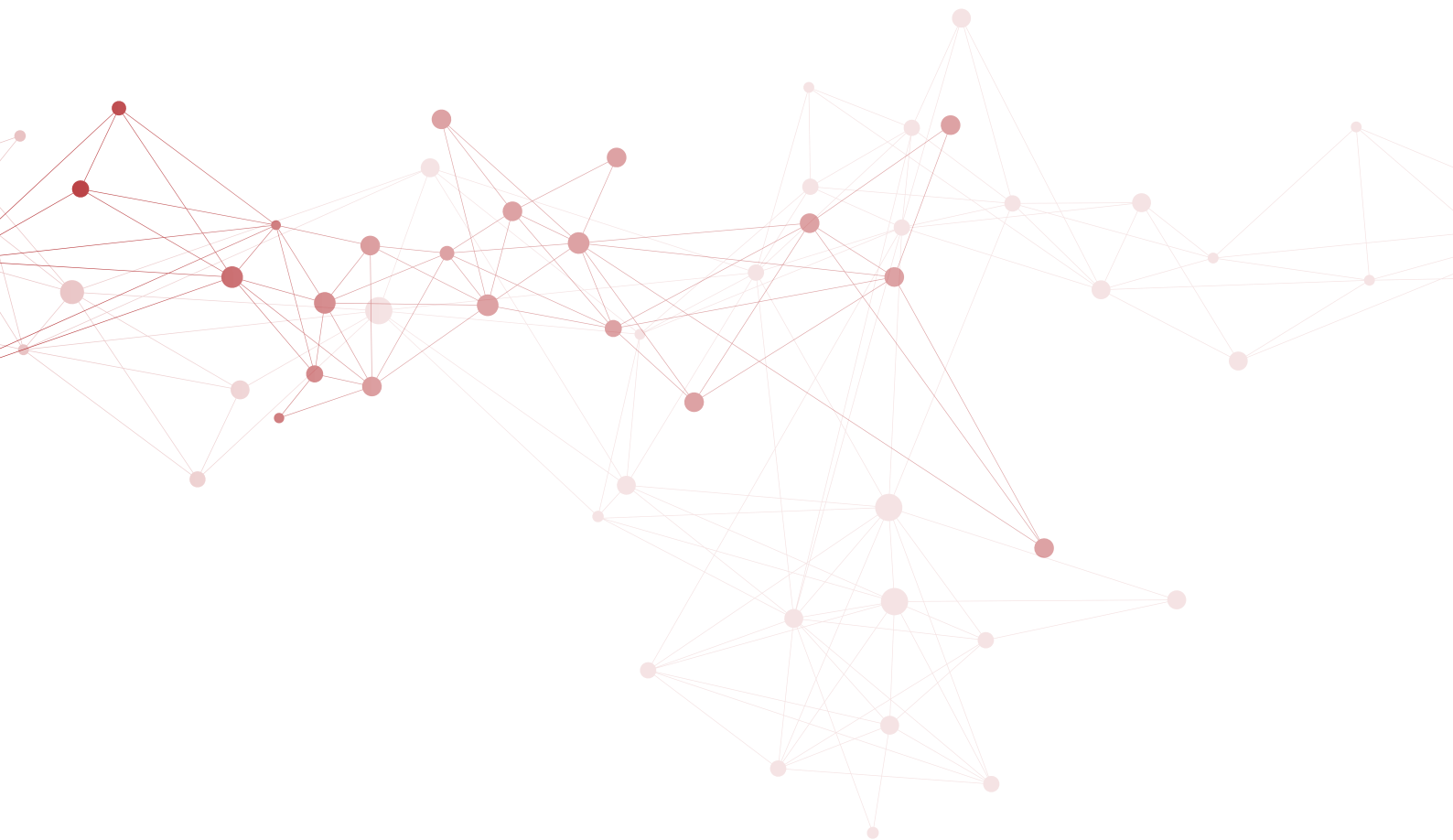


Corporate Governance Report 2021



Corporate Governance Report

Netel Holding AB (publ) is listed on Nasdaq Stockholm's Main Market since 15 October 2021. Governance of Netel is based on the Swedish Companies Act, Nasdaq Stockholm's Rule book for Issuers, the Swedish Code of Corporate Governance (the Code), statements from the Swedish Securities Council and other relevant Swedish and foreign laws and regulations.

The Corporate Governance Report has been prepared as a part of the Annual Accounts Act and the company's application of the Code. The company has not deviated from the Code during 2021. The auditors have reviewed the Corporate Governance Report.

Articles of Association

The Articles of Association were adopted at the Extraordinary General Meeting held on 27 August 2021 and is published in its entirety on the website, netelgroup.com.

The company's registered office is Stockholm, Sweden, and the financial year is the calendar year.

The Articles of Association do not contain provisions regarding dismissal of Board members or amendments to the Articles of Association.

Share capital

Netel has one share series, in which each share entitles to one vote.

Netel's share was listed for the first time on Nasdaq Stockholm Mid-Cap Index on 15 October 2021.

In conjunction with the listing on Nasdaq Stockholm, a transformation of the previous ownership structure was carried out and the company released newly issued shares. The transformation of ownership structure and new share issue involved an issue in kind of 10,036,874 shares and a new share issue of 4,166,667 shares. At the close of 2021, share capital amounted to SEK 718,518 divided among a total of 46,703,671 shares and votes.

Shareholders

The number of shareholders at year-end was 1,708 and the five largest owners were (share of capital and votes in parenthesis): IK VII fund through Cinnamon International S.à.r.l. (49.4 per cent), Nordnet Pensionsförsäkring (8.3 per cent), Carnegie Fonder (4.5 per cent), AP2 (4.4 per cent) and Swedbank Robur Fonder (4.4 per cent).

