,736,781
Earnings per share, basic	-0.21	-0.07
Earnings per share, diluted	-0.21	-0.07

The basic earnings per share figure is calculated by dividing the net income attributable to the shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares by the effect of potential diluting shares due to share-based incentive plans in the Group.

Financial risk management and capital structure

This section comprises the following notes

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14 Financial risk management

The Group has exposure to the following financial risks:
- Market risks, including currency, interest rate and commodity price risks
- Liquidity risk
- Credit risk

The Group's financing and financial risk management is carried out by a central treasury department (Group Treasury) under the Treasury Policy approved by the Board of Directors. Group Treasury Policy has been established to identify and analyze the financial risks faced by the Group, to set appropriate risk limits and controls and to monitor risk and adherence to limits. The Treasury Policy and the related financial risk management policies and procedures are reviewed regularly to reflect changes in market conditions and Group's activities. The main objective of the financial risk management is to minimise the unfavourable effects of the financial risks on the Group's income and cash flow.

14.1 Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and commodity prices – will affect the Group's income, cash flows or the value of its holdings of financial instruments. Main market risks of the Group include currency risks, interest rate risks and commodity risks.

14.1.1 Currency risk

Currency risk in the Group consists of transaction risk and translation risk. The purpose of currency risk management is to minimise the impact of foreign exchange fluctuations to the cash flows, income statement and balance sheet of the Group.

Currency transaction risk

The Group is exposed to currency transaction risks to the extent that there is a mismatch between the currencies in which sales, purchases, borrowings and cash are denominated versus the respective functional currencies of the Group companies.

Majority of the Group's business is local and over 95% of the cash inflows are generated in each country's local currency. The transaction risk is therefore limited. The foreign currencies used are typically US dollar, EUR or other European currencies. The main principle is to mitigate the risk first by operative means in the businesses, e.g. by matching, as far as possible, the project costs to the contract currency.

The open foreign exchange exposure is hedged by using foreign currency forward contracts and swaps in accordance with the Group foreign currency risk management policy whereby any net exposure exceeding EUR 2 million shall be hedged with the minimum of 60% hedging ratio and the open net exposure may not exceed EUR 4 million.

The Group applies hedge accounting for net currency exposures exceeding EUR 4 million in counter value. More information on the Group's foreign exchange derivatives is included in note 18 Derivative financial instruments.

The summary quantitative data about the Group's transaction risk exposure as reported to the Group's management is as follows:

2024 **EUR million**	**Sales and purchases**	**Borrowings and cash**	**Hedges**	**Net transaction risk exposure**
EUR	1.1	0.8	-0.7	1.2
SEK	-2.5	-23.2	25.9	0.2
NOK	-0.1	-3.7	3.9	0.0
DKK	0.1	-9.6	9.4	0.0
PLN	0.0	-0.3	0.3	0.0
USD	-0.1	-0.2	0.3	0.0
MZN	–	0.2	–	0.2

2023 **EUR million**	**Sales and purchases**	**Borrowings and cash**	**Hedges**	**Net transaction risk exposure**
EUR	2.5	0.0	-2.9	0.4
SEK	-2.2	-10.7	12.4	0.5
NOK	-0.1	-7.3	7.3	0.1
DKK	-0.0	-11.4	11.4	0.1
PLN	-0.0	0.0	0.1	0.1
USD	-1.7	0.8	1.0	0.0
MZN	–	1.0	–	1.0

Sales and purchases include both forecasted contractual sales and purchases as well as trade receivables and payables.

Currency transaction risk impact

A reasonably possible strengthening (weakening) of 10% in the most significant currencies against all other currencies at the balance sheet date would have affected profit or loss by the amounts shown in the following table. The analysis illustrates currency transaction risk including hedges and assumes that all other variables, in particular interest rates, remain constant.

	2024 profit or loss		**2023 profit or loss**	
EUR thousands	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
EUR	116	-116	-37	37
SEK	22	-18	-60	49
NOK	4	-3	-10	8
DKK	-4	3	-9	7
PLN	-2	1	16	-13
USD	-4	3	1	-1
MZN	19	-15	110	-90

The Group has not applied hedge accounting to currency derivatives in 2024 or 2023 and all fair value changes are reported through profit and loss.

Currency translation risk

The Group's translation risk arises from translating foreign currency denominated subsidiaries' income statements and balance sheets into the Group's presentation currency upon Group consolidation. The risk is realized as volatility of both the Group's Euro-denominated profit or loss and equity (translation reserves).

A significant portion of the Group's net sales is generated by subsidiaries that operate in countries where a currency other than the Euro is used, particularly Sweden, Norway, Denmark and Poland. For the year ended 31 December 2024, 26% (24) of the Group's net sales were generated in SEK, 14% (15) in NOK, 11% (11) in DKK and 2% (4) in PLN. The changes in NOK against EUR impacted the Group's net sales by EUR -1.7 million (-17.4) and changes in SEK against EUR by EUR 1.0 million (-15.9).

The costs of the operations of the Group are typically incurred in the same currency as net sales. Therefore the translation risk in the Group's profit or loss is limited. In 2024 the changes in NOK against EUR impacted the Group's EBIT by EUR 0.2 million (0.7). A change in the average EUR/SEK, EUR/NOK, EUR/DKK, EUR/PLN rates by 10% would have had an impact of EUR +0.4 million (+0.2) on the Group's operating result (EBIT) and EUR +0.4 million (+0.1) in the Group's post tax profit in 2024.

Net investment translation risk

The majority of the Group's net investment translation risk arises from the net investments in the Swedish, Norwegian and Polish subsidiaries. This net investment was hedged by SEK and PLN denominated loans until January 2022, when the loans in SEK and PLN were repaid. The foreign exchange differences for these loans have been recognized in other comprehensive income under translation reserve. If the amount of the net investment decreases through divestment or otherwise, the related accumulated gains or losses recognized in translation reserve are transferred to profit or loss.

Note 14 continued

The valuations of the net investment hedges in hedging reserve are presented in the below table:

2024 EUR million	Loans denominated in foreign currency	Discontinued net investment hedges	Total
1 Jan	6.6	7.0	13.6
Recognized in hedging reserve during the period	–	–	–
Transferred from hedging reserve to profit and loss during the period	–	-0.1	-0.1
31 Dec	**6.6**	**6.9**	**13.5**

2023 EUR million	Loans denominated in foreign currency	Discontinued net investment hedges	Total
1 Jan	6.6	7.0	13.6
Recognized in hedging reserve during the period	–	–	–
Transferred from hedging reserve to profit and loss during the period	–	–	–
31 Dec	**6.6**	**7.0**	**13.6**

14.1.2 Interest rate risk

Interest rate risk is the uncertainty in the financial result or the value of the Group caused by fluctuations in interest rates. Interest rate risk can be divided into two components:

- interest flow risk is the risk that the Group's net interest expenses change due to interest rate changes.
- interest price risk is the risk that the fair values of financial instruments change due to interest rate changes.

The Group's policy is not to hedge the loans maturing within less than 2 years. At the end of 2024 all the bank borrowings were due in less than 2 years and the Group does not have any interest rate hedges in place.

The Group's borrowing is based on floating interest rates (one to six months) including a floor market rate of zero.

The interest rate profile of the Group is as follows:

EUR million	2024	2023
Total leasing liabilities	**58.7**	**53.9**
Variable-rate instruments		
Financial assets	-21.3	-24.7
Financial liabilities	76.0	71.1
Total variable-rate net liabilities	**54.7**	**46.4**

A majority of the leasing liabilities have a fixed interest rate for the lease period. More information on the Group's interest rate derivatives is included in note 18 Derivative financial instruments.

Interest rate sensitivity

A reasonably possible change in the relevant market interest rates at the reporting date would affect the annual interest expenses by the amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis takes into account the effect in the interest costs of all floating rate borrowings.

2024	Income statement	
EUR million	**50 bp increase**	**25 bp decrease**
Variable rate instruments	0.3	-0.2
Total	**0.3**	**-0.2**

2023	Income statement	
EUR million	**50 bp increase**	**25 bp decrease**
Variable rate instruments	0.2	-0.1
Total	**0.2**	**-0.1**

Bp refers to basis points.

14.1.3 Commodity price risk

Commodity price risk is the uncertainty in the financial result or the value of the Group caused by fluctuations in commodity prices. Inflation impacts Eltel across its cost base, including fuel and material prices.

According to the Group's policy the commodity derivates may be used to hedge the commodity purchases for the long-term customer contracts, if the price of the commodity purchases for the contract cannot be fixed, and a relevant commodity derivative is available in the market. In 2024 or 2023 Eltel had no commodity derivatives.

14.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter financial difficulty in meeting its financial obligations. The Group's objective of liquidity risk management is to ensure that it will maintain a sufficient liquidity reserve to meet its liabilities when they are due under both normal and stressed conditions.

Securing adequate amount of funding is centralised to the Group Treasury. The Group maintains sufficient liquidity by efficient cash management through group level cash pools and related overdraft limits. At year-end 2024, the Group had committed syndicate revolving credit facility of EUR 90 million (90) and the overdraft facilities of EUR 15 million (15). The Group had also access to short-term debt capital markets via Finnish Domestic Commercial Paper program of EUR 150 million.

At year-end, the cash and cash equivalents consisted solely of cash in hand and deposits. The Group's available liquidity reserve at the balance sheet date was as follows:

EUR million	31 Dec 2024	31 Dec 2023
Committed credit facility	44.0	51.0
Current account overdrafts	15.0	15.0
Cash and cash equivalents	21.3	24.7
Total	**80.3**	**90.7**

At the end of December 2024, the Group held counter value of EUR 0.2 million (1.2) in local currency bank accounts in Mozambique and Georgia. Due to the local currency and other regulatory requirements the funds in Mozambique are not readily transferrable off-shore. The funds will be repatriated once the approval from the central bank of Mozambique is received. The funds are included in the cash and cash equivalents since the use of the funds is not restricted. The funds are subject to currency risk in group consolidation and to the extent the project costs arise in other than the local currency. The risk analysis is included in section 14.1 Market risk.

The Group also monitors closely the expected cash inflows and outflows. The liquidity projections are prepared at a daily level for the following 5 weeks and at a monthly level for the full calendar year. The most significant uncertainties in the projections are related to the cash inflows from the project business.

Note 14 continued

The maturities of the Group's undiscounted financial liabilities at the balance sheet date are presented in the following table in line with their contractual terms.

31 Dec 2024 EUR million	Carrying amounts Less than 1 year	Over 1 year	Contractual cash flows Less than 1 year	1–3 years	3–5 years	Over 5 years
Financial assets						
Trade receivables	89.6	–	89.6	–	–	–
Derivative instruments	0.0	–	0.0	–	–	–
Other receivables	2.7	2.2	2.7	0.2	–	2.0
Cash and cash equivalents	21.3	–	21.3	–	–	–
Total financial assets	**113.6**	**2.2**	**113.6**	**0.2**	–	**2.0**
Financial liabilities						
Bank borrowings and commercial papers	60.0	16.0	63.0	16.1	–	–
Leasing liabilities	22.7	36.0	25.2	30.2	6.3	0.8
Trade and other payables	61.5	–	61.5	–	–	–
Derivative financial instruments	0.0	–	0.0	–	–	–
Total financial liabilities	**144.2**	**52.0**	**149.7**	**46.3**	**6.3**	**0.8**

31 Dec 2023 EUR million	Carrying amounts Less than 1 year	Over 1 year	Contractual cash flows Less than 1 year	1–3 years	3–5 years	Over 5 years
Financial assets						
Trade receivables	106.2	–	106.2	–	–	–
Derivative instruments	0.0	–	0.0	–	–	–
Other receivables	3.5	1.2	3.5	0.4	–	0.8
Cash and cash equivalents	24.7	–	24.7	–	–	–
Total financial assets	**134.5**	**1.2**	**134.5**	**0.4**	**–**	**0.8**
Financial liabilities						
Bank borrowings and commercial papers	50.0	21.0	55.0	21.1	–	–
Leasing liabilities	19.9	33.9	18.4	23.1	7.4	2.5
Trade and other payables	73.5	–	73.5	–	–	–
Derivative financial instruments	0.1	–	0.1	–	–	–
Total financial liabilities	**143.5**	**54.9**	**147.0**	**44.2**	**7.4**	**2.5**

14.3 Credit risk

Credit risk is the risk of loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations.

The Group's credit risk arises primarily from the Group's receivables from customers. The Group has identified a concentration risk relating to certain key customers who account for a significant amount of the Group's net sales. The key customers are solid infrastructure network owners, typically well-known publicly listed companies or companies owned by governments or municipalities in Europe. Therefore, the Group assess that the concentration risk and credit risk related to these key customers is limited.

The Group's trade receivables and contract assets are divided into two groups for measurement of credit risk. One group consists of large customers that account for a significant part of the Group's net sales. The loss allowance for expected credit losses for the largest customers is made individually with a rating-based model applied. For the other group of several smaller customers, the Group applies a collective impairment model based on age analysis of the receivables and historically realized losses. Forward-looking factors and management judgement is applied in both models.

At the end of December 2024, the Group held counter value of EUR 0.2 million (1.2) in local bank accounts in Mozambique and Georgia. The sovereign risk related to these countries is included in expected credit loss (ECL) calculation.

Below table summarises the expected credit loss reservation for total trade receivables and contract assets.