Annual General Meeting

The Annual General Meeting is the company's highest decision-making body and it is at the Annual General Meeting and potential Extraordinary General Meetings that all shareholders can exercise their voting right and decide on issues that affect the company and its operations.

Notice convening an Annual General Meeting is to be sent no earlier than six and no later than four weeks before the Meeting. Notice convening an Extraordinary General Meeting that is not to address issues of amendments to the Articles of Association, is to be sent no later than three weeks before the Meeting.

Notice convening general meetings are to be published in Post- och Inrikes Tidningar and on the Company's website. It shall be advertised in Svenska Dagbladet that notice convening a general meeting has been made.

The Annual General Meeting is to be held in Stockholm, Sweden.

At the Annual General Meeting, resolutions are made regarding adoption of the income statement and balance sheet, appropriation of profit or loss for the year, decision regarding dividends, and discharge from liability for the Board members and the CEO. Furthermore, resolutions are made regarding the fees for Board members and auditors. Thereafter, the Board of Directors and auditors for the period up until the next Annual General Meeting are elected. Other statutory matters, such as resolutions regarding guidelines for remuneration to senior executives and the Board of Directors' remuneration report.

All shareholders registered in the shareholders' register on the record date and who have registered their participation by the date specified in accordance with the Articles of Association's provisions have the right to participate in the Meeting and vote for their shareholding. Shareholders may be represented by proxy if the shareholder has notified the company of the number of proxies as stipulated in the notice convening the Meeting.

2022 Annual General Meeting

Netel's 2022 Annual General Meeting will be held on Wednesday, 4 May, in Stockholm, Sweden.

Nomination Committee

At the Extraordinary General Meeting held on 27 August 2021, it was resolved that the Nomination Committee for the 2022 Annual General Meeting is to consist of four members, each of whom is to be appointed by the four largest shareholders or shareholder groups with regards to the number of votes in the company listed in the shareholders' register maintained by Euroclear Sweden AB as of the last banking day in August the year prior to the Annual General Meeting, if they wish to appoint a member. In addition to these four members, the Chairman of the Board is to be a member of the Nomination Committee.

The member representing the largest shareholder is to be appointed chairman of the Nomination Committee, unless the Committee unanimously appoints someone else. If one or more of the shareholders who have appointed Nomination Committee members earlier than two months prior to the Annual General Meeting are no longer among the four largest shareholders in terms of the number of votes in the Company, members appointed by those shareholders shall resign and the shareholder(s) who currently is/are among the four largest in terms of the number of votes in the Company shall have the right to appoint Nomination Committee members. Shareholders who have appointed a representative to serve as a Nomination Committee member have the right to dismiss such a member and to appoint a new representative to serve as Nomination Committee member. Changes to the composition of the Nomination Committee are to be announced immediately on the website netel.group.com.

The names of the four shareholder-nominated Nomination Committee members and the names of the shareholders they represent, are to be announced no later than six months before the Meeting. Members of the Nomination Committee receive no remuneration. The Company will pay any necessary expenses that the Nomination Committee may incur in the course of its work. The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced.

The Nomination Committee ahead of the 2022 Annual General Meeting was announced on 11 November 2021. Because Netel was listed on Nasdaq Stockholm on 15 October 2021, the Board decided to make use of the shareholders' register maintained by Euroclear Sweden AB as of 31 October 2021. Netel's second largest holder as of 31 October 2021, Nordnet Pensionsförsäkring, declined to appoint a member to the Nomination Committee. The Board therefore decided that the Nomination Committee ahead of the 2022 Annual General Meeting would comprise representatives appointed by the largest shareholder and the third, fourth and fifth largest owners registered in the company's shareholders' register on 31 October 2021 as well as the Chairman of the Board.

Netel's Nomination Committee ahead of the 2022 Annual General Meeting comprised the following:

Alireza Etemad, appointed by IK Investment Partners
Hans Hedström, appointed by Carnegie Fonder
Jacob Lundgren, appointed by AP2
Celia Grip, appointed by Swedbank Robur Fonder
Hans Petersson, Netel's Chairman of the Board

The Chairman of the Nomination Committee is Hans Hedström.

Shareholders have been able to submit proposals and comments to the Nomination Committee until 17 January 2021. The Nomination Committee applied rule 4.1 of the Code on diversity policy in preparing proposals of Board members. The aim of the policy is that the Board is to have a composition appropriate to the company's operations, phase of maturity and other relevant circumstances, distinguished by diversity and breadth of qualifications, experience and background, and strive for an equal gender distribution. The Nomination Committee's proposal for Board members, fees to the Board and election of auditors as well as other relevant proposals, were presented in conjunction with the notice of the 2022 Annual General Meeting.

Board of Directors and its steering

Board of directors

The Board of Directors is responsible for Netel's management and organisation, which means that the Board is responsible for setting targets and strategies, securing processes and systems for evaluation of set targets, continuously assessing performance and financial conditions, evaluating management, as well as identifying how sustainability issues affect the company's risks and business opportunities. Moreover, the Board appoints the CEO.

The Board of Directors follows written rules of procedure, which are revised annually and adopted at the statutory Board meeting every year. The rules of procedure govern, among other matters, the work of the Board, functions and the division of work between the Board members and the CEO.

At the statutory Board meeting, the Board also adopts instructions for the CEO, including instructions for financial reporting. The Board of Directors convenes according to an annual predetermined schedule. In addition to these meetings, additional Board meetings can be convened to handle issues that cannot be postponed until the next scheduled Board meeting. In addition to the Board meetings, the Chairman and the CEO continuously discuss the management of the Company.