Credit risk exposure and loss reservation

2024 EUR million Credit risk rating	Trade receivables (gross)	Contract assets	Total	Expected credit loss reservation	Recognized amounts (net)
Large customers					
AAA	5.7	0.7	6.4	–	6.4
AA	9.2	8.0	17.2	–	17.2
A	3.5	5.8	9.2	–	9.2
BBB	18.8	5.1	23.9	–	23.9
BB	1.1	–	1.1	–	1.1
Total large customers	**38.3**	**19.6**	**57.9**	**–**	**57.9**
Other customers	52.2	39.4	91.5	0.9	90.6
Total	**90.5**	**58.9**	**149.4**	**0.9**	**148.5**

2023 EUR million Credit risk rating	Trade receivables (gross)	Contract assets	Total	Expected credit loss reservation	Recognized amounts (net)
Large customers					
AAA	5.5	1.2	6.7	–	6.7
AA	15.1	7.1	22.2	0.0	22.2
A	6.5	6.3	12.8	–	12.8
BBB	17.9	7.2	25.2	0.0	25.2
BB	0.3	–	0.3	–	0.3
Total large customers	**45.3**	**21.8**	**67.1**	**0.0**	**67.1**
Other customers	62.4	45.0	107.4	1.5	105.9
Total	**107.8**	**66.7**	**174.5**	**1.6**	**172.9**

Maturity analysis of receivables:

EUR million	31 Dec 2024	31 Dec 2023
Not past due	77.8	91.9
1–14 days overdue	9.0	9.9
15–90 days overdue	2.0	3.7
91–180 days overdue	0.3	0.5
More than 180 days overdue	1.3	1.7
Total trade receivables	**90.5**	**107.8**
Contract assets	58.9	66.7
Expected credit loss reservation	-0.9	-1.6
Total	**148.5**	**172.9**

There were no past due receivables in any other class of financial assets.

The carrying amount of the Group's receivables represents the maximum amount of credit risk at the balance sheet date. The amount of receivables represent managements best estimate of amounts that will be recovered from the customers.

The reserve for expected credit losses is EUR 0.9 million (1.6) representing a decrease of EUR 0.7 million from the comparative period. Realized credit losses in the Group were EUR 0.1 million (1.1) during the year.

The Group investment activities are not exposed to significant credit risk. Any long-term investments have to be approved by the Board of Directors. Derivative financial instruments are entered into with banks with high credit rating. Group treasury is responsible for credit risk management relating to financial risk counterparties. New derivative counterparties always have to be approved by the Board of Directors.

Credit risk also originates from investments in cash and cash equivalents. EUR 21.1 million (23.5) of the cash balance on 31 December 2024 was deposited in the banks having the credit rating of at least A (S&P) or equivalent. EUR 0.2 million (1.2) of the cash was deposited in the banks in Mozambique and Georgia having the credit rating of BB. The expected credit risk for cash and cash equivalents is measured by a rating-based model in combination with other known information and forward-looking factors. The expected credit losses for other receivables and assets have been assessed to be immaterial and no reservation has been recognized in the financial statements.

Note 14 continued

14.4 Capital management

The Group's objective when managing capital is to safeguard its ability to continue as going concern in order to provide returns for shareholders. The Group defines total capital as equity plus net debt in the balance sheet.

The net debt at year-end has been as follows:

EUR million	31 Dec 2024	31 Dec 2023
Total bank borrowings	76.5	71.5
Leasing liabilities in balance sheet	58.7	53.9
Cash and cash equivalents	-21.3	-24.7
Net debt	**114.0**	**100.6**

In 2024 Eltel's bank loan agreements included financial covenants related to leverage ratio (Net debt/Adjusted EBITDA), minimum liquidity and net gearing (Net debt/ Total equity).

If the net debt or adjusted EBITDA outcome differs significantly from planned, there is a risk that the covenants under the existing financing agreement are not met. Challenges with respect to meeting the financial covenants might lead to a risk that suppliers and other stakeholders could request accelerated payment terms or additional guarantees.

Credit facilities

EUR million	31 Dec 2024	Maturity
Term loan, current	4.0	Mar 2025 – Dec 2025
Term loan, non-current	16.0	Jan 2026
Revolving credit facility	90.0	Jan 2026
Account overdrafts	15.0	Jan 2026
Total committed credit facilities	**125.0**	
Commercial paper program	150.0	N/A

After the reporting period, the maturity of the term loan, revolving credit facility and account overdrafts have been prolonged until January 2027.

Additional to above facilities, the Group also had access to short-term debt capital markets via a commercial paper program of EUR 150 million. At the reporting date EUR 10.0 million (8.0) of the commercial paper program and EUR 46.0 million (39.0) of the revolving credit facility were utilized.

15 Shares and share capital

There were no changes in shares and share capital in 2024.

On 20 November 2023, Eltel issued and repurchased 2,354,500 class C shares in accordance with the renewed authorization regarding the incentive program LTIP 2022 that the AGM on 11 May 2023 resolved upon and in accordance with the incentive program LTIP 2023 which was adopted by the AGM on 11 May 2023. Eltel held the repurchased shares at 31 December 2023 and at 31 December 2024 and will hold the shares until it is time to deliver shares to the qualifying participants of LTIP 2022 and LTIP 2023, respectively. Prior to the delivery of the shares to qualifying participants, the class C shares will be converted to ordinary shares. The purpose of the repurchase of class C shares is to ensure delivery of shares to participants and to secure social contributions arising as a result of LTIP 2022 and LTIP 2023, respectively. The share issue resulted in an increase of share capital by EUR 2,374,508.

On 31 December 2024, the total number of shares amounted to 160,585,581 divided into 156,736,781 ordinary shares with 1 vote per share and 3,848,800 C shares with 1/10 vote per share. On 31 December 2024 the share capital amounted to EUR 162.0 million.

Changes in the share capital

Date[1]	Transactions	Ordinary shares	C shares	Total number of shares	Change in share capital (EUR)	Total share capital (EUR)	Quota (par) value (EUR)
1Jan 2023		**156,736,781**	**1,494,300**	**158,231,081**			**1.01**
20 Nov 2023	Issue of new C shares	–	2,354,500	160,585,581	2,374,508	161,950,203	1.01
31 Dec 2023		**156,736,781**	**3,848,800**	**160,585,581**		**161,950,203**	**1.01**
31 Dec 2024		**156,736,781**	**3,848,800**	**160,585,581**		**161,950,203**	**1.01**

[1] Date of registration with the Swedish Companies Registration office.

16 Borrowings

The financial liability amounts include capital amount and accrued interests.

EUR million	31 Dec 2024	31 Dec 2023
Carrying amounts of non-current liabilities		
Bank borrowings	15.8	20.7
Leasing liabilities	36.0	33.9
Total non-current financial liabilities	**51.8**	**54.7**
Carrying amounts of current liabilities		
Bank borrowings	60.5	50.4
Leasing liabilities	22.7	19.9
Total current debt	**83.2**	**70.3**
Total current financial liabilities	**83.2**	**70.3**
Total financial liabilities at amortized cost	**135.0**	**125.0**

The carrying amounts of the Group's financial liabilities are denominated in following currencies:

EUR million	31 Dec 2024	31 Dec 2023
EUR	98.6	91.9
SEK	13.1	11.1
PLN	0.3	1.5
NOK	15.9	13.0
DKK	7.3	7.5
Total	**135.0**	**125.0**

See note 14 for information about interest rate risk, currency risk, liquidity risk and capital management.

The weighted average interest rates for borrowings at year-end were 6.3% (7.2).

Non-cash changes of borrowings

	2024			
EUR million	**Long-term borrowings**	**Short-term borrowings**	**Leasing liabilities**	**Total**
1 Jan	20.7	50.4	53.9	125.0
Cash flows (net)	-4.0	9.0	-25.2	-20.2
Non-cash changes:				
New lease agreements	–	–	35.9	35.9
Termination of lease agreements	–	–	-3.8	-3.8
Divestments	–	–	-1.1	-1.1
Change in maturity	-1.0	1.0	–	–
Foreign exchange movements	–	–	-0.9	-0.9
Accruals and other non-cash changes	0.1	0.1	–	0.2
31 Dec	**15.8**	**60.5**	**58.7**	**135.0**

	2023			
EUR million	**Long-term borrowings**	**Short-term borrowings**	**Leasing liabilities**	**Total**
1 Jan	34.7	90.4	47.8	172.9
Cash flows (net)	-7.5	-46.0	-22.1	-75.6
Non-cash changes:				
New lease agreements	–	–	34.3	34.3
Termination of lease agreements	–	–	-5.2	-5.2
Change in maturity	-6.5	6.5	–	–
Foreign exchange movements	–	–	-0.9	-0.9
Accruals and other non-cash changes	0.0	-0.5	–	-0.5
31 Dec	**20.7**	**50.4**	**53.9**	**125.0**

17 Financial instruments by category

Book values of financial instruments by category
When measuring the financial assets and liabilities, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* Quoted prices in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data.

Trade and other payables and receivables are non-interest-bearing and short-term and thus the fair value corresponds to their book value.

Fair value of debt is based on discounted cash flows. The discount rate is based on market rates and the nominal risk premium on Group's bank borrowing. The difference between fair value and book value is not significant as the Group's bank borrowing is based on short-term market rates.

The fair values of currency forward contracts and the currency swaps are based on the present value of the cash flow at the maturity date. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flow based on observable yield curves.

31 Dec 2024 EUR million	Note	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying amounts	Fair value	Fair value hierarchy level
Non-current financial assets		**2.0**	**0.2**	**–**	**2.2**	**2.2**	
Other receivables and financial assets	30	2.0	0.2	–	2.2	2.2	2
Current financial assets		**0.0**	**113.5**	**–**	**113.6**	**113.6**	
Trade receivables	20	–	89.6	–	89.6	89.6	
Derivative instruments	18,20	0.0	–	–	0.0	0.0	2
Other receivables	20	–	2.7	–	2.7	2.7	
Cash and cash equivalents		–	21.3	–	21.3	21.3	
Total financial assets		**2.0**	**113.8**	**–**	**115.8**	**115.8**	
Non-current financial liabilities		**–**	**–**	**51.9**	**51.9**	**52.0**	
Interest-bearing debt	16	–	–	51.8	51.8	52.0	2
Trade and other payables		–	–	0.0	0.0	0.0	
Current financial liabilities		**0.0**	**–**	**147.8**	**147.8**	**147.9**	
Interest-bearing debt	16	–	–	83.2	83.2	83.3	2
Trade and other payables	23	–	–	64.6	64.6	64.6	
Derivative instruments	18,23	0.0	–	–	0.0	0.0	2
Total financial liabilities		**0.0**	**–**	**199.7**	**199.7**	**199.9**	
Carrying amount, net		**2.0**	**113.8**	**-199.7**			

31 Dec 2023 EUR million	Note	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying amounts	Fair value	Fair value hierarchy level
Non-current financial assets		**0.8**	**0.4**	**–**	**1.2**	**1.2**	
Other receivables and financial assets	30	0.8	0.4	–	1.2	1.2	2
Current financial assets		**0.0**	**134.5**	**–**	**134.5**	**134.5**	
Trade receivables	20	–	106.2	–	106.2	106.2	
Derivative instruments	18,20	0.0	–	–	0.0	0.0	2
Other receivables	20	–	3.5	–	3.5	3.5	
Cash and cash equivalents		–	24.7	–	24.7	24.7	
Total financial assets		**0.8**	**134.9**	**–**	**135.7**	**135.7**	
Non-current financial liabilities		**–**	**–**	**55.0**	**55.0**	**55.3**	
Interest-bearing debt	16	–	–	54.7	54.7	54.9	2
Trade and other payables		–	–	0.4	0.4	0.4	
Current financial liabilities		**0.1**	**–**	**149.5**	**149.6**	**149.6**	
Interest-bearing debt	16	–	–	70.3	70.3	70.3	2
Trade and other payables	23	–	–	79.1	79.1	79.1	
Derivative instruments	18,23	0.1	–	–	0.1	0.1	2
Total financial liabilities		**0.1**	**–**	**204.5**	**204.6**	**204.9**	
Carrying amount, net		**0.7**	**134.9**	**-204.5**			

On 31 December 2024 or on 31 December 2023 the Group had no financial instruments measured at fair value through other comprehensive income.

18 Derivative financial instruments

EUR million	Nominal values	Fair values Positive	Fair values Negative
31 Dec 2024			
Foreign exchange derivatives	35.5	0.0	-0.0
Total	**35.5**	**0.0**	**-0.0**
31 Dec 2023			
Foreign exchange derivatives	52.8	0.0	-0.1
Total	**52.8**	**0.0**	**-0.1**

All derivative contracts have been made according to the Group Treasury Policy. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group has not applied hedge accounting to any derivative financial instruments in 2024 or 2023. More information on the financial risks which are hedged by the derivative financial instruments are presented in note 14.

The Group enters into derivatives transactions, other than embedded derivatives, under international Swaps and Derivatives Association (ISDA) master netting agreements. The ISDA agreements do not meet the criteria for offsetting in the balance sheet. The following table sets out the carrying amount of the financial instruments that are subject to above agreements:

	31 Dec 2024			31 Dec 2023		
EUR thousands	Carrying amounts	Related instruments that are not offset	Net amounts	Carrying amounts	Related instruments that are not offset	Net amounts
Financial assets						
Foreign exchange derivatives	50	-4	46	10	-10	0
Financial liabilities						
Foreign exchange derivatives	-7	4	-3	-107	10	-97

19 Commitments and contingent liabilities

Commitments and collateral pledged

EUR million	31 Dec 2024	31 Dec 2023
Pledged assets		
Shares in subsidiaries	42.2	57.1
Floating charges	218.3	219.7
Intra-group loan receivables	491.4	482.3
Total pledged assets	**751.9**	**759.0**
Guarantees		
Counter guarantees for external guarantees	52.3	89.3
Total guarantees	**52.3**	**89.3**

At year-end, the pledged assets related mainly to securing the Group's liabilities under the Group's financing agreement. Securities provided included the shares in The Infranet Company AB, floating charges and the pledge of certain intra-group loan receivables.

Counter guarantees for external guarantees consist of performance and other contract guarantees issued by the banks and insurance companies on behalf of group companies under the facilities for which the group companies have given a counter guarantee or other security.