The Board has adopted 16 policies that are Group-wide and regulate how the company and its subsidiaries and employees are to conduct themselves and act with the ambition to operate a sustainable business in the long term. The policies are revised and adopted annually in conjunction with the statutory meeting or – if required – during the year. Policy compliance is followed up through internal controls and by the company's external auditors.

The Board's attendance, independence and remuneration, 2021

Member	Board meeting	Audit Committee	Remuneration Committee	Independent in relation to the company	Independent in relation to major shareholders	Remuneration, SEK 000
Hans Petersson, Chairman	8/8	-	1/1	Yes	Yes	500
Maria Brunow	8/8	-	-	Yes	No	0
Alireza Etemad	8/8	3/3	1/1	Yes	No	0
Carl Jakobsson	8/8	3/3	-	Yes	No	0
Göran Lundgren	8/8	3/3	-	Yes	Yes	350
Nina Macpherson	8/8	-	1/1	Yes	Yes	350
Total	8	3	1	-	-	1,200

Data refers to the number of meetings and remuneration after the listing on Nasdaq Stockholm 15 October 2021.

Chairman of the Board

According to the Board's rules of procedure, the Chairman of the Board has a particular responsibility for maintaining regular contact with the CEO to oversee and discuss the company's performance. The Chairman is to ensure that the CEO keeps Board members informed about Netel's financial position, financial planning and performance. Moreover, the Chairman of the Board is responsible for ensuring an evaluation of the Board's work every year.

Composition of the Board of Directors

According to the Articles of Association, the Board of Directors is to comprise not fewer than three (3) and not more than ten (10) members. The Board members are elected annually at the Annual General Meeting to serve for the period up to the next Annual General Meeting.

The Board of Directors comprises six members. The CFO attends all Board meetings except when the work of the CEO is evaluated. A detailed presentation of the Board of Directors is on pages 70-71.

Work of the Board in 2021

After the listing in October 2021, the Board has held eight minuted meetings. During the meetings, the Board has addressed fixed agenda items such as the business and market situation, economic and financial reporting, and project status. In addition, general strategic issues regarding business intelligence, growth opportunities and sustainability have been analysed.

The Board has not met with the company's auditor without the presence of the management team since the listing in 2021.

Board committees

The members of the committees and the chairmen were appointed at the statutory Board meeting for a period of one year at a time. Committee work is carried out according to the instructions for each committee. The committees' work primarily concerns preparation and counselling within each respective area. However, the Board can occasionally delegate decision-making authority to the committees in certain issues.

Remuneration Committee

The Remuneration Committee is tasked with preparing recommendations involving remuneration principles, remuneration and other employment terms for the CEO and other senior executives.

The principles address, among other issues, the relationship between fixed and potentially variable remuneration as well as the connection between performance and remuneration, the main terms for potential bonuses and incentive schemes, as well as the main terms for other benefits, pensions, termination of employment and severance pay. For the CEO, the Board in its entirety is to determine remuneration and other employment terms. Share-related incentive schemes for Group management are decided by the Annual General Meeting.

The Committee is to assist the Board in monitoring the systems through which the company complies with laws, stock exchange regulations and the Code in terms of provisions on publishing information that is related to remuneration to the CEO and other senior executives. The Committee is also to monitor and evaluate any ongoing and during the year concluded programs for variable remuneration to the CEO and other senior executives, application of the guidelines for remuneration to the CEO and other senior executives as decided by the Annual General Meeting as well as remuneration structures and remuneration levels.

In 2021, the Remuneration Committee comprised Nina Macpherson (chairman), Hans Petersson and Alireza Etemad. After the listing on Nasdaq Stockholm, the Committee held one minuted meeting and had informal contact when needed. Attendance of the Remuneration Committee members is presented above.

Audit Committee

The Audit Committee is to, without it affecting the responsibilities and tasks of the Board of Directors, monitor the financial reporting, the efficiency of the internal controls and risk management, remain informed of the audit of the annual report and consolidated financial statements, review and monitor the impartiality and independence of the auditors and, in particular, whether the auditors provide the company with

services other than auditing services, and assist in the preparation of proposals for the Annual General Meeting resolution on the election of auditors.

In 2021, the Audit Committee comprised Göran Lundgren (chairman), Alireza Etemad and Carl Jakobsson. The Board feels that the members are experts in the Audit Committee's areas and meet the independence requirements in accordance with the Code and the Swedish Companies Act. In addition to the Audit Committee members, the CFO and, when necessary, auditors, the CEO or other members of the company are asked to participate in Committee meetings. After the listing on Nasdaq Stockholm, the Committee held three minuted meetings. Attendance of the Audit Committee members is presented on page 63. The company's auditors participated in two of the meetings after the listing on Nasdaq Stockholm.

Evaluation of the work of the Board

The company's evaluation of the Board of Directors was carried out in February 2022 and presented to the Board in March 2022. The evaluation constituted a survey that covers various aspects of the Board's work and its efforts to create value. The evaluation revealed the Board members' perspective on how the work of the Board is conducted and whether action should be taken to develop and improve the Board's work. The outcome of the evaluation also forms an important document for the Nomination Committee's work ahead of the upcoming Annual General Meeting. Subsequently, the outcome was presented to both the Board and the Nomination Committee.

Remuneration to Board members

Fees and other remuneration to the Board members, including the Chairman, are resolved by the general meetings. The Extraordinary General Meeting held on 27 August 2021 resolved that a fee be paid in the amount of SEK 450,000 to the Chairman of the Board, and that the fee to other Board members be paid in the amount of SEK 250,000, with the exception of the Board members representing the principal owner IK Investment Partners who will not receive remuneration for Board work. Furthermore, it was resolved that a fee in the amount of SEK 100,000 be paid to the Chairman of the Audit Committee and that the other Audit Committee members who represent the principal owner receive no remuneration, and that a fee in the amount of SEK 100,000 be paid to the Chairman of the Remuneration Committee and that the other Remuneration Committee members receive the amount of SEK 50,000, with the exception of the Board member representing the principal owner, who will not receive remuneration for the committee work.

Board members are not entitled to any benefits following termination of their assignments as Board members.

CEO

The CEO is subordinate to the Board of Directors and responsible for everyday management and operations. The division of work between the Board of Directors and the CEO is set

out in the rules of procedure for the Board and in the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information for the Board meetings and for presenting such materials at the Board meetings.

According to the financial reporting instructions, the CEO is responsible for the financial reporting and is to ensure that the Board of Directors receive adequate information for to enable the Board to evaluate the financial position. The CEO is to continuously keep the Board informed of developments in the operations, sales, results and financial position, liquidity and credit status, important business events and all other events, circumstances or circumstances that can be assumed to be of significance to the shareholders.

The Board of Directors annually evaluates the work and performance of the CEO.

Group management

Group management is an advisory body for the CEO and drives Group-wide strategy and development issues as well as day-to-day activities. Group management convenes once a month and checks in regularly to address current issues, strategies and discussions. A detailed presentation of Group management is provided on pages 72-73.

Guidelines for remuneration of senior executives

Remuneration matters are addressed by the Board's Remuneration Committee and decided by the Board. The Board presents recommended guidelines for remuneration to senior executives for the Annual General Meeting to decide on.

At the Extraordinary General Meeting on 17 September 2021, the following guidelines for remuneration of senior executives were adopted:

These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Meeting. These guidelines do not apply to any remuneration decided by the Meeting.

Employment conditions for a Group management member who is employed or resident outside Sweden, or who is not a Swedish citizen, may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall objective of these guidelines.

Promotion of Netel's business strategy, long-term interests and sustainability

To become a leading infranet service supplier in Northern Europe, Netel has identified two strategic priorities: core business development and geographical and business diversification. These goals can be achieved either through organic growth initiatives or via mergers and acquisitions.

Successful implementation of Netel's business strategy and the safeguarding of the company's long-term interests, including its sustainability agenda, requires that the Netel can recruit and retain qualified employees. This requires that Netel can offer

competitive salaries and other terms and conditions of employment based on market conditions, taking into account both global remuneration practice and practice in the home country of each member of Group management. These guidelines make it possible to offer Group management total remuneration that is competitive and based on market conditions.

Types of remuneration

Total yearly remuneration to Group management is to be based on market conditions, competitive and reflect each member's responsibility and performance.

Total yearly remuneration consists of fixed base salary, variable cash remuneration, pension benefits and other benefits, specified below excluding social security contributions. Additionally, the General Meeting may – irrespective of these guidelines – resolve on share-related or share price-related remuneration, among other solutions.

The variable cash remuneration is to be linked to predetermined and measurable targets, further described below, and may amount to not more than 100 per cent of the yearly base salary for the CEO and 50 percent of the yearly base salary for the other Group management members.

Group management members can be covered by defined contribution or defined benefit pension plans, for which pension premiums are based on each member's yearly base salary and paid by Netel during the period of employment. The pension premiums are to amount to no more than 30 per cent of the yearly base salary.

Other benefits, such as company car, extra health insurance or occupational healthcare, is payable to the extent it is considered to be in line with market conditions in the market relevant for each member of Group management.

Premiums and other costs related to such benefits may in total amount to no more than 20 per cent of the yearly base salary.

Criteria for awarding variable cash remuneration

The variable cash remuneration shall be linked to predetermined and measurable financial targets, and can also be linked to strategical and/or functional targets individually adjusted on the basis of responsibility and function. These targets shall be designed so as to contribute to Netel's business strategy, long-term interests and its sustainability by, for example, being linked to the business strategy or promoting the senior executive's long-term development within Netel.

The Remuneration Committee shall prepare, monitor and evaluate for the Board of Directors matters regarding variable cash remuneration to Group management. Ahead of each yearly measurement period for awarding variable cash remuneration, the Board of Directors shall establish which criteria are deemed relevant for the upcoming measurement period Based on the work of the Remuneration Committee. To which extent the criteria for awarding variable cash remuneration has been satisfied will be determined at the end of the measurement period. Evaluations regarding satisfaction of financial targets shall be based on a determined financial basis for the relevant period.

Variable cash remuneration can be paid after the completion of a measurement period or be subject to deferred payment. Parts of the variable cash remuneration are usually paid in the December salary. Paid variable cash remuneration can be claimed back when such right follows from the relevant individual agreement.

Additional variable cash remuneration may be payable in exceptional circumstances, provided that such extraordinary arrangements are time-limited and made only at the individual level, either to recruit or retain senior executives or as compensation for extraordinary duties in addition to the executive's ordinary duties. Such remuneration may not exceed an amount equal to 100 per cent of the fixed annual cash salary, with the exception of extraordinary remuneration for the CEO whose extraordinary remuneration may not exceed an amount corresponding to 350 per cent of the fixed basic salary. Extraordinary remuneration may not be paid more than once each year and per each individual. A decision on such remuneration for the CEO shall be made by the Board of Directors based on a proposal from the Remuneration Committee. A decision on such remuneration for other senior executives shall be made by the Board following a proposal by the Remuneration Committee after consulting with the CEO.

Duration of employment and termination of employment

Group management members shall be employed until further notice. If notice of termination is made by Netel, the notice period may not exceed 12 months for the CEO and 6 months for the other Group management members. If a member of Group management is given notice, Netel is liable to pay, including severance pay and remuneration under the notice period, the equivalent of maximum 18 months' base salary and other employment benefits. If notice of termination is made by a member of the Group management, the notice period may not exceed six months, with no right to severance pay.