Working capital and deferred taxes

This section comprises the following notes

20	Trade and other receivables	89
21	Inventories	89
22	Provisions	89
23	Trade and other payables	89
24	Deferred tax	90

20 Trade and other receivables

EUR million	31 Dec 2024	31 Dec 2023
Trade receivables, gross	90.5	107.8
Contract assets	58.9	66.7
Expected credit loss reservation	-0.9	-1.6
Trade receivables and contract assets, net	**148.5**	**172.9**
Derivative instruments	0.0	0.0
Income tax receivables	0.8	0.9
Indirect tax receivables	0.7	0.8
Other prepayments and accruals	12.5	17.4
Other receivables	2.7	3.5
Total current trade and other receivables	**165.3**	**195.6**

Fair values of trade and other receivables approximate their carrying amount due to short maturities. The Group applies the expected credit losses (ECL) model according to IFRS 9 for impairment of trade receivables, contract assets and other financial assets. Refer to note 14.3 Credit risk for more information.

During 2024 the Group has sold on non-recourse basis EUR 138.7 million (263.3) of trade receivables to various financial institutions as part of vendor financing solutions and derecognized the amounts from the balance sheet at the time of receipt of payment. EUR 2.6 million (2.9) of the costs are included in EBIT and EUR 1.4 million (1.6) in the financial expenses.

21 Inventories

EUR million	31 Dec 2024	31 Dec 2023
Raw materials and consumables	6.3	9.4
Work in progress	13.0	7.9
Total	**19.3**	**17.3**

22 Provisions

EUR million	31 Dec 2024	31 Dec 2023
Non-current	5.2	3.4
Current	3.8	3.7
Total	**8.9**	**7.1**

2024 EUR million	Warranty provision	Project risk provision	Restructuring provisions	Other provisions	Total
1 Jan	2.3	3.1	0.3	1.4	7.1
Additional provisions	2.2	1.4	0.8	1.6	6.0
Used provisions during year	-0.4	-2.0	-0.6	-0.4	-3.4
Unused amounts reversed	-0.3	-0.3	–	-0.1	-0.6
Divestments	-0.0	-0.5	–	–	-0.5
Transfer from other accruals	0.2	0.2	–	–	0.4
Transfer between categories	0.2	-0.2	–	-0.0	0.0
Exchange rate differences	-0.0	0.0	-0.0	-0.0	-0.0
31 Dec	**4.2**	**1.8**	**0.5**	**2.4**	**8.9**

Non-current provisions consist mainly of warranty provisions and restoration provisions for right-of-use assets. Majority of the non-current provision for warranties will materialize in two to four years' time from the balance sheet date. Warranty provisions which are classified as current will materialize over the next financial year. Based on past experience, the outcome of these warranties will not give rise to any further significant losses.

Project risk provisions relate to onerous contracts and other project related provisions. Project risk provisions are based on management estimates of the outcome of the project and based on facts and circumstances and other information available at the reporting date, also taking into account any significant events after the reporting period. The actual future outcome may deviate from the estimate. At year-end 2024 other provisions comprise mainly restoration provisions for right-of-use assets and a resizing provision.

23 Trade and other payables

Current

EUR million	31 Dec 2024	31 Dec 2023
Trade payables	61.5	73.4
Tax deferral in Sweden	–	29.8
Other liabilities	3.1	5.8
Derivative financial liabilities	0.0	0.1
Indirect tax liabilities	15.6	14.1
Income tax liabilities	1.5	0.6
Accrued expenses and prepaid income	70.3	68.0
Total current trade and other payables	**152.0**	**191.8**

Tax deferral in Sweden has been moved from trade and other payables to other non-current liabilities in the balance sheet.

Accrued expenses consist of the following items:

EUR million	31 Dec 2024	31 Dec 2023
Accrued wages and salaries	35.9	32.7
Accrued indirect employee costs	14.3	14.7
Other accruals	20.1	20.6
Total	**70.3**	**68.0**

24 Deferred tax

Deferred tax assets and liabilities

EUR million	31 Dec 2024	31 Dec 2023
Deferred tax assets	27.2	27.9
Deferred tax liabilities	-10.7	-11.3
Net deferred tax assets	**16.4**	**16.6**

The movement on the deferred income tax amount during the year:

EUR million	2024	2023
1 Jan	16.6	6.0
Recognized in the income statement	3.5	10.0
Recognized in other comprehensive income:		
Translation differences	-0.3	0.2
Defined benefit plans	-1.0	0.4
Divestments	-2.4	–
31 Dec	**16.4**	**16.6**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movement in deferred income tax assets and liabilities:

Deferred tax assets

EUR million	Retirement benefit obligations	Tax losses carried forward	Leasing liabilities	Other temporary differences	Total
1 Jan 2023	0.2	10.5	–	5.6	16.3
Opening balance adjustment	–	–	10.0	-0.3	9.7
Recognized in the income statement	-0.2	10.0	1.3	1.3	12.4
Translation differences	0.0	0.1	0.0	0.2	0.4
Offsetting	–	–	-10.9	–	-10.9
31 Dec 2023	**0.0**	**20.7**	**0.4**	**6.8**	**27.9**
Opening balance adjustment of offsetting	–	–	10.9	–	10.9
Recognized in the income statement	–	2.6	1.6	-0.6	3.6
Divestments	-0.0	–	-0.2	-3.1	-3.3
Translation differences	–	-0.4	-0.2	0.0	-0.6
Offsetting	–	–	-11.3	–	-11.3
31 Dec 2024	–	**22.9**	**1.2**	**3.1**	**27.2**

Deferred tax assets are recognized for tax loss carry forwards and temporary differences to the extent that the realisation of the related tax benefit against future taxable profits is probable. The future taxable profit estimate is based on current business plans approved by management.

Gross amount of EUR 22.9 million (20.7) deferred tax assets are recognized for losses carried forward, of which EUR 14.9 million (11.4) relates to operations in Sweden. The change in the gross amount during 2024 relates mainly to re-recognition of deferred tax assets in Sweden. On 31 December 2024 the Group had in its main operational countries a total of EUR 140.5 million (165.2) tax losses for which no deferred tax asset was recognized. These tax losses do not have expiry date.

Deferred tax liabilities

EUR million	Retirement benefit asset	Fair value adjustment	Right-of-use assets	Other temporary differences	Total
1 Jan 2023	1.3	4.9	–	4.1	10.3
Opening balance adjustment	–	–	9.7	–	9.7
Recognized in the income statement	0.9	–	1.2	0.3	2.4
Recognized in other comprehensive income	-0.4	–	–	–	-0.4
Translation differences	0.0	-0.1	0.0	0.2	0.2
Offsetting	–	–	-10.9	–	-10.9
31 Dec 2023	**1.8**	**4.8**	**0.0**	**4.6**	**11.3**
Opening balance adjustment of offsetting	–	–	10.9	–	10.9
Recognized in the income statement	-0.4	–	0.9	-0.3	0.1
Recognized in other comprehensive income	1.0	–	–	–	1.0
Divestments	–	–	-0.2	-0.7	-0.9
Translation differences	-0.1	-0.0	-0.2	-0.0	-0.3
Offsetting	–	–	-11.3	–	-11.3
31 Dec 2024	**2.3**	**4.8**	**0.0**	**3.5**	**10.7**

Business combinations and capital expenditure

This section comprises the following notes

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25 Acquisitions and disposals

Disposal of Polish High Voltage business

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 was completed on 6 June 2024 following receipt of customary regulatory approval. The transaction was made in cash and it had negative cash flow impacts of EUR 4.0 million in the second quarter of 2024 and EUR 0.6 million in the third quarter of 2024. Total negative cash flow impact for January-December 2024 was EUR 4.6 million.

In the first quarter of 2024 the Polish High Voltage business was recognized as asset held for sale, resulting in a negative impact on Group EBIT of EUR 23.2 million. The negative impact on Group EBIT in January-December 2024 was EUR 23.1 million, recognized in other expenses in the income statement.

Until the divestment in 2024, the net sales in High Voltage Poland amounted to EUR 13.6 million and the adjusted EBITA amounted to EUR -1.0 million. In 2023, the net sales in High Voltage Poland amounted to EUR 36.3 million, adjusted EBITA amounted to EUR -4.9 million and the business consisted of about 410 employees. After completion of the divestment, Eltel no longer has any High Voltage business in Poland.

26 Non-controlling interests

EUR million	Subsidiaries with non-controlling interest	
Summarized statement of balance sheet	**31 Dec 2024**	**31 Dec 2023**
Current assets	30.9	28.8
Non-current assets	5.4	4.4
Total assets	**36.3**	**33.2**
Current liabilities	12.8	12.0
Non-current liabilities	3.4	2.1
Total liabilities	**16.2**	**14.1**
Equity:		
Shareholders' equity	20.1	19.1
Non-controlling interest	8.0	7.6
Summarized income statement	**2024**	**2023**
Net sales	40.4	39.2
Net result	1.6	0.8
Total comprehensive income	1.6	0.8
Total comprehensive income allocated to non-controlling interests	0.6	0.3
Dividends paid to non-controlling interest	-0.2	-0.0
Summarized cash flows	**2024**	**2023**
Cash flow from operating activities	5.9	0.7
Cash flow from investing activities	0.0	-0.1
Cash flow from financing activities	-5.9	-0.6
% of ownership	60%	60%

Eltel Networks Pohjoinen Oy, in Finland, is a subsidiary with a non-controlling interest of 40%.

27 Intangible assets

2024 EUR million	Goodwill	Customer relationship	Order backlog	Brand	Advances paid	Other intangible assets	Total
Cost 1 Jan	476.7	130.7	13.6	47.2	0.2	33.9	702.2
Additions	–	–	–	–	0.1	0.3	0.3
Divestments	–	–	–	–	0.0	-1.8	-1.8
Reclassification from property, plant and equipment	–	–	–	–	0.0	0.1	0.1
Translation differences	-4.3	-1.7	-0.2	-0.3	0.0	-0.3	-6.9
Cost 31 Dec	**472.3**	**128.9**	**13.4**	**46.9**	**0.2**	**32.2**	**693.9**
Accumulated amortization and impairment 1 Jan	223.0	130.7	13.6	20.8	0.0	27.6	415.6
Accumulated amortization of divestments	–	–	–	–	–	-1.8	-1.8
Amortization during the year	–	–	–	–	–	2.6	2.6
Translation differences	–	-1.7	-0.2	–	0.0	-0.2	-2.1
Accumulated amortization and impairment 31 Dec	**223.0**	**128.9**	**13.4**	**20.8**	**0.0**	**28.3**	**414.3**
Carrying value 1 Jan	253.6	0.0	0.0	26.5	0.2	6.3	286.6
Carrying value 31 Dec	**249.3**	**0.0**	**0.0**	**26.2**	**0.2**	**3.9**	**279.6**

2023 EUR million	Goodwill	Customer relationship	Order backlog	Brand	Advances paid	Other intangible assets	Total
Cost 1 Jan	479.0	129.6	13.4	47.2	0.1	33.6	702.9
Additions	–	–	–	–	0.4	0.2	0.6
Reclassification	–	–	–	–	-0.3	0.3	0.0
Translation differences	-2.4	1.0	0.1	0.1	–	-0.1	-1.3
Cost 31 Dec	**476.7**	**130.7**	**13.6**	**47.2**	**0.2**	**33.9**	**702.2**
Accumulated amortization and impairment 1 Jan	223.0	129.6	13.4	20.8	–	24.8	411.6
Amortization during the year	–	–	–	–	–	2.8	2.8
Translation differences	–	1.0	0.1	–	–	0.1	1.2
Accumulated amortization and impairment 31 Dec	**223.0**	**130.7**	**13.6**	**20.8**	**0.0**	**27.6**	**415.6**
Carrying value 1 Jan	256.0	0.0	0.0	26.4	0.1	8.8	291.3
Carrying value 31 Dec	**253.6**	**0.0**	**0.0**	**26.5**	**0.2**	**6.3**	**286.6**

Value of customer relationship and Eltel brand origin from the acquisition of Eltel's business.

The Eltel brand is not amortised, because it has been assessed that it has an indefinite useful life. No foreseeable limit to the period over which it is expected to generate net cash inflows for the Group can be seen. Eltel brand is tested for impairment annually together with goodwill.

Allocation of goodwill and brand

Eltel organizes its business through Country Units (CU), and a project based unit: Smart Grids Germany. In addition, Eltel has Power Transmission International business that is being ramped down.

Monitoring and testing of goodwill and brand mirror the way that management follows operations. The values and pre-tax discount rates used in valuation are presented in following tables.

Goodwill and brand relating to Power Transmission International business have been fully impaired in earlier periods and no value remains for this unit.

	2024			2023		
EUR million	**Brand**	**Goodwill**	**WACC**	**Brand**	**Goodwill**	**WACC**
Country Unit Finland	8.2	79.7	10.8%	8.2	79.7	12.1%
Country Unit Sweden	5.6	54.7	10.0%	5.8	56.4	11.4%
Country Unit Norway	7.8	70.8	10.4%	7.9	73.5	12.0%
Country Unit Denmark	3.5	34.4	10.1%	3.5	34.4	11.6%
Smart Grids Germany	0.9	8.7	11.6%	0.9	8.7	12.6%
Other units	0.1	0.9	11.9%	0.1	0.9	12.6%
Total	**26.2**	**249.3**		**26.5**	**253.6**	

The recoverable amount of above cash generating units (CGUs) is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on business plans approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using a growth rate of 1.5% (1.5) in average which does not exceed the long-term average growth rate for the businesses in which the Group operates.