Full salary and other employment benefits are paid during the notice period, with deduction for salary and other remuneration received from other employment or activities that the employee has during the notice period. A Group management member may, for such time when the member is not entitled to severance pay, be compensated for non-compete undertakings. Such compensation may amount to not more than 60 per cent of the monthly base salary at the time of the termination and paid only as long as the non-compete undertaking is applicable, and no longer than a 12-month period.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Netel have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time in the Remuneration Committee's and the Board's basis for decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Decision-making process to determine, review and implement the guidelines

The Remuneration Committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration of Group management. The Board of Directors is to prepare a proposal for new guidelines at least every four years and submit it to the Annual General Meeting. The guidelines will be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee will also monitor and evaluate programs for variable remuneration for Group management, the application of the guidelines for remuneration to Group management as well as the current remuneration structures and remuneration levels in Netel. The Remuneration Committee members are independent of the company and its management. The CEO and other members of Group management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from the guidelines

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve Netel's long-term interests, including its sustainability, or to ensure Netel's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

Board's proposed guidelines for remuneration of senior executives

The Board proposes that the Annual General Meeting on 4 May 2022 resolve on the following guidelines for remuneration and other employment terms for the CEO and other members of Netel Holding AB's (publ) Group management.

Scope of application

These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Meeting. These guidelines do not apply to any remuneration decided by the Meeting.

Employment conditions for a Group management member who is employed or resident outside Sweden, or who is not a Swedish citizen, may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall objective of these guidelines.

Promotion of Netel's business strategy, long-term interests and sustainability

To become a leading infranet service supplier in Northern Europe, Netel has identified two strategic priorities: core business development and geographical and business diversification. These goals can be achieved either through organic growth initiatives or via mergers and acquisitions.

Successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability agenda, requires that the company can recruit and retain qualified employees. This requires that the company can offer competitive salaries and other terms and conditions of employment based on market conditions, taking into account both global remuneration practice and practice in the home country of each member of Group management. These guidelines make it possible to offer Group management total remuneration that is competitive and based on market conditions.

Types of remuneration

Total yearly remuneration to Group management is to be based on market conditions, competitive and reflect each member's responsibility and performance. The total yearly remuneration shall consist of (i) fixed base salary, (ii) variable cash remuneration, (iii) pension benefits and (iv) other benefits (which are specified below excluding social security contributions). Additionally, the General Meeting may – irrespective of these guidelines – resolve on share-related or share price-related remuneration, among other solutions.

The variable cash remuneration is to be linked to predetermined and measurable targets, further described below, and may amount to not more than 100 per cent of the yearly base salary for the CEO and 50 per cent of the yearly base salary for the other Group management members.

Group management members can be covered by defined contribution or defined benefit pension plans, for which pension premiums are based on each member's yearly base salary and paid by Netel during the period of employment. The pension premiums are to amount to no more than 30 per cent of the yearly base salary.

Other benefits, such as company car, extra health insurance or occupational healthcare, is payable to the extent it is considered to be in line with market conditions in the market relevant for each member of Group management. Premiums and other costs related to such benefits may in total amount to no more than 20 per cent of the yearly base salary.

Criteria for awarding variable cash remuneration

The variable cash remuneration shall be linked to predetermined and measurable financial targets, and can also be linked to strategical and/or functional targets individually adjusted on the basis of responsibility and function. These targets shall be designed so as to contribute to Netel's business strategy, long-term interests and its sustainability by, for example, being linked to the business strategy or promoting the senior executive's long-term development within Netel.

The Remuneration Committee shall prepare, monitor and evaluate for the Board of Directors matters regarding variable cash remuneration to Group management. Ahead of each yearly measurement period for awarding variable cash remuneration, the Board of Directors shall establish which criteria are deemed relevant for the upcoming measurement period Based on the work of the Remuneration Committee. To which extent the criteria for awarding variable cash remuneration has been satis

fied will be determined at the end of the measurement period. Evaluations regarding satisfaction of financial targets shall be based on a determined financial basis for the relevant period.

Variable cash remuneration is settled after the completion of a measurement period. Paid variable cash remuneration can be claimed back when such right follows from the relevant individual agreement.

Additional variable cash remuneration may be payable in exceptional circumstances, provided that such extraordinary arrangements are time-limited and made only at the individual level, either to recruit or retain senior executives or as compensation for extraordinary duties in addition to the executive's ordinary duties. Such remuneration may not exceed an amount equal to 100 per cent of the fixed annual cash salary, with the exception of extraordinary remuneration for the CEO whose extraordinary remuneration may not exceed an amount corresponding to 250 per cent of the fixed basic salary. Extraordinary remuneration may not be paid more than once each year and per each individual. A decision on such remuneration for the CEO shall be made by the Board of Directors based on a proposal from the Remuneration Committee. A decision on such remuneration for other senior executives shall be made by the Board following a proposal by the Remuneration Committee after consulting with the CEO.

Duration of employment and termination of employment

Group management members shall be employed until further notice. If notice of termination is made by Netel, the notice period may not exceed 12 months for the CEO and six months for the other Group management members. If a member of Group management is given notice, Netel is liable to pay, including severance pay and remuneration under the notice period, the equivalent of maximum 18 months' base salary and other employment benefits. If notice of termination is made by a member of the Group management, the notice period may not exceed six months, with no right to severance pay.

Full salary and other employment benefits are paid during the notice period, with deduction for salary and other remuneration received from other employment or activities that the employee has during the notice period.

A Group management member may, for such time when the member is not entitled to severance pay, be compensated for non-compete undertakings. Such compensation may amount to not more than 60 per cent of the monthly base salary at the time of the termination and paid only as long as the non-compete undertaking is applicable, and no longer than a 12-month period.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Netel have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time in the Remuneration Committee's and the Board's basis for decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Decision-making process to determine, review and implement the guidelines

The Remuneration Committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration of Group management. The Board of Directors is to prepare a proposal for new guidelines at least every four years and submit it to the Annual General Meeting. The guidelines will be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee will also monitor and evaluate programs for variable remuneration for Group management, the application of the guidelines for remuneration to Group management as well as the current remuneration structures and remuneration levels in Netel. The Remuneration Committee members are independent of the company and its management. The CEO and other members of Group management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from the guidelines

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve Netel's long-term interests, including its sustainability, or to ensure Netel's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

Description of significant changes to the guidelines and how the shareholders' views have been taken into account

These guidelines, which are proposed for the 2022 Annual General Meeting, are largely identical to the guidelines decided by the Extraordinary General Meeting on 17 September 2021. However, in the proposed guidelines the maximum additional variable cash remuneration to the CEO has been reduced from 350 percent of the basic salary to a maximum of 250 percent of the basic salary. The wording regarding the payment of variable cash compensation has also undergone editorial changes for greater clarity.

Auditor

Pursuant to the Articles of Association, the Annual General Meeting is to appoint at least one and not more than two auditors with or without deputy auditors.

Deloitte AB has been the Group's auditor since 2010 and was elected to be the Company's auditor at the Extraordinary General Meeting on 4 August 2021 for period until the end of the 2022 Annual General Meeting. Jenny Holmgren is the auditor in charge. Jenny Holmgren is an authorised public accountant and a member of FAR (professional institute for authorised public accountants). Deloitte AB's office address is Rehnsgatan 11, 113 79 Stockholm, Sweden.

The auditors participate as needed at the Audit Committee's meetings to inform about ongoing audit work and report on at least one occasion to the entire Board of Directors. During 2021, the auditor participated in two meetings with the Audit Committee and one with the Board. The auditor takes part in the Annual General Meeting and accounts for review of Netel's administration and annual report. Moreover, the auditors review the interim report for the January–September period, remuneration of senior executives, the Corporate Governance Report and the Sustainability Report.

Internal control over financial reporting

Internal control comprises the control of the company's and the Group's organisation, procedures and support measures. The objective is to ensure that reliable and accurate financial reporting takes place, that the Company's and the Group's financial reporting is prepared in accordance with applicable laws and accounting standards, that the Company's assets are protected and that other requirements are fulfilled. The internal control system is also intended to monitor compliance with the Company's and the Group's policies, principles and instructions. Internal control also includes risk analysis. The Group identifies, assesses and manages risks based on the Group's vision and goals. An assessment of strategic, compliance, operational and financial risks shall be performed annually by the CEO and presented to the Audit Committee and the Board of Directors.

The Board of Directors is ultimately responsible for the internal control in the Company. Processes managing the business and delivering value shall be defined within the business management system. The CEO is responsible for the process structure within the Group.

Risk assessment

A self-assessment of minimum requirements of defined controls mitigating identified risks for each business process is to be performed and reported to the Audit Committee and the Board of Directors annually. The CEO is responsible for the self-assessment process, which is facilitated by the internal control function and the CFO. In addition, the internal control function performs reviews of the risk and internal controls system according to plan agreed with the Board of Directors.

According to the Code, it is the responsibility of the Board to ensure that there are effective systems for follow-up and control of the company's operations. Processes and measures of control have been developed in close collaboration with the Company's advisors in conjunction with the Nasdaq Stockholm listing that are based on Netel's needs and current industry practice in the business area in which the Company operates. The Company works systematically to ensure that the internal control is adequate by way of, inter alia, carrying out risk identifications and self-assessments. The CFO is responsible for the annual risk identification. The identified risks are divided into different categories and assessed on the basis of consequences and probability, where the self-assessments aim to ensure

effective risk control.

The prepared risk identification is presented on a yearly basis to the Audit Committee and the Board of Directors of Netel.

Control environment and control activities

By practice, internal control is defined as a process involving the Board of Directors, the Audit Committee, the CEO, the CFO, other senior executives and other employees, and which is intended to provide a reasonable assurance that a company's goals are met, with respect to: appropriate and efficient operations, reliable reporting and compliance with applicable laws and regulations. The Company is working systematically to identify and develop processes for internal control.

Each control and process owner must prepare an action plan for identified ineffective controls. The process owner must report the evaluation of the controls to the internal control coordinator and the CFO together with action plans for any controls that have been evaluated as ineffective.

Internal control over financial reporting is intended to provide reasonable assurances regarding the reliability of the external financial reporting in the form of quarterly and annual reports and financial statements even though the external financial reporting is prepared in accordance with applicable legislation, accounting standards and other requirements for listed companies. Ultimately, the responsibility for the internal control rests with the Board of Directors that continuously, through the Audit Committee, evaluates Netel's risk management and internal control.

Information and communication

Internal steering documents such as rules, guidelines, handbooks and instructions are updated constantly in the accounting handbook and communicated through internal meetings and other targeted dissemination. General strategic issues are communicated to the organisation through the intranet and employee meetings.

Netel's communication policy aims to ensure that all disclosure of information externally and internally is correct, relevant and reliable. The policy aims to ensure that requirements for disseminating information are compiled correctly and completely. For shareholders and other stakeholders wishing to monitor Netel's performance, current financial information is published regularly on the website netelgroup.com.

Follow-up

The Board of Directors regularly follow-up the efficiency of the internal controls and discuss significant matters regarding accounting and reporting. The company bases its work on documented standard procedures and work instructions. These procedures and instructions are reviewed internally. Deviations are reported to management and major deviations to the Board. The company's auditors review the internal controls and report deviations, comments and activity proposals to the Audit Committee. The CEO reports regularly to the Board on follow-up of operational targets in the business plan. The CEO submits proposals for interim reports and year-end reports

that are approved by the Board before they are made public.