The key assumptions used for value-in-use calculations are:
1. The sales volumes of the business plan – determined based on past performance and existing and planned contracts with clients.
2. Profitability of the business plan – determined based on previous years actual profitability and the planned actions to increase the profitability; EBITA.
3. Discount rate (pre-tax) – determined based on the weighted average cost of capital (WACC) which describes the total cost of debt and equity considering the risks specific to the business.

The discount rates used in calculations reflect the current state of macroeconomic uncertainty and risks specific to the business.

The annual impairment test conducted for year-end 2024 or 2023 resulted in no impairment. However, the value of goodwill in country unit Norway is sensitive to impairment. Since the beginning of 2024, customer investments in Norway have been lower than earlier expected and visibility to the development of market demand for Eltel's core offerings has been limited. Restructuring activities were initiated during Q3 2024 and the execution continues. Eltel follows any triggering events and impairment test is conducted in case of any indicators of impairment.

At year-end, the recoverable amount for CGU Norway exceeds the carrying amount by 8% (16) and use of pre-tax WACC of 11.0% (13.6), reduction of perpetual growth to below 0.7% (0) or reduction in EBITA by 1.3 percentage points (1.8) would change the recoverable amount to be equal to its carrying amount. Management deems that no reasonable possible changes in future estimates would cause the recoverable amount to fall below the carrying amount in any other CGU.

28 Property, plant and equipment

2024 EUR million	Land	Buildings	Machinery and equipment	Total
Cost 1 Jan	0.1	1.0	73.8	74.8
Additions	–	0.0	2.0	2.1
Disposals	–	0.0	-0.1	-0.1
Divestments	-0.1	-0.8	-19.5	-20.4
Reclassification to intangible assets	–	–	-0.1	-0.1
Translation differences	0.0	0.0	-0.6	-0.6
Cost 31 Dec	**0.0**	**0.2**	**55.5**	**55.7**
Accumulated depreciation 1 Jan	0.1	0.4	63.9	64.3
Accumulated depreciation of disposals	–	–	0.0	0.0
Accumulated depreciation of divestments	-0.1	-0.3	-17.1	-17.5
Depreciation during the year	–	0.0	3.5	3.5
Impairment	–	–	0.0	0.0
Translation differences	0.0	0.0	-0.5	-0.5
Accumulated depreciation 31 Dec	**0.0**	**0.1**	**49.7**	**49.8**
Carrying value 1 Jan	0.0	0.6	9.9	10.5
Carrying value 31 Dec	**0.0**	**0.1**	**5.8**	**5.9**

2023 EUR million	Land	Buildings	Machinery and equipment	Total
Cost 1 Jan	0.1	0.9	69.3	70.2
Additions	–	0.0	3.9	3.9
Disposals	–	–	-0.2	-0.2
Translation differences	0.0	0.1	0.8	0.9
Cost 31 Dec	**0.1**	**1.0**	**73.8**	**74.8**
Accumulated depreciation 1 Jan	0.0	0.3	59.2	59.5
Accumulated depreciation of disposals	–	–	-0.2	-0.2
Depreciation during the year	–	0.0	4.0	4.1
Impairment	–	–	0.0	0.0
Translation differences	0.0	0.0	0.8	0.9
Accumulated depreciation 31 Dec	**0.1**	**0.4**	**63.9**	**64.3**
Carrying value 1 Jan	0.0	0.6	10.1	10.7
Carrying value 31 Dec	**0.0**	**0.6**	**9.9**	**10.5**

Right-of-use assets are not included in property, plant and equipment. See following note 29 for more information about leases.

29 Leasing

Under IFRS 16 Eltel recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Right-of-use assets are depreciated on a straight line basis and an interest expense is recognized under financing expenses for the lease liabilities. IFRS 16 requires use of estimates for valuating contracts that are valid until further notice (continuous contracts). Lengths of these contracts have been estimated based on expected usage in current business operations.

IFRS 16 leasing expenses in income statement

EUR million	2024	2023
Depreciation and impairment losses		
Depreciation of right-of-use assets	25.5	22.3
Impairment losses on right-of-use assets	3.1	0.9
Other operating expenses		
Short-term lease expense	2.8	3.2
Expense for leases of low-value assets	2.6	2.4
Financial expenses		
Interest expense on lease liabilities	2.8	2.6
Total	**36.8**	**31.4**

Right-of-use assets

EUR million	Buildings	Machinery and equipment	Total
1 Jan 2023	25.0	21.5	46.5
Additions	8.2	26.1	34.3
Depreciation	-8.3	-14.1	-22.3
Impairment losses	-0.6	-0.3	-0.9
Other	-3.8	-1.9	-5.7
31 Dec 2023	**20.5**	**31.4**	**51.9**
Additions	10.8	25.0	35.9
Depreciation	-8.9	-16.6	-25.5
Impairment losses	-0.2	-2.9	-3.1
Divestments	-0.9	-0.2	-1.0
Other	-2.2	-2.5	-4.7
31 Dec 2024	**19.2**	**34.3**	**53.5**

Leasing liabilities

EUR million	Non-current	Current	Total
1 Jan 2023	31.0	16.8	47.8
Changes during the year	3.0	3.1	6.1
31 Dec 2023	**33.9**	**19.9**	**53.9**
Changes during the year	2.8	3.1	5.9
Divestments	-0.8	-0.3	-1.1
31 Dec 2024	**36.0**	**22.7**	**58.7**

Maturity analysis of leasing liabilities is presented in note 14.2 Liquidity risk. In addition, the Group is committed to EUR 0.4 million (0.5) future lease payments for short-term lease commitments.

Remuneration and other

This section comprises the following notes

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30 Remuneration to senior executives

Number of key executives	**31 Dec 2024**	**31 Dec 2023**
Board of Directors		
Men	4	3
Women	2	3
Other key executives		
Men	5	6
Women	4	3
Total	**15**	**15**

Guidelines for remuneration to senior executives

Eltel AB's Annual General Meeting 2024 approved the new guidelines for remuneration to senior executives. Information regarding the guidelines is presented in the Board of Directors' report, on pages 58-59.

Board of Director's fees

EUR thousands	**2024**	**2023**
Per Sjöstrand[2]	79	–
Ann Emilson	45	45
Gunilla Fransson[1]	18	53
Ulf Mattsson[1]	40	119
Johan Nordström[2]	24	–
Joakim Olsson	45	45
Erja Sankari	45	45
Roland Sundén	58	53
Total	**353**	**359**

[1] Until April 2024. [2] From May 2024 onwards.

Other key executives compensation

EUR thousands	**2024 Håkan Dahlström**	**2024 Other senior executives[1]**	**2023 Håkan Dahlström**	**2023 Other senior executives[1]**
Fixed salary	551	1,796	533	1,779
Annual variable salary	160	423	266	149
Long-time variable salary	45	59	4	16
Pension	157	379	163	382
Other benefits	1	54	17	87
Total	**913**	**2,710**	**983**	**2,414**

[1] 8 individuals in 2024 and 2023.

Variable salary, other remuneration and pensions refer to amounts that were recorded as expense according to IFRS. The long-term variable salary refers to provisions made for the LTIP programs.

Salaries, remuneration and benefits

Salaries and other remuneration to the Board of Directors and senior executives excluding pensions and other benefits amounted to EUR 3.4 million (3.1) of which the fixed salaries amounted to EUR 2.7 million (2.7) including fees to the Board of Directors of EUR 0.4 million (0.4). Out of this, variable salaries including provisions for LTIP 2021, LTIP 2022, LTIP 2023 and LTIP 2024 amounted to EUR 0.7 million (0.4). The defined contribution pension plans for senior executives amounted to EUR 0.5 million (0.5) and the amount of other indirect employee costs for senior executives amounted to EUR 0.7 million (0.5).

The short-term variable salary component is based on predetermined and measurable financial and individual targets. The criteria are recommended by the Remuneration Committee and ultimately determined by the Board of Directors. The short-term variable salary can amount to a maximum of 80% of the fixed base salary for the CEO and 60% for other members of GMT.

The pension terms of the CEO and other senior executives in the Group Management Team (GMT) are market-based in relation to terms that generally apply to comparable executives and reflect the applicable laws and established practices in different countries.

The CEO has a notice period of twelve months in case of termination from the company and twelve months in the event of his resignation. The notice period for other senior executives is twelve months in case of termination from the company and six months in the event of their own resignation. In the event of termination by the company, the CEO is also entitled to a severance pay equivalent to 12 months base salary.

Long-term incentive programs

LTIP 2021

Eltel AB's Annual General Meeting 2021 adopted a long-term incentive program ("LTIP 2021") for senior executives and other key individuals in order to encourage a personal long-term ownership in the company, and in order to increase and strengthen the potential for recruiting, retaining and motivating such senior executives and key individuals.

Participation in LTIP 2021 assumed that the participant acquired and locked Eltel Shares into LTIP 2021 ("Savings Shares"). For each acquired Savings Share, the participant was entitled to, after a certain qualification period, provided continued employment and dependent on the fulfilment of certain performance requirements linked to the company's Compound Annual Growth Rate of Revenue ("CAGR of Revenue"), Average Earnings Margin Before Interest, Taxes and Amortization ("Average EBITA Margin") and Total Shareholder Return ("TSR"), receive allotment of Eltel Shares ("Performance Shares") and call options issued by the company ("Performance Options").

LTIP 2021 was terminated during the second quarter of 2024 and the performance requirement linked to TSR was not met. In accordance with the terms of LTIP 2021, no allotment of Performance Shares or Performance Options was made.

LTIP 2022

Eltel AB's Annual General Meeting 2022 adopted a long-term incentive program ("LTIP 2022") for senior executives and other key individuals in order to encourage a personal long-term ownership in the company, and in order to increase and strengthen the potential for recruiting, retaining and motivating such senior executives and key individuals. The participants are based in Sweden and other countries where the Eltel Group is active. Participation in the LTIP 2022 assumes that the participant acquires and locks Eltel Shares into LTIP 2022 ("Savings Shares"). Savings Shares shall be newly acquired Eltel Shares.

Participants will, after a qualifying period and assuming an investment of their own in Eltel Shares, be given the opportunity to, without consideration, receive allotments of Eltel Shares (defined below) and exercise options issued by the company. The number of allotted Eltel Shares and options will depend on the number of Eltel Shares that they have purchased themselves and on the fulfilment of certain performance requirements. Eltel Shares are ordinary shares in the company ("Eltel Shares"). The term of LTIP 2022 is approximately three years.

For each acquired Savings Share, the participant shall be entitled to, after a certain vesting period (defined below), provided continued employment and dependent on the fulfilment of certain performance requirements during the financial years 2022-2025, receive allotment of Eltel Shares ("Performance Shares") and exercise options issued by the company ("Performance Options").

The performance requirements are linked to the company's Compound Annual Growth Rate of Revenue ("CAGR of Revenue"), Average Earnings Margin Before Interest, Taxes and Amortization ("Average EBITA Margin") and Total Shareholder Return ("TSR"). The participant shall not pay any consideration for the allotted Performance Shares and Performance Options. Performance Shares are Eltel Shares and Performance Options are call options issued by the company.

The exercise price when the participant exercises the Performance Option shall correspond to 120% of the volume-weighted average price according to Nasdaq Stockholm's official price list for the Eltel Share during the first ten trading days that directly follows the Annual General Meeting 2022 (the "Purchase Price"). Customary recalculation of the Purchase Price as well as of the number of Eltel Shares that each Performance Option corresponds to may occur if the share capital or the number of shares in the company changes due to bonus issue, split or reverse split, redemption of shares, certain new issues and other similar corporate events, and if certain other measures are taken. The exercise of the Performance Options may be carried out using so called net strike.

To be eligible to participate in LTIP 2022, the participant must invest in Savings Shares for an amount corresponding to approximately five (5) % of the participant's fixed base salary for the financial year 2022, however, not exceeding the number of Savings Shares that the participant can tie up within the scope of LTIP 2022 according to the below.

The Savings Shares covered by the LTIP 2022 were acquired in a structured way in ordinary trading in the stock market during a certain period of time.

On balance sheet date, the LTIP 2022 comprises a maximum of 332,000 Performance Shares and 332,000 Performance Options, corresponding to approximately 0.4% of the total outstanding shares and votes in the Company.

Note 30 continued

Allotment of Performance Shares and Performance Options within LTIP 2022 will be made during a limited period of time following the latter of the date of (i) the presentation of the first quarterly report for the first quarter of 2025, and (ii) the first record date for dividends decided by the Annual General Meeting 2025. The period up to this date is referred to as the qualification period (vesting period).

LTIP 2022 program is directed towards three categories of participants:

Category	Savings Shares maximum per person	Performance Shares per Savings Share	Performance Options per Savings Share
A CEO	22,000	8.0×	8.0×
B Group Management Team[1)]	7,000	8.0×	8.0×
C Other key individuals[2)]	5,550	8.0×	8.0×

[1)] Maximum 7 persons. [2)] Maximum 4 persons.

LTIP 2023

Eltel AB's Annual General Meeting 2023 adopted a long-term incentive program ("LTIP 2023") for senior executives and other key individuals in order to encourage a personal long-term ownership in the company, and in order to increase and strengthen the potential for recruiting, retaining and motivating such senior executives and key individuals. The participants are based in Sweden and other countries where the Eltel Group is active. Participation in the LTIP 2023 assumes that the participant acquires and locks Eltel Shares into LTIP 2023 ("Savings Shares"). Savings Shares shall be newly acquired Eltel Shares.

Participants will, after a qualifying period and assuming an investment of their own in Eltel Shares, be given the opportunity to, without consideration, receive allotments of Eltel Shares (defined below) and exercise options issued by the company. The number of allotted Eltel Shares and options will depend on the number of Eltel Shares that they have purchased themselves and on the fulfilment of certain performance requirements. Eltel Shares are ordinary shares in the company ("Eltel Shares"). The term of LTIP 2023 is more than three years.

For each acquired Savings Share, the participant shall be entitled to, after a certain vesting period (defined below), provided continued employment and dependent on the fulfilment of certain performance requirements during the financial years 2023-2025, receive allotment of Eltel Shares ("Performance Shares") and exercise options issued by the company ("Performance Options").

The performance requirements are linked to the company's Compound Annual Growth Rate of Revenue ("CAGR of Revenue"), Average Earnings Margin Before Interest, Taxes and Amortization ("Average EBITA Margin") and Total Shareholder Return ("TSR"). The participant shall not pay any consideration for the allotted Performance Shares and Performance Options. Performance Shares are Eltel Shares and Performance Options are call options issued by the company.

The exercise price when the participant exercises the Performance Option shall correspond to 120% of the volume-weighted average price according to Nasdaq Stockholm's official price list for the Eltel Share during the first ten trading days that directly follows the Annual General Meeting 2023 (the "Purchase Price"). Customary recalculation of the Purchase Price as well as of the number of Eltel Shares that each Performance Option corresponds to may occur if the share capital or the number of shares in the company changes due to bonus issue, split or reverse split, redemption of shares, certain new issues and other similar corporate events, and if certain other measures are taken. The exercise of the Performance Options may be carried out using so called net strike.

To be eligible to participate in LTIP 2023, the participant must invest in Savings Shares for an amount corresponding to approximately five (5) % of the participant's fixed base salary for the financial year 2023, however, not exceeding the number of Savings Shares that the participant can tie up within the scope of LTIP 2023 according to the below.

The Savings Shares covered by the LTIP 2023 were acquired in a structured way in ordinary trading in the stock market during a certain period of time.

On balance sheet date, the LTIP 2023 comprises a maximum of 432,000 Performance Shares and 432,000 Performance Options, corresponding to approximately 0.5% of the total outstanding shares and votes in the Company.

Allotment of Performance Shares and Performance Options within LTIP 2023 will be made during a limited period of time following the latter of the date of (i) the presentation of the first quarterly report for the first quarter of 2026, and (ii) the first record date for dividends decided by the Annual General Meeting 2026. The period up to this date is referred to as the qualification period (vesting period).

LTIP 2023 program is directed towards three categories of participants:

Category	Savings Shares maximum per person	Performance Shares per Savings Share	Performance Options per Savings Share
A CEO	22,000	8.0×	8.0×
B Group Management Team[1)]	7,000	8.0×	8.0×
C Other key individuals[2)]	5,500	8.0×	8.0×

[1)] Maximum 8 persons. [2)] Maximum 4 persons.

LTIP 2024

Eltel AB's Annual General Meeting 2024 adopted a long-term incentive program ("LTIP 2024") for senior executives and other key individuals in order to encourage a personal long-term ownership in the company, and in order to increase and strengthen the potential for recruiting, retaining and motivating such senior executives and key individuals. The participants are based in Sweden and other countries where the Eltel Group is active. Participation in the LTIP 2024 assumes that the participant acquires and locks Eltel Shares into LTIP 2024 ("Savings Shares"). Savings Shares shall be newly acquired Eltel Shares or Eltel Shares held by the participant, but which do not constitute Savings Shares in any other long-term incentive program introduced by the company.

Participants will, after a qualifying period and assuming an investment of their own in Eltel Shares, be given the opportunity to, without consideration, receive allotments of Eltel Shares (defined below) and, if applicable, exercise options issued by the company. The number of allotted Eltel Shares and, if applicable, options will depend on the number of Eltel Shares that they have purchased themselves and on the fulfilment of certain performance requirements. Eltel Shares are ordinary shares in the company ("Eltel Shares"). The term of LTIP 2024 is three years.

For each acquired Savings Share, the participant shall be entitled to, after a certain vesting period (defined below), provided continued employment and dependent on the fulfilment of certain performance requirements during the financial years 2024-2026, receive allotment of Eltel Shares ("Performance Shares") and, if applicable, exercise options issued by the company ("Performance Options").

The performance requirements are linked to the company's Compound Annual Growth Rate of Revenue ("CAGR of Revenue"), Average Adjusted Operative Earnings Margin Before Interest, Taxes and Amortization ("Average Adjusted Operative EBITA Margin") and Total Shareholder Return ("TSR"). The participant shall not pay any consideration for the allotted Performance Shares and, if applicable, Performance Options. Performance Shares are Eltel Shares and Performance Options are call options issued by the company.

The exercise price when the participant exercises the Performance Option shall correspond to 120% of the volume-weighted average price according to Nasdaq Stockholm's official price list for the Eltel Share during the first ten trading days that directly follows 14 May 2024 (the "Purchase Price"). Customary recalculation of the Purchase Price as well as of the number of Eltel Shares that each Performance Option corresponds to may occur if the share capital or the number of shares in the company changes due to bonus issue, split or reverse split, redemption of shares, certain new issues and other similar corporate events, and if certain other measures are taken. The exercise of the Performance Options may be carried out using so called net strike.

To be eligible to participate in LTIP 2024, the participant must invest in Savings Shares for an amount corresponding to approximately five (5) % of the participant's fixed base salary for the financial year 2024, however, not exceeding the number of Savings Shares that the participant can tie up within the scope of LTIP 2024 according to the below. Over-allocation may occur. However, such allocation may at most result in that the maximum number of Savings Shares per participant within a certain category is exceeded by fifty (50) %.

In addition to the Savings Shares held by participants, and which did not constitute Savings Shares in any other long-term incentive program introduced by the company, the Savings Shares were acquired in a structured way in ordinary trading in the stock market during a certain period of time.

On balance sheet date, the LTIP 2024 comprises a maximum of 1,744,952 Performance Shares and 1,311,248 Performance Options, corresponding to approximately 1.9% of the total outstanding shares and votes in the Company. Allotment of Performance Shares and Performance Options within LTIP 2024 will be made during a limited period of time following the latter of the date of (i) the presentation of the first quarterly report for the first quarter of 2027, and (ii) the first record date for dividends decided by the Annual General Meeting 2027. The period up to this date is referred to as the qualification period (vesting period).

LTIP 2024 program is directed towards four categories of participants:

Category	Savings Shares maximum per person	Performance Shares per Savings Share	Performance Options per Savings Share
A CEO	42,000	8.0×	8.0×
B Group Management Team[1)]	17,000	8.0×	8.0×
C Other key individuals[2)]	11,500	8.0×	8.0×
D Other participants[3)]	11,000	8.0×	–

[1)] Maximum 8 persons. [2)] Maximum 4 persons. [3)] Maximum 9 persons.

Costs for the LTIP programs

In accordance with IFRS 2, the estimated total expenses for the LTIP 2021, LTIP 2022, LTIP 2023, and LTIP 2024 programs amounted to EUR 870 thousand (168), of which EUR 627 thousand (117) for the President and CEO and other senior executives. The total costs for the year amounted to EUR 161 thousand (44), of which EUR 114 thousand (24) was to the President and CEO and other senior executives.

The employee matching shares and performance shares are expensed as an employee expense over the vesting period and are recognized directly against equity. Expenses for the shares do not affect the company's cash flow. Related social costs are expensed during the vesting period based on the change in value of the Eltel AB's share.

31 Financial assets

EUR million	31 Dec 2024	31 Dec 2023
Defined benefit pension asset	11.3	8.6
Pension capitalization plan asset	2.0	0.8
Other non-current receivables	0.2	0.4
Total non-current financial assets	**13.4**	**9.8**

Refer to following note 32 Retirement benefit obligations for more information about defined benefit pension asset and pension capitalization plan asset.

32 Retirement benefit obligations

The majority of employees in the Group are included in defined contribution pension plans of which the largest defined contribution liability is in Denmark. Some countries also have defined benefit plans, largest one being in Sweden, where the plan has been closed for any new earnings since 2007. Benefits earned since then are covered by premiums paid to Alecta. Since 2023 the net pension liability has been a net asset for both Sweden and Finland. The net asset is presented as part of non-current financial asset in the balance sheet. There are also smaller voluntary pension plans in Finland that are accounted for as defined benefit plans. The Group has also pension capitalization plans in Sweden and Finland. The pension liability of these plans is presented in the defined contribution pension liability and the pension asset is presented in the financial assets in the balance sheet.

Pension liabilities in the balance sheet

EUR million	31 Dec 2024	31 Dec 2023
Defined benefit pension liability	–	–
Defined benefit pension asset	-11.3	-8.6
Net defined benefit pension liability (+)/-asset (-)	-11.3	-8.6
Defined contribution pension liability	6.6	5.6
Pension capitalization plan asset	-2.0	-0.8
Net pension liability (+)/-asset (-)	**-6.6**	**-3.8**

Defined pension liabilities in the balance sheet

EUR million	31 Dec 2024	31 Dec 2023
Present value of funded obligations	58.7	62.9
Fair value of plan assets	-70.0	-71.5
Net liability (+)/ -asset (-)	**-11.3**	**-8.6**

The movement in the fair value of plan assets

EUR million	2024	2023
Fair value of assets 1 Jan	71.5	67.2
Interest on plan assets	2.3	2.5
Remeasurement of plan assets	4.2	2.0
Contributions by employer	0.2	0.5
Benefits paid	-6.4	-0.7
Translation differences	-1.9	0.1
Fair value of assets 31 Dec	**70.0**	**71.5**

The movement in the defined benefit obligations

EUR million	2024	2023
Total obligations 1 Jan	62.9	61.8
Current service cost	-1.0	-0.8
Interest cost	2.0	2.2
Remeasurement of pension obligation	0.8	3.9
Benefits paid	-4.4	-4.2
Gains and losses on curtailments and settlements	–	-0.0
Translation differences	-1.6	0.1
Total obligations 31 Dec	**58.7**	**62.9**

The amounts recognized in the income statement and other comprehensive income

EUR million	2024	2023
Current service cost	-1.0	-0.8
Net interest cost	-0.4	-0.3
Amount recognized in the income statement	**-1.3**	**-1.1**
Remeasurements recognized in other comprehensive income:		
Financial assumptions	0.5	1.6
Experience adjustments	-3.9	0.3
Total pension charges recognized during the year	**-4.7**	**0.8**

Maturity profile of future gross benefit payments

EUR million	2024	2023
Less than 1 year	4.3	4.8
1–5 years	16.7	18.5
5–10 years	19.4	21.0
10–20 years	29.7	32.6
20–30 years	16.4	18.0
Over 30 years	7.5	8.1
Total	**94.0**	**103.0**

The maturity profile amounts are undiscounted amounts. Special salary tax is excluded. The maturity profile of future gross benefit payments does not represent the expected contribution payments, as it excludes the impact of plan assets. The expected contributions to the plan for 2025 are EUR 3.6 million.

The principal actuarial assumptions	2024	2023
Discount rate, %		
Sweden	3.40	3.20
Finland	3.20	4.10
Future salary increase expectation, %		
Sweden	closed plan	closed plan
Finland	3.00	3.50
Inflation rate, %		
Sweden	1.80	1.60
Finland	2.00	2.50

The pension plan in Sweden forms 90% of the Groups total net obligations. The plan is sensitive to changes in discount rate and inflation. An increase of 0.5% in discount rate would reduce the obligation in Sweden by EUR 3.1 million. Similar rise in inflation rate would have the opposite effect and increase the obligation by EUR 3.4 million. If the discount rate was decreased by 0.5% the obligation would increase by EUR 3.4 million whilst similar decrease in the inflation rate would reduce the obligation by EUR 3.1 million.

Retirement pension and family pension obligations for salaried employees in Sweden are secured through pension insurance with Alecta. According to a statement issued by the Swedish Financial reporting Board (UFR 10), this constitutes a multi-employer plan. For the fiscal years 2024 and 2023, the company did not have access to such information that would enable the company to record this plan as a defined benefit plan. Consequently, the ITP pension plan secured through insurance with Alecta is recorded as a defined contribution plan. The contribution to the plan is determined based on the age, salary and previously earned pension benefits of the plan participants. The company has an insignificant part in the plan.

The collective consolidation ratio reflects the market value of Alecta's assets as a percentage of insurance obligations, calculated in accordance with Alecta's actuarial assumptions, which do not correspond with IAS 19. The collective solvency is normally allowed to vary between 125% and 175%. If the level of collective solvency is less than 125% or exceeds 175%, measures are to be taken in order to create conditions for restoring the level of collective solvency to the normal interval. Alecta's surplus can be distributed to the policyholders and/or the insured if the collective consolidation ratio exceeds 175%. However, Alecta aims to avoid surplus by using reduced contributions. On 31 December 2024, Alecta's surplus corresponded to a collective consolidation ratio of 162% (158).

The distribution of plan assets in Sweden is as follows:

%	2024	2023
Debt instruments	63	62
Equity instruments	37	37
Cash and cash equivalents	1	1
Total	**100**	**100**

33 Auditors' fees

EUR million	2024	2023
Main auditor		
Audit	0.7	0.6
Other services	0.1	0.1
Total	**0.8**	**0.7**
Other auditing firms		
Audit	0.1	0.1
Other services	0.0	0.1
Total	**0.1**	**0.2**
Total	**0.9**	**0.9**

The main auditor of the Group in 2024 and 2023 has been KPMG.

34 Related party information

Eltel's related parties include the parent company Eltel AB and its subsidiaries and jointly controlled entities. Related parties include also the members of the Board of Directors, the CEO and other management team members. In addition, significant unusual transactions with shareholders are included in related party transactions.

In 2024 the related party transactions have been conducted in the ordinary course of business of the Group. No significant unusual transactions have taken place between Eltel and related parties during the year.

Transactions with key individuals in executive positions
Salaries, remuneration and other benefits are accounted for in note 6 Employee benefit expenses and note 30 Remuneration to senior executives.

The Group has not issued any loans to the persons classified as related party on 31 December 2024 or 31 December 2023.