The Audit Committee continuously takes part of work involving internal controls and processes for financial reporting. The Audit Committee also takes part of the external auditors' report regarding review and recommendations of internal controls that are reported to management and the Board.

Policies, guidelines and procedures are updated and review as needed but at least annually. The Board is responsible for maintaining general steering documents, and the CEO or person appointed by the CEO is responsible for other documents.

Internal audit

In 2021, the Board of Directors evaluated the Group's need for an internal audit that resulted in the Board making the decision that Netel, in addition to the existing internal control processes and functions, did not need to introduce its own internal audit function in 2021. The Board has decided that the monitoring and reviews carried out internally, together with the external audit, are sufficient to maintain an effective internal control over the financial reporting.

Investor relations

The company's CEO and CFO are responsible for contact with the shareholders. The company informs the shareholders through the annual report, the year-end report, interim reports, press releases and the website netelgroup.com. Furthermore, Netel has participated in investor meetings and other investor activities, both in Sweden and abroad.

Policies resolved by the Board of Directors

Code of Conduct

Code of conduct for suppliers

HR Policy

Health and Safety Policy

Environment Policy

Finance Policy

Information Security Policy

Insider Policy

Related Parties Policy

Communication Policy

IT Policy

Purchasing Policy

Transfer Pricing Policy

Internal Controls Policy

Risk Management Policy

Policy for Steering Documents

Board of Directors



Hans Petersson



Göran Lundgren



Alireza Etemad



Nina Macpherson



Maria Brunow



Carl Jakobsson

Hans Petersson

Chairman of the Board

Elected to the Board: 2017

Born: 1951

Education: Education: Master of Science in Forestry from the Royal School of Forestry in Stockholm.

Other Board assignments: -

Previous employment (last five years): Chairman of the Board of Schenck Process Holding GmbH and ÅR Packaging AB. Board member of San Sac AB and Skånska Energi AB (publ).

Shareholding in Netel: 190,011 shares.

Göran Lundgren

Board member

Elected to the Board: 2016

Born: 1948

Education: Master of Science in Engineering from the Royal Institute of Technology, Stockholm. Management programs from IFL, ABB, Vattenfall, and others

Other current assignments: Chairman of the Board of Meltron AB and Meltron Oy. Board member of Sustainable Energy Angels II AB, Solarus Renewables AB and GL add wise AB.

Previous employment (last five years): Chairman of the Board of Efficax Energy AB, Solarus Sunpower Holding AB and Solarus Sunpower Sweden AB. Board member of Solarus Sunpower Holding BV and Solarus Smart Energy Solutions BV.

Shareholding in Netel: 22,170 shares.

Alireza Etemad

Board member

Elected to the Board: 2016

Born: 1976

Education: Studied for a Master of Science in Industrial Engineering at Linköping Institute of Technology. Master of Science in Telecommunications technology /Management from Institut National des Télécommunications in Paris.

Other current assignments: Partner at IK Investment Partners. Board member of IK Investment Partners Norden AB. Chairman of the Board of Oriac CC AB and Oriac MPP AB. Board member of Aspia Group AB, Aspia AB, AspiaGroup Holding AB, Advania AB, Netel Group BC AB, Marconi LLC, Damete Investments AB and Azerila Investments AB.

Previous employment (last five years): Board member of Actic Group AB (publ), ELLAB A/S, Visolit AS and RHN Invest AB.

Shareholding in Netel: –

Nina Macpherson

Board member

Elected to the Board: 2021

Born: 1958

Education: Master of Laws from Stockholm University.

Other current assignments: Supervisory Board member and the Audit Committee member of Traton SE. Board member and Audit Committee member of Scania AB and Scania CV AB. Board member of Scandinavian Enviro Systems AB. Deputy Board member of M&K Industrials AB and member of the Swedish Securities Council.

Previous employment (last five years): Chief Legal Officer and secretary of the Board and its committees of Telefonaktiebolaget LM Ericsson. Chairman of the Board of Ericsson AB. Board member AB Aulis, LME International AB, Ericsson Telephone Corporation Far East, Ericsson Telephone Corporation AB, Netwise AB, the Swedish Association for Listed Companies and the Stockholm Chamber of Commerce's Arbitration Institute. Deputy Board member of Datasaab Contracting AB.

Shareholding in Netel: 25,964 shares.

Maria Brunow

Board member

Elected to the Board: 2021

Born: 1981

Education: Master of Science in Economics (MSc) from Stockholm School of Economics.

Other current assignments: Director at IK Investment Partners. Board member of Advania AB and C.E. Lindgren AB.

Previous employment (last five years): Board member of VPS BV and Visolit AS.

Shareholding in Netel: –

Carl Jakobsson

Board member

Elected to the Board: 2016

Born: 1986

Education: Master of Finance (MSc) from Stockholm School of Economics.

Other current assignments: Director at IK Investment Partners. Board member of Aspia Group Holding AB, Oriac MPPAB, Oriac CC AB, Leonardo HC AB and Leonardo BC AB (the Mecenat Group).

Previous employment (last five years): Deputy Board member of Ramudden Group AB and Evac Group Oy.

Shareholding in Netel: –

Group management



Ove Bergkvist



Peter Andersson



David Wirsén



Edward Olastuen



Ari Asikainen



Anders Mikkola

Ove Bergkvist

CEO of Netel since 2017 and Country Manager, Sweden.

Born: 1968

Education: Master of Business Administration from London Business School. Master of Science in Engineering Physics from the Royal Institute of Technology, Stockholm, Sweden.