Transactions with related party companies
List of group companies and jointly controlled entities is presented in note 35 Group companies. Transactions between Group companies are eliminated in the consolidated financial statements.

35 Group companies

31 Dec 2024	Domicile	Group holding, %
The InfraNet Company AB	Sweden	100
Eltel Networks Infranet AB	Sweden	100
Eltel Networks TE AB	Sweden	100
Jämtlands Linjebyggare & Republikens El AB	Sweden	100
Eltel Networks Infranet Privat AB	Sweden	100
Eltel Group Corporation	Finland	100
Eltel Networks Oy	Finland	100
Eltel Networks Pohjoinen Oy	Finland	60
Eltel Networks AS	Norway	100
Eltel Networks A/S	Denmark	100
Eltel Networks Poland S.A.	Poland	100
Eltel Holding Poland Sp. z.o.o	Poland	100
UAB Eltel Networks	Lithuania	100
Eltel Networks GmbH	Germany	100
Transmast Philippines, Inc.	Philippines	40[1)]
Eltel Tanzania Limited	Tanzania	100
Jointly controlled entities		
Fiber og Anlaeg I/S	Denmark	35
NKEL I/S	Denmark	50[2)]

1) Group voting 100%.
2) Eltel's estimated share of the operations is 30–35%.

During the financial year 2024 Eltel Networks Energetyka S.A. and Eltel Networks Engineering S.A. were divested. Eltel Networks UK Limited was dissolved.

Parent Company financial statements

Income statement

EUR thousands	Note	2024	2023
Net sales	4	8,257	1,865
Personnel costs	5	-3,548	-3,023
Other operating expenses		-5,557	-4,394
Total operating expenses		**-9,105**	**-7,417**
Operating result		**-848**	**-5,552**
Interest and other financial income		21,178	20,845
Interest and other financial expense		-4,165	-3,565
Financial items, net	7	**17,013**	**17,280**
Result after financial items		**16,165**	**11,728**
Appropriations			
Group contribution given	13	-16,000	-11,600
Result before tax		**165**	**128**
Tax for the year	8	–	–
Net result for the year		**165**	**128**

Statement of comprehensive income

EUR thousands	Note	2024	2023
Net result for the year		**165**	**128**
Other comprehensive income		–	–
Total comprehensive income for the year		**165**	**128**

Balance sheet

EUR thousands	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Financial assets			
Shares in group companies	9	68,308	68,308
Long-term loans receivable from group companies	10	490,763	481,674
Other financial asset		919	–
Intangible assets		12	1
Total non-current assets		**560,003**	**549,983**
Current assets			
Receivables from group companies	10	7,902	774
Other receivables		140	308
Cash pool receivables	10	4,441	4,380
Cash and cash equivalents		101	99
Total current assets		**12,584**	**5,563**
TOTAL ASSETS		**572,587**	**555,546**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		161,950	161,950
Statutory reserve		695	695
Total restricted equity		**162,645**	**162,645**
Non-restricted equity			
Retained earnings		278,153	281,226
Hybrid bond		25,000	25,000
Net result for the year		165	128
Total non-restricted equity		**303,318**	**306,354**
Total equity	11	**465,963**	**468,999**
LIABILITIES			
Non-current liabilities			
Retirement benefit obligations	12	919	–
Provisions	12	223	–
Total non-current liabilities		**1,142**	**–**
Current liabilities			
Debt	12	9,947	7,945
Liabilities to group companies	13	93,951	77,936
Trade and other payables	14	1,585	666
Total current liabilities		**105,483**	**86,547**
Total liabilities		**106,625**	**86,547**
TOTAL EQUITY AND LIABILITIES		**572,587**	**555,546**

Changes in equity

EUR thousands	Share capital	Statutory reserve	Non-restricted equity	Total equity
1 Jan 2024	**161,950**	**695**	**306,354**	**468,999**
Net profit for the year	–	–	165	165
Total comprehensive income/loss for the year	**–**	**–**	**165**	**165**
Transaction costs and interests on hybrid bond	–	–	-3,375	-3,375
Transactions with owners[1]				
Equity-settled share-based payment	–	–	174	174
Total transactions with owners	**–**	**–**	**174**	**174**
31 Dec 2024	**161,950**	**695**	**303,318**	**465,963**
1 Jan 2023	**159,576**	**695**	**285,257**	**445,528**
Net profit for the year	–	–	128	128
Total comprehensive income/loss for the year	**–**	**–**	**128**	**128**
Hybrid bond	–	–	25,000	25,000
Transaction costs and interests on hybrid bond	–	–	-1,667	-1,667
Transactions with owners[1]				
Proceeds from shares issued	2,375	–	–	2,375
Purchase of own shares	–	–	-2,374	-2,374
Equity-settled share-based payment	–	–	10	10
Total transactions with owners	**2,375**	**–**	**-2,364**	**11**
31 Dec 2023	**161,950**	**695**	**306,354**	**468,999**

[1] For more information about equity-settled share-based payments see note 30 Remuneration to senior executives in the consolidated financial statements and for share transactions see note 11 Equity and share capital.

Cash flow statement

EUR thousands	Note	2024	2023
Cash flow from operating activities			
Profit/loss before taxes		165	128
Adjustments for:			
Depreciation		2	21
Equity-settled share-based payment		174	10
Group contribution given	13	16,000	11,600
Financial items, net		-16,758	-17,280
Changes in working capital:			
Trade and other receivables		-7,021	301
Trade and other payables		840	284
Cash flow from operating activities before financial items and taxes		**-6,597**	**-4,936**
Financial income received		11,808	14,722
Financial expenses paid		-4,077	-3,503
Cash flow from operating activities		**1,134**	**6,283**
Cash flow from investing activities			
Purchases of property, plant and equipment (PPE)		-13	–
Cash flow from investing activities		**-13**	**–**
Cash flow from financing activities			
Proceeds from issuance of hybrid bond		–	24,400
Payments of transaction costs and interests for hybrid bond		-3,375	-1,067
Proceeds from issuance of share capital		–	2,379
Purchase of own shares		–	-2,378
Proceeds from short-term borrowings		4,000	10,500
Payments of short-term borrowings		-2,000	-36,000
Proceeds from short-term borrowings from group companies		11,855	10,384
Payments of group contributions		-11,600	-14,500
Cash flow from financing activities		**-1,120**	**-6,282**
Decrease/increase in cash and cash equivalents		1	1
Cash and cash equivalents at beginning of year		99	98
Cash and cash equivalents at end of year		**101**	**99**

Notes to the Parent Company financial statements

This section comprises the following notes

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1 General information

Eltel AB's role is to own and govern 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. All transactions with group companies are performed on an arm's length basis. Additional general information about the Parent Company can be found in note 1 Corporate information in the consolidated financial statements.

2 Accounting principles

Basis for the preparation of the reports
The annual report for the Parent Company, Eltel AB, has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 states that the Parent Company in its annual report shall apply IFRS Accounting Standards as adopted by the EU, to the extent possible within the framework of the Swedish Annual Accounts Act and the law of safeguarding of pension commitments, and also by taking into account the relationship between reporting and taxation.

Accordingly, the Parent Company applies those principles presented in note 2 Material accounting policies for the consolidated accounts in the consolidated financial statements with the exception of what is mentioned below. The principles have been applied consistently for all years presented, unless otherwise stated.

The income statement for the Parent company is presented on the nature of expense method. The Parent company has reported group contributions and related taxes in the income statement in accordance with RFR 2. The Parent company does not apply IFRS 16 in accordance with the exception in RFR 2.

All figures in the Parent Company financial statements are presented in thousands of Euro unless otherwise stated.

Shares and participations in subsidiaries
Shares and participations in subsidiaries are reported at acquisition cost less deduction for possible write-downs. Dividends received are reported as revenues to the extent they originate from earnings earned after the acquisition. Dividend amounts exceeding these returns are considered as repayments of the investment and reduce the carrying value of the participations.

When there is an indication that shares and participations in subsidiaries have decreased in value, an estimate is made of the recoverable amount. If this value is lower than the reported value, a write-down is made. Write-downs/impairment losses are reported as a separate line in the income statement.

Financial instruments
The Company applies fair value in accordance with the Swedish Annual Accounts Act 4: 14a-d and hence the description of the accounting principles in Financial instruments of the consolidated financial statements also applies to the Parent Company with the exception of financial guarantees. The Parent Company applies the rule permitted by the Swedish Financial Reporting Board to the reporting of financial guarantee agreements issued for the benefit of subsidiaries, associated companies and joint ventures. The Parent Company recognizes financial guarantees as a provision in the balance sheet when the company has an obligation for which payment is probably necessary to settle the commitment.

The Company's financial instruments are comprised of long-term receivables from Group companies, other financial assets, current receivables from Group companies and also cash and cash equivalents. These make up the category financial assets at amortized cost, except for other financial assets which are classified as financial assets at fair value through profit or loss. Financial instruments are also comprised of long-term borrowing, short-term liabilities to group companies, accounts payable and other liabilities. These comprise the category financial liabilities at amortized cost.

Group contributions
The Company has chosen to apply the alternative rule in accordance with RFR 2, which means that all group contributions are recognized in appropriations.

3 Financial risk management

The Group applies common risk management for all units. Hence, the description in note 14 Financial risk management in the consolidated financial statements applies to the Parent Company as well in all material aspects.

4 Net sales

EUR thousands	2024	2023
Remunerations from group companies for group-wide administration	8,257	1,865
Total	**8,257**	**1,865**

5 Employee benefit expenses

EUR thousands	2024	2023
Salaries and other remunerations	1,950	1,933
Social security contributions:		
Pension costs	641	410
Other social security contributions	957	679
Total	**3,548**	**3,023**

	2024	2023
Average number of employees	8	7
Of whom men	40%	47%

Salaries and other remunerations to senior executives were EUR 1.7 million (1.5), pension costs EUR 0.3 million (0.3) and other social security contributions EUR 0.5 million (0.4). Group senior executives participate in the long-term share-based incentive programs LTIP 2021, LTIP 2022, LTIP 2023 and LTIP 2024. Total expense for the programs for the year was EUR 161 thousand (44), of which EUR 114 thousand (24) for the President and CEO and other senior executives. More information of Group senior executives and the Board of Directors is presented in note 30 Remuneration to senior excecutives and note 34 Related party information in the consolidated financial statements.

In Eltel AB the number of individuals in the Board of Directors was six in 2024 and 2023 and the number of other senior executives employed by the company was four in 2024 and four in 2023.

6 Auditors' fees

EUR thousands	2024	2023
Main auditor		
Audit assignments	227	149
Tax assignments	9	6
Other assignments	14	14
The company in total	**250**	**169**

Main auditor in 2024 and 2023 has been KPMG.

7 Result from financial items

EUR thousands	2024	2023
Interest and other financial income		
Interest income	1	2
Interest income, loans from group companies	20,721	20,627
Other financial income	257	–
Other financial income, group companies	198	216
Total	**21,178**	**20,845**
Interest and other financial expenses		
Interest expenses	-454	-1,142
Interest expenses, group companies	-3,693	-2,364
Expected credit loss write-down on internal loans receivable	-25	-16
Other financial expenses	7	-43
Total	**-4,165**	**-3,565**
Total financial items	**17,013**	**17,280**

8 Taxes

EUR thousands	2024	2023
Income taxes		
Result before tax	165	128
Tax calculated at Swedish tax rate	34	26
Expenses not deductible for tax purposes	156	22
Tax effect of results for which no deferred income tax was recognized	-191	-48
Income taxes in the income statement	**–**	**–**

Eltel AB has not recognized deferred tax assets for losses carried forward. The Group's estimate for utilizing losses carried forward in Sweden covers Eltel AB and all Swedish subsidiaries as group contribution and interest offsetting is utilized in taxation between the entities. The amount of deferred tax assets for losses carried forward in Sweden is reported in note 24 in the consolidated financial statements and reported in companies where Eltel estimates to utilize the losses.

9 Shares in group companies

EUR thousands	2024	2023
Acquisition value		
Opening balance 1 Jan	268,308	268,308
Closing balance 31 Dec	**268,308**	**268,308**
Accumulated impairment losses		
Opening balance 1 Jan	-200,000	-200,000
Closing balance 31 Dec	**-200,000**	**-200,000**
Carrying amount on the balance sheet	**68,308**	**68,308**

Shares are held in the following subsidiaries:

The InfraNet Company AB, 556728-6645, Stockholm	2024	2023
Share of equity, %	100	100
Share of voting power, %	100	100
Number of shares	11,000	11,000
Book value	68,308	68,308

10 Receivables from related parties

Non-current receivables

EUR thousands	31 Dec 2024	31 Dec 2023
Loans from group companies	490,763	481,674
Other financial assets	919	–
Total	**491,682**	**481,674**

Current receivables

EUR thousands	31 Dec 2024	31 Dec 2023
Cash pool receivable	4,441	4,380
Accounts receivable	7,902	774
Total	**12,343**	**5,155**

Interest resulting from loans to group companies is capitalized annually. Capitalized interest bears no interest.

Eltel AB applies rating-based expected credit loss (ECL) model according to IFRS 9 for impairment of non-current receivables from group companies. In 2024, a write-down amounting to 25 thousand euro (16) has been recognized in the credit loss reserve of long-term loans receivable. For more information about the ECL model, please refer to note 14 in the consolidated financial statements.

11 Equity and share capital

There were no changes in shares and share capital in 2024.

On 20 November 2023, Eltel issued and repurchased 2,354,500 class C shares in accordance with the renewed authorization regarding the incentive program LTIP 2022 that the AGM on 11 May 2023 resolved upon and in accordance with the incentive program LTIP 2023 which was adopted by the AGM on 11 May 2023. Eltel held the repurchased shares at 31 December 2023 and at 31 December 2024 and will hold the shares until it is time to deliver shares to the qualifying participants of LTIP 2022 and LTIP 2023, respectively. Prior to the delivery of the shares to qualifying participants, the class C shares will be converted to ordinary shares. The purpose of the repurchase of class C shares was to ensure delivery of shares to participants and to secure social contributions arising as a result of LTIP 2022 and LTIP 2023, respectively. The share issue resulted in an increase of share capital by EUR 2,374,508.

On 31 December 2024, the total number of shares amounted to 160,585,581 divided into 156,736,781 ordinary shares with 1 vote per share and 3,848,800 C shares with 1/10 vote per share. On 31 December 2024 the share capital amounted to EUR 161,950 thousand. A specification of changes in equity is found under the section "Changes in equity", which is presented directly after the balance sheet.

Shareholders with more than 10% of the votes at 31 December 2024 are Solero Luxco S.á.r.l. (a company controlled by Triton Funds) with 16.4% and Wipunen Varainhallinta Oy with 14.9% of ordinary shares. More information about Eltel's shareholders is found in "The Eltel Share" on pages 110–111.

The Board's proposal for the distribution of profits

The Parent Company's non-restricted equity on 31 December 2024 was EUR 303,317,433.53 of which the net profit for the year was EUR 164,746.60. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the year 2024 and that the non-restricted equity of EUR 303,317,433.53 be retained and carried forward.

12 Liabilities

EUR thousands	31 Dec 2024	31 Dec 2023
Non-current liabilities		
Retirement benefit obligation	919	–
Provision	223	–
Total non-current liabilities	**1,142**	**–**
Current liabilities		
Bank borrowings	9,947	7,945
Total current liabilities	**9,947**	**7,945**

13 Liabilities to group companies

EUR thousands	31 Dec 2024	31 Dec 2023
Cash pool payable	77,156	65,241
Accounts payable	794	1,095
Group contribution liabilities	16,000	11,600
Total	**93,951**	**77,936**

14 Trade and other payables

EUR thousands	31 Dec 2024	31 Dec 2023
Trade payables	112	87
Accrued employee related expenses	418	108
Other short-term liabilities	290	214
Other accrued expenses	765	256
Total	**1,585**	**666**

15 Contingent liabilities and pledged assets

Contingent liabilities

EUR thousands	31 Dec 2024	31 Dec 2023
Commercial guarantees on behalf of subsidiaries	80,637	111,293
Total guarantees	**80,637**	**111,293**

Pledged assets

EUR thousands	31 Dec 2024	31 Dec 2023
Pledged subsidiary shares	68,308	68,308
Pledged other assets	491,366	482,252
Total pledged assets	**559,674**	**550,560**

At year-end, Eltel Group had secured its debt obligations towards the banks under the financing agreement by share and intragroup loan pledges and floating charges over certain assets of the Group, all on customary terms and conditions. Eltel AB has pledged the assets shown in the above table as a security for the financing agreement.

The Company's financial statement will be submitted for approval to the Annual General Meeting on 13 May 2025

The Board of Directors certifies that the annual financial report has been prepared in accordance with generally accepted accounting principles and that the consolidated accounts have been prepared in accordance with the international set of accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards; and give a true and fair view of the position and profit or loss of the Company and the Group; and that the management report for the Company and for the Group gives a fair overview of the development and performance of the business, position and profit or loss of the Company and the Group; and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Stockholm 24 March 2025

Per Sjöstrand
Chairman of the Board of Directors

Ann Emilson
Board member

Johan Nordström
Board member

Joakim Olsson
Board member

Erja Sankari
Board member

Roland Sundén
Board member

Stefan Söderholm
Board member

Håkan Dahlström
President and CEO

Björn Tallberg
Board member

Our audit report was submitted on 25 March 2025
KPMG AB

Fredrik Westin
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Eltel AB (publ), corp. id 556728-6652

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Eltel AB (publ) for the year 2024, except for the corporate governance statement on pages 60–66. The annual accounts and consolidated accounts of the company are included on pages 52–104 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 60–66. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

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

Key Audit Matters

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

Revenue and profit calculation of projects

See disclosure 4 and accounting principles on page 73 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

In its consolidated accounts, Eltel applies the standard IFRS 15 Revenue from Contracts with Customers for its revenue recognition. This means that performance obligations relevant to the projects Eltel carries out on behalf of its customers are normally fulfilled over time. It also means that revenues are being recognized over time successively), where progress is measured in relation to the complete fulfillment of Eltel's performance obligations.

The projects' results ("profit calculation") are therefore also reported successively, in relation to the degree/percentage of completion of each project. The percentage of completion depends on the actual project costs associated with the total projected costs. The latter may change during the life cycle of the projects, which in turn may have a significant impact on the projects' reported revenues and results. Unforeseeable costs may also need to be included in the assessments in order to take project risks or disputed claims into account. These items are regularly assessed by the Group and adjusted if necessary. Expected losses are fully recognized as expenses as soon as they are known.

Revenues from project alterations and additional work are recognized on the basis of what is judged to be received. Based on the above, there is, in total, a large element of assessments on the part of Eltel in this area, which in turn affects the reporting of revenues and results.

Response in the audit

We have obtained information about and evaluated management's process for reviewing projects, including the procedures they use for identifying and reporting loss-making and/or high-risk projects. Project managers and project controllers within Eltel have also been involved in this work.

In addition, we have tested whether Eltel's more important project-related controls have been effective throughout the year, such as approvals of contracts and time reporting, ongoing follow-up and reporting of project costs, and profitability. We have also evaluated controls related to costs for subcontractors and other purchases. Furthermore, we have performed sample testing; for example, we have examined whether costs allocated to the projects correspond to data/documentation, and whether both the cost and revenue recognition is true and fair.

We have also assessed whether risks and opportunities in projects are reflected in a balanced way in the project forecasts.

Valuation of goodwill (group) and shares in group companies (parent company)

See disclosure 27 (group) and disclosure 9 (parent company) and accounting principles on page 75 (group) and on page 101 (parent company) in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The carrying value of goodwill for the Group as at 31 December 2024 amounted to 249,3 MEUR, which is approximately 43% of total assets. Goodwill, which is required to be tested annually for impairment, is a complex area which is heavily dependent on judgment.

Under IFRS, the impairment test should be performed in line with a specific method where management needs to make judgments of future conditions and plans, both internal and external. An example of these judgments is forecasts of future cash flows which, among other things, call for assumptions to be made about future developments and market conditions.

Another important assumption is the discount rate that should be used to reflect market- based assessments of the time value of money and the particular risks that the business faces.

The carrying value of shares in Group companies in the parent company as at 31 December 2024 amounted to 68,3 MEUR. If the carrying amount of the shares exceeds the consolidated value of the respective group company, the same type of testing is carried out, with the same technique and input values, as for goodwill in the Group.

Response in the audit

We have reviewed whether the goodwill impairment tests carried out by Eltel were performed in accordance with the prescribed accounting method. We have further considered the reasonableness of the assumptions in the cashflow forecasts, as well as the discount rate used, through an evaluation of the Group's internal written documentation and forecasts. We have also interviewed management and evaluated previous years' assessments in relation to actual outcomes.

Another important part of our work has been to review the Group's sensitivity analysis of its own assessments to evaluate how reasonable changes in the assumptions may impact the valuations.

Furthermore, we have considered the completeness of the disclosures in the annual report and evaluated whether they are in line with the assumptions made in the Group's impairment tests, and that they correspond in material aspects to the information that should be provided in accordance with IFRS.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–50 and 109–116. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

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

Auditor's responsibility

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

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

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

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

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

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

Basis for opinion

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

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

Responsibilities of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

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

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

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

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

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 60–66 has been prepared in accordance with the Annual Accounts Act.

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

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

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Eltel AB (publ) by the general meeting of the shareholders on the 14 May 2024. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2018.

Stockholm 25 March 2025
KPMG AB

Fredrik Westin
Authorized Public Accountant

Other

The Eltel share

Eltel's share is listed on the OMX Stockholm Small Cap, under the trading symbol "ELTEL".

Share capital
At the end of the financial period 2024, the total number of shares amounts to 160,585,581 divided into 156,736,781 ordinary shares with one vote per share and 3,848,800 C shares with 1/10 vote per share. The share capital entered in the trade register per 31 December 2024 is EUR 161,950,203.

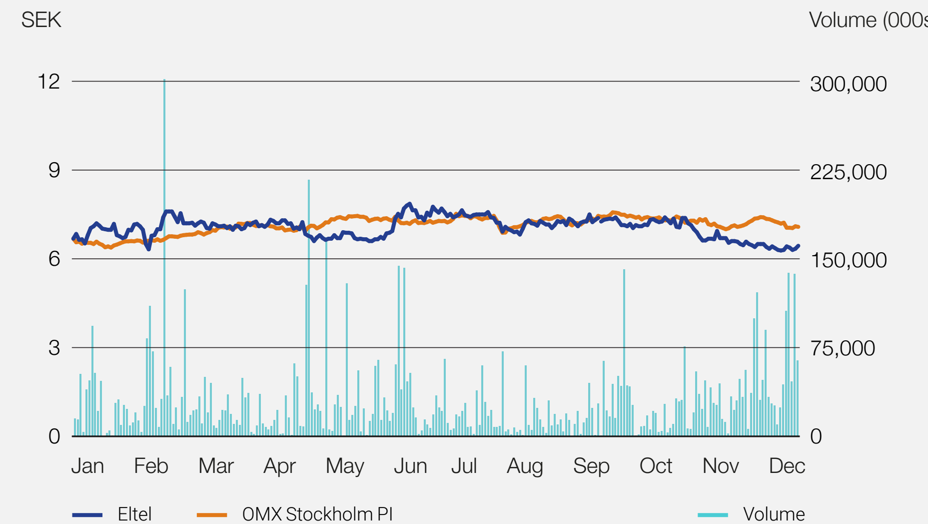
Shareholders
As per 31 December 2024, Eltel has 3,321 shareholders. The four largest shareholders of Eltel AB are Solero Luxco S.á.r.l. 16.4% (a company controlled by Triton Funds), Wipunen Varainhallinta Oy 14.9%, the Fourth Swedish National Pension Fund (AP4) 9.6%, and Heikintorppa Oy 8.7%. The four largest shareholders referred above together represent 49.5% of the votes in the company.

Price development and trading volumes
Eltel share price declined slightly in 2024. The closing price on 30 December 2024 was SEK 6.44, a decline of 3.7% over the year. The highest closing price was SEK 7.86 on 19 June 2024 and the lowest was SEK 6.28 on 17 December 2024. At year-end, Eltel's market capitalization was SEK 1.034 million. The trading volume on Nasdaq Stockholm was 7,736,512 shares, equivalent to a turnover of SEK 53,955,674 Eltel shares were mainly traded on Nasdaq Stockholm, 90.3% and Cboe, 7.6% and in small volumes in other marketplaces, 1.9%.

The dividend policy
A dividend policy has been adopted whereby 50% of Eltel's consolidated net profit shall be paid in dividends over time (with flexibility in relation to the pay-out ratio).

Analysts
Eltel is followed by ABG Sundal Collier and Inderes.

Eltel share in 2024 (SEK)



Source: Modular Finance AB.

Eltel's top 10 shareholders on 31 December 2024

Shareholders	Number of shares	% of shares	% of votes
Solero Luxco S.á.r.l.[1]	25,683,845	16.0	16.4
Wipunen Varainhallinta Oy	23,450,000	14.6	14.9
Fourth Swedish National Pension Fund	15,027,060	9.4	9.6
Heikintorppa Oy	13,600,000	8.5	8.7
Mariatorp Oy	10,000,000	6.2	6.4
Mandatum Life Insurance Company	8,255,692	5.1	5.3
Fidelity International (FIL)	7,060,381	4.4	4.5
Etola Group	7,050,000	4.4	4.5
Mandatum Fund Management	6,005,000	3.7	3.8
SEB Fonder	2,299,705	1.4	1.5
Total	**116,135,478**	**72.3**	**73.9**
Other shareholders	40,601,303	25.3	25.8
Total ordinary shares in Eltel AB	**156,736,781**		
Total C shares in Eltel AB[2]	3,848,800	2.4	0.2
Total shares in Eltel AB	**160,585,581**	**100.0**	**100.0**

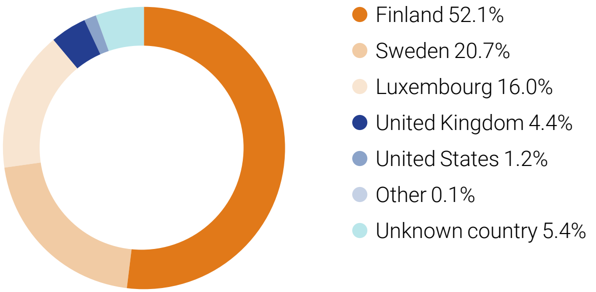
[1] Company controlled by Triton Funds.
[2] The C shares are held by Eltel.

Ownership structure on 31 December 2024

Holding size	Number of known owners	Number of shares	% of capital	% of votes	Share of known owners
1–1,000	2,426	594,077	0.4	0.4	73.1
1,001–5,000	578	1,404,798	0.9	0.9	17.4
5,001–10,000	120	890,621	0.6	0.6	3.6
10,001–50,000	128	2,889,184	1.8	1.8	3.9
50,001–100,000	16	1,281,583	0.8	0.8	0.5
100,001–500,000	29	7,479,059	4.7	4.8	0.9
500,001–1,000,000	6	4,183,836	2.6	2.7	0.2
1,000,001–5,000,000	9	17,129,640	10.7	8.7	0.3
5,000,001–10,000,000	5	38,371,073	23.9	24.4	0.2
10,000,001–	4	77,760,905	48.4	49.5	0.1
Unknown holding size	0	8,600,805	5.4	5.5	0.0
Total	**3,321**	**160,585,581**	**100.0**	**100.0**	**100.0**

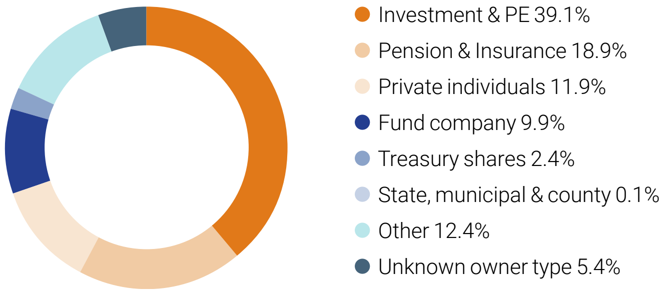
Source: Monitor by Modular Finance AB.