Other current assignments: Board member of NVBS Rail Group Holding AB, NVBS Rail Holding AB and Åsbacken Sverige Invest AB.

Previous employment (last five years): CEO of Euromaint Rail AB.

Shareholding in Netel: 264,895 shares.

Peter Andersson

Chief Financial Officer of Netel since 2020.

Born: 1973

Education: Construction Engineering program and Master of Business Administration from Luleå University of Technology.

Other current assignments: Board member of PHA Invest 2 AB. Owner of PEMU Invest AB and Pemu Invest 1 AB. Partner of Medina Properties SARL and Scandinavian Development Group SARL.

Previous employment (last five years): Chairman and Board member of Systems Tracked AB. Board member of PHA Invest AB and Friside AB. CFO of Eleda Acquisition AB and BTH Bygg AB. Deputy Board member of Systems Tracked AB, Skärgårdsvillan Holding 2 AB, Skärgårdsvillan Holding AB, Ljusterö Centrum Holding I Sverige AB, Ljusterö Mark 1 AB, Ljusterö Mark 2 AB, Ljusterö Mark 3 AB and Ljusterö Skärgårdsby AB.

Shareholding in Netel: 269,778 shares.

David Wirsén

Group Operational Support since 2018.

Born: 1974

Education: Bachelor of Science mechanical engineering from Lund University. Master of Business Administration from Staffordshire University.

Other current assignments: Chairman of the Board of Wirsén Asset Management AB. Board member of Alfa Venture I AB.

Previous employment (last five years): Board member of PEED Holding AB.

Shareholding in Netel: 486,642 shares.

Edward Olastuen

Country Manager, Norway, since 2018.

Born: 1985

Other current assignments: Board member of EBO AS, KG Installasjon AS, Langtrade AS, Meierigata 2-4 AS, Olastuen Bygg AS, Olastuen Eiendom AS and Reverud AS. CEO, owner and Board member of Olastuen Holding AS.

Previous employment (last five years): –

Shareholding in Netel: 232,099 shares.

Ari Asikainen

Country Manager, Finland, since 2013.

Born: 1960

Education: Education: Bachelor of Science from the Technical Institute of Oulu.

Other current assignments: –

Previous employment (last five years): –

Shareholding in Netel: 130,736 shares.

Anders Mikkola

Country Manager, Germany since 2018 and CEO of MEDAM AB since 2017.

Born: 1979

Education: Social science and economics studies from Westerlundiska Gymnasium.

Other current assignments: –

Previous employment (last five years): Owner of Amtravans.

Shareholding in Netel: 167,237 shares..

Auditor's Report

To the general meeting of the shareholders of Netel Holding AB (publ)
corporate identity number 559327-6263

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Netel Holding AB (publ) for the financial year 2021-01-01 - 2021-12-31 with exception for the corporate governance statement and the sustainability report on pages 29-60 and 61-73. The annual accounts and consolidated accounts of the company are included on pages 4-5, 10-27, 74-79 and 82-127 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 2021 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 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not include the corporate governance statement and sustainability report on pages 29-60 and 61-73 respectively.

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 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.

Ongoing construction contracts and revenue recognition

Netel recognises revenue over time based on management's assessment of the outcome of the completion rate for each contract. This means that the reported revenue and results recognised for ongoing projects are dependent on assumptions and judgements for items included in the projects. For complex ongoing construction contracts, there is an uncertainty when assessing the costs of completion and profitability. The precision of the revenue recognition requires good processes for calculation, reporting, analysing and forecasting. The significant amounts combined with the critical estimates and judgements made by management mean that this is a key audit matter. Our audit procedures included, but were not limited to:

- Review of the company's accounting principles for revenue recognition
- Review of the company's procedures and internal control related to project and revenue recognition
- Review of a selection of the projects to ensure revenue recognition in the correct period and that there is robust documentation that reflects the estimates and judgements on which revenue recognition is based
- Analytical review of the recorded revenue and review of margin analyses and comparisons to previous reporting periods
- Review of the completeness of the relevant notes in accordance with IFRS

Valuation of goodwill

As of December, 31 2021, Netel accounts for goodwill in the consolidated balance sheet amounting to MSEK 810. The value of the goodwill is dependent on future income and profitability in the cash-generating units, to which the goodwill refers, and is assessed at least once a year. Management bases its impairment test on several judgements and estimates such as growth, EBIT development and cost of capital (WACC) as well as other complex circumstances. Incorrect judgements and estimates can have a significant impact on the group's results and financial position. Management has not identified any need for impairment for any cash-generating unit within the group. For further information, please refer to note 11, which described how management has performed the impairment test together with important estimates and judgements. Our audit procedures included, but were not limited to:

- Review and assessment of the group's procedures and model for impairment tests of goodwill and evaluation of the reasonability of judgements and estimates made, that the procedures are consistently applied and that there is integrity in calculations
- Evaluation of the reasonability of the of the identified cash generating units
- Verification of input data in calculations including information from business plans for the forecast period
- Test of head room for each cash-generating unit by performing sensitivity analyses

- Review of the completeness in relevant disclosures to the financial reports. When performing the audit procedures our valuation experts have been involved.

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 6-9, 28-73, 80-81 and 128-139. 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 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 intends 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.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisorsansvar This description forms part of the auditor's report"

Report on other legal and regulatory requirements

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 Netel Holding AB (publ) for the financial year 2021-01-01 - 2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to 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.

- Review of the completeness in relevant disclosures to the financial reports. When performing the audit procedures our valuation experts have been involved.

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 6-9, 28-73, 80-81 and 128-139. 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 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 intends 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.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisorsansvar This description forms part of the auditor's report"

Report on other legal and regulatory requirements

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 Netel Holding AB (publ) for the financial year 2021-01-01 - 2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to 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.