Geographic distribution of shareholders 31 Dec 2024



Source: Modular Finance AB.

Ownership by sector on 31 Dec 2024



Source: Modular Finance AB.

Five-year summary

Condensed consolidated income statement

EUR million	2024	2023	2022	2021	2020
Net sales	828.7	850.1	823.6	812.6	938.0
Cost of sales	-736.8	-774.5	-748.9	-724.5	-838.6
Gross profit	**91.8**	**75.6**	**74.7**	**88.1**	**99.4**
Other income	4.3	3.5	0.9	5.5	22.5
Expenses	-114.1	-84.4	-77.6	-79.1	-96.9
Share of profit/loss of joint ventures	–	–	–	–	-0.2
Operating result (EBIT)	**-18.0**	**-5.3**	**-2.0**	**14.5**	**24.8**
Financial expenses, net	-12.7	-12.7	-9.5	-5.8	-9.8
Result before taxes	**-30.7**	**-17.9**	**-11.4**	**8.7**	**14.9**
Taxes	1.6	10.3	-3.5	-3.7	-9.7
Net result	**-29.1**	**-7.6**	**-14.9**	**4.9**	**5.3**

Key figures

EUR million	2024	2023	2022	2021	2020
Net sales	828.7	850.1	823.6	812.6	938.0
Net sales growth, %	-2.5	3.2	1.4	-13.4	-13.8
Adjusted EBITDA	45.2	31.8	27.8	46.6	48.9
Adjusted EBITA	10.5	1.7	-1.9	14.8	11.4
Adjusted EBITA margin, %	1.3	0.2	-0.2	1.8	1.2
Adjusted EBITA, segments	21.1	11.8	9.9	24.2	22.9
Adjusted EBITA margin, %, segments	2.7	1.5	1.4	3.3	2.8
Items affecting comparability[1]	-28.5	-7.0	–	-0.1	14.1
EBITDA	16.7	24.8	27.8	46.5	63.0
Operating result (EBIT)	-18.0	-5.3	-2.0	14.5	24.8
EBIT margin, %	-2.2	-0.6	-0.2	1.8	2.6
Result before taxes	-30.7	-17.9	-11.4	8.7	14.9
Net result for the year	-29.1	-7.6	-14.9	4.9	5.3
Earnings per share EUR, basic and diluted	-0.21	-0.07	-0.10	0.03	0.03
Return on equity (ROE), %[2,3]	-16.0	-3.7	-6.8	2.2	2.4
Return on operative capital employed (ROCE), %[2]	102.4	5.3	-3.5	23.6	13.0
Leverage ratio[2]	2.5	3.2	4.5	2.6	2.0
Net working capital	-61.3	-49.8	-21.0	-16.0	-25.1
Number of personnel, average	4,550	5,024	5,053	5,176	6,196

1) Includes restructuring costs, gains and losses from divestment of businesses and from valuation of divested assets as held for sale.
2) Calculated on a rolling 12-month basis.
3) Assets and liabilities held for sale are not included (in 2020 German High Voltage business).

Cash flow from operating activities

EUR million	2024	2023	2022	2021	2020
Operating result (EBIT)	-18.0	-5.3	-2.0	14.5	24.8
Depreciation and amortization	34.7	30.1	29.8	32.1	38.2
EBITDA	16.7	24.8	27.8	46.5	63.0
Changes in working capital	-2.5	29.4	4.6	-10.1	16.6
Total financial expenses and taxes	-13.3	-15.3	-12.5	-6.7	-13.9
Gain/loss on sales of assets and business	22.8	-0.1	-0.1	-2.6	-14.7
Other	3.7	-4.9	-3.4	-4.8	-1.6
Cash flow from operating activities	**27.5**	**34.0**	**16.4**	**22.3**	**49.4**

Quarterly figures

Quarterly key financial figures for the Group

	2024					2023				
EUR million	**Full-year**	**Oct–Dec**	**Jul–Sep**	**Apr–Jun**	**Jan–Mar**	**Full-year**	**Oct–Dec**	**Jul–Sep**	**Apr–Jun**	**Jan–Mar**
Net sales	828.7	226.1	210.3	216.0	176.3	850.1	240.2	213.4	208.1	188.4
Net sales growth, %	-2.5	-5.9	-1.4	3.8	-6.4	3.2	7.2	3.1	-0.2	2.4
Adjusted EBITDA	45.2	14.2	19.0	8.4	3.6	31.8	10.2	13.6	5.6	2.4
Adjusted EBITA	10.5	5.7	8.2	0.5	-4.0	1.7	2.8	5.9	-1.5	-5.5
Adjusted EBITA margin, %	1.3	2.5	3.9	0.2	-2.3	0.2	1.2	2.8	-0.7	-2.9
Adjusted EBITA, segments	21.1	8.6	9.8	3.6	-0.8	11.8	5.0	6.8	2.1	-2.1
Adjusted EBITA margin, %, segments	2.7	0.0	4.9	1.8	-0.5	1.5	2.3	3.5	1.1	-1.2
Items affecting comparability[1)]	-28.5	-1.6	-3.8	0.0	-23.2	-7.0	0.1	-0.9	–	-6.1
EBITDA	16.7	12.6	15.2	8.5	-19.6	24.8	10.3	12.6	5.6	-3.7
Operating result (EBIT)	-18.0	4.2	4.5	0.5	-27.2	-5.3	2.9	5.0	-1.5	-11.6
EBIT margin, %	-2.2	1.9	2.1	0.2	-15.4	-0.6	1.2	2.3	-0.7	-6.2
Result before taxes	-30.7	0.9	0.8	-2.3	-30.2	-17.9	-0.8	1.9	-4.5	-14.5
Net result for the period	-29.1	3.9	0.3	-2.7	-30.5	-7.6	10.3	1.8	-4.6	-15.1
Earnings per share EUR, basic	-0.21	0.02	-0.01	-0.02	-0.20	-0.07	0.06	0.00	-0.03	-0.10
Earnings per share EUR, diluted	-0.21	0.02	-0.01	-0.02	-0.20	-0.07	0.06	0.00	-0.03	-0.10
Return on equity (ROE), %[2)]	-16.0	-16.0	-12.9	-12.2	-12.8	-3.7	-3.7	-12.3	-13.5	-12.2
Return on operative capital employed (ROCE), %[2)]	102.4	102.4	18.7	14.3	9.7	5.3	5.3	-7.1	-11.7	-7.9
Leverage ratio[2)]	2.5	2.5	3.5	3.6	3.5	3.2	3.2	5.4	6.2	6.3
Net working capital	-61.3	-61.3	-33.5	-54.3	-59.0	-49.8	-49.8	-15.5	-2.4	-5.4
Number of personnel FTE, average	4,550	4,226	4,372	4,717	4,885	5,024	4,948	5,004	5,041	5,103

1) Items affecting comparability include costs related to divestments, restructuring and resizing expenses.
2) Calculated on a rolling 12-month basis.

Quarterly key financial figures for the Group

	2024					2023				
EUR million	**Full-year**	**Oct–Dec**	**Jul–Sep**	**Apr–Jun**	**Jan–Mar**	**Full-year**	**Oct–Dec**	**Jul–Sep**	**Apr–Jun**	**Jan–Mar**
NET SALES										
Finland	357.7	101.4	101.3	92.6	62.4	344.5	98.3	96.6	85.2	64.3
Sweden	211.8	59.5	51.6	50.9	49.8	198.5	56.6	42.2	50.8	48.8
Norway	114.9	29.8	27.8	31.6	25.7	130.1	33.8	31.6	32.4	32.2
Denmark	92.0	26.0	19.6	25.3	21.1	93.0	28.2	21.6	21.4	21.8
Sum segments	**776.5**	**216.6**	**200.4**	**200.4**	**159.1**	**766.1**	**216.9**	**192.1**	**189.9**	**167.2**
Other business	61.9	12.9	12.2	18.1	18.7	93.7	26.9	23.8	20.3	22.7
Eliminations between segments	-9.7	-3.4	-2.3	-2.5	-1.5	-9.7	-3.5	-2.5	-2.1	-1.5
Net sales, total	**828.7**	**226.1**	**210.3**	**216.0**	**176.3**	**850.1**	**240.2**	**213.4**	**208.1**	**188.4**
ADJUSTED EBITA										
Finland	15.7	6.3	7.3	2.4	-0.3	6.5	3.2	4.8	0.8	-2.3
% of net sales	4.4%	6.2%	7.2%	2.6%	-0.5%	1.9%	3.3%	5.0%	1.0%	-3.6%
Sweden	6.1	2.5	2.2	1.0	0.5	2.9	1.3	0.2	0.9	0.5
% of net sales	2.9%	4.2%	4.2%	2.0%	1.0%	1.5%	2.3%	0.4%	1.9%	1.0%
Norway	-5.7	-2.3	-0.7	-1.0	-1.7	-2.5	-0.8	0.7	-0.8	-1.6
% of net sales	-4.9%	-7.7%	-2.5%	-3.1%	-6.5%	-1.9%	-2.3%	2.3%	-2.5%	-4.9%
Denmark	5.0	2.1	1.0	1.2	0.7	4.9	1.3	1.1	1.1	1.3
% of net sales	5.4%	8.1%	5.2%	4.6%	3.4%	5.2%	4.6%	5.2%	5.3%	6.1%
Sum segments	**21.1**	**8.6**	**9.8**	**3.6**	**-0.8**	**11.8**	**5.0**	**6.8**	**2.1**	**-2.1**
% of net sales	2.7%	4.0%	4.9%	1.8%	-0.5%	1.5%	2.3%	3.5%	1.1%	-1.2%
Other business	0.7	1.1	0.5	-0.4	-0.5	-1.0	0.5	0.3	-0.9	-1.0
% of net sales	1.1%	8.5%	4.1%	-2.4%	-2.6%	-1.1%	2.0%	1.4%	-4.5%	-4.2%
Group functions	-11.3	-3.9	-2.0	-2.6	-2.8	-9.1	-2.8	-1.2	-2.7	-2.4
Adjusted EBITA	**10.5**	**5.7**	**8.2**	**0.5**	**-4.0**	**1.7**	**2.8**	**5.9**	**-1.5**	**-5.5**
% of net sales	1.3%	2.5%	3.9%	0.2%	-2.3%	0.2%	1.2%	2.8%	-0.7%	-2.9%

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

KEY FIGURE	
Earnings per share (EPS)	$\frac{\text{Net result attributable to equity holders of the parent – interest on hybrid bond}}{\text{Weighted average number of ordinary shares}}$

Alternative performance measures (APMs)

KEY FIGURE	DEFINITION AND REASON FOR USE	REFERENCE
Adjusted EBITA and -margin	Adjusted EBITA and -margin, % are used to measure business and segment profitability. Income statement items below adjusted EBITA are not allocated to segments. **Adjusted EBITA:** Operating result before acquisition-related amortizations and items affecting comparability **Adjusted EBITA margin, %:** $\frac{\text{Adjusted EBITA x 100}}{\text{Net sales}}$ Adjusted EBITA and -margin, % for segments represent the sum of segments: Finland, Sweden, Norway and Denmark.	Note 3: 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.	Note 3: 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	Five-year summary: Cash flow from operating activities
EBIT margin	Operating result (EBIT) and -margin, % are used to measure profitability before interest and taxes. **EBIT margin, %:** $\frac{\text{EBIT x 100}}{\text{Net sales}}$	Income statement

KEY FIGURE	DEFINITION AND REASON FOR USE	REFERENCE
Return on equity (ROE), %	Return on equity (ROE), % represents the rate of return that shareholders receive on their investments. **Return on equity (ROE), %[1]:** $\frac{\text{Net result x 100}}{\text{Total equity (average over the reporting period)}}$	Income statement and balance sheet
Operative capital employed and Return on operative capital employed (ROCE), %	Operative capital employed is the amount of net operating assets the business uses in its operations. Return on operative capital employed (ROCE), % represents how effectively total net operating assets are used in order to generate return in the operating business. **Operative capital employed:** Net working capital + Intangible assets excluding goodwill and acquisition-related allocations + Property, plant and equipment and Right-of-use assets **Return on operative capital employed (ROCE), %[1]:** $\frac{\text{Adjusted EBITA x 100}}{\text{Operative capital employed (average over the reporting period)}}$	Note 3: Net working capital and operative capital employed
Net debt and leverage ratio	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. **Net debt:** Interest-bearing debt - cash and cash equivalents **Leverage ratio[1]:** $\frac{\text{Net debt}}{\text{Adjusted EBITDA}}$	Net debt: Note 14.4 EBITDA: five-year summary, cash flow from operating activities
Net working capital	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. **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.	Note 3: Net working capital and operative capital employed
Committed order backlog	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.	Note 4: Committed order backlog by business and service type

1) Calculated on a rolling 12 months basis.

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Financial calendar 2024–2025

Annual General Meeting 2025	13 May 2025
Interim report January–March 2025	30 April 2025
Half-year report 2025	24 July 2025
Interim report January–September 2025	30 October 2025
Full-year report 2025	February 2026

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