

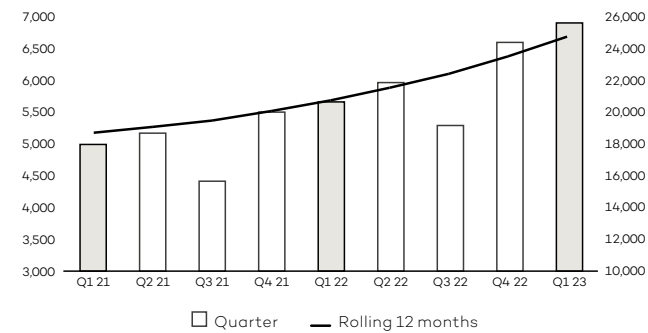
# AFRY starts the year with strong growth and EBITA development

## First quarter 2023

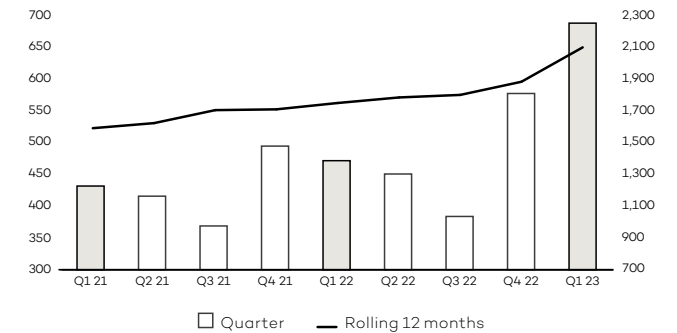
- Net sales increased by 22.0 percent to SEK 6,916 million (5,670)
- Organic growth adjusted for calendar effects was 15.9 percent (3.3)
- EBITA, excl. items affecting comparability, was SEK 689 million (472)
- EBITA margin, excl. items affecting comparability, was 10.0 percent (8.3)
- EBITA totalled SEK 689 million (359)
- EBITA margin was 10.0 percent (6.3)
- EBIT (operating profit) amounted to SEK 646 million (317)
- Basic earnings per share: SEK 3.85 (1.97)

AFRY Interim report  
January–March 2023

Net sales, SEK MILLION



EBITA<sup>1</sup>, SEK MILLION



<sup>1</sup> Excluding items affecting comparability.

# Comments from the CEO

We start the year with a continued high demand for our services and report strong organic growth and EBITA development. AFRY has a solid position in the green industrial transition and an all-time high order stock.

Net sales came in at SEK 6,916 million, an increase of 22 percent compared to the same period last year. Organic growth amounted to 16 percent adjusted for calendar effects after a strong development in all divisions. The organic growth was mainly generated by high demand, price increases and a good recruitment pace. The order stock continued to strengthen and amounted to SEK 20 billion.

EBITA, excluding items affecting comparability, increased by 46 percent during the quarter and amounted to SEK 689 million (472), with a corresponding EBITA margin of 10.0 percent (8.3). All divisions contributed to the good results, where Process Industries, in particular, had a quarter with strong margin and growth. The margin development is explained by price increases and the ability to grow while strengthening the profitability. The result was also impacted by a positive calendar effect.

In line with our strategy to be the leading partner in the sustainability transition, we acquired two companies during the quarter with annual net sales of around SEK 120 million. BLIX Consultancy are experts in renewable energy with their base in the Netherlands and XPRO is a consulting company in project management in Norway. Apart from acquisitions, AFRY continues to grow organically with a good recruitment pace and a downward trend in staff turnover.

At AFRY's Capital Markets Day in March, we presented an updated business strategy, to reinforce AFRY's position as the leader in the sustainability transition and improve the EBITA margin. The direction of the strategy is to expand globally within decarbonisation and strengthening our position and profitability within infrastructure, as well as growing our Nordic industrial and digital portfolio. We also announced that the

financial targets remain unchanged and that the order stock will be reported quarterly.

There is a general high demand for our expertise in the market and we have a strong position in the green industrial transition. However, the continued uncertain market situation has resulted in delayed decision processes within certain industry segments, and we are now seeing clearer signs of a slowdown within the real estate segment. In line with our updated business strategy, our focus is to increase profitability through efficiency improvements and price increases, as well as strengthening our client offering.

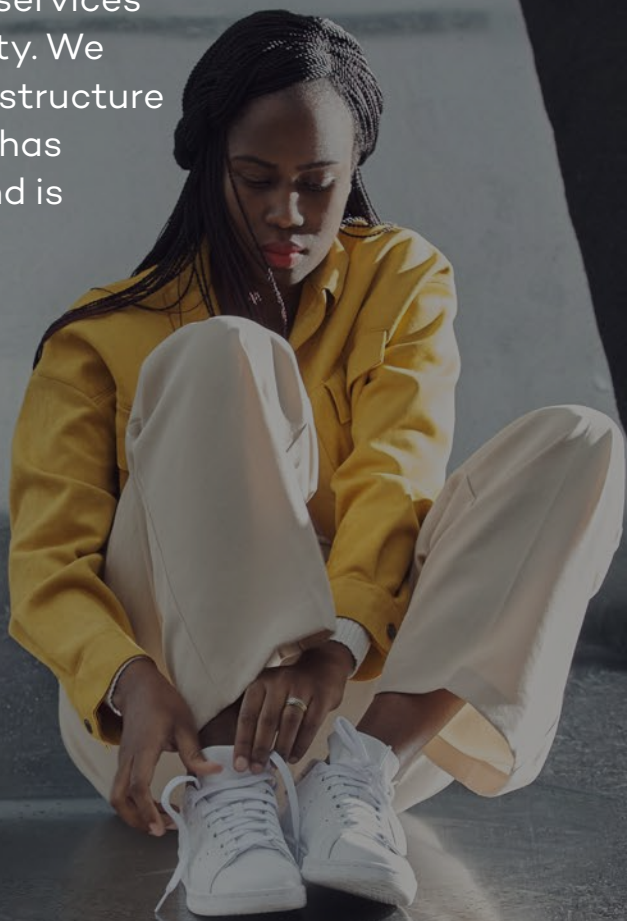
Jonas Gustavsson  
President and CEO

“All divisions contributed to the good margin development, where Process Industries, in particular, had a quarter with strong margin and growth.”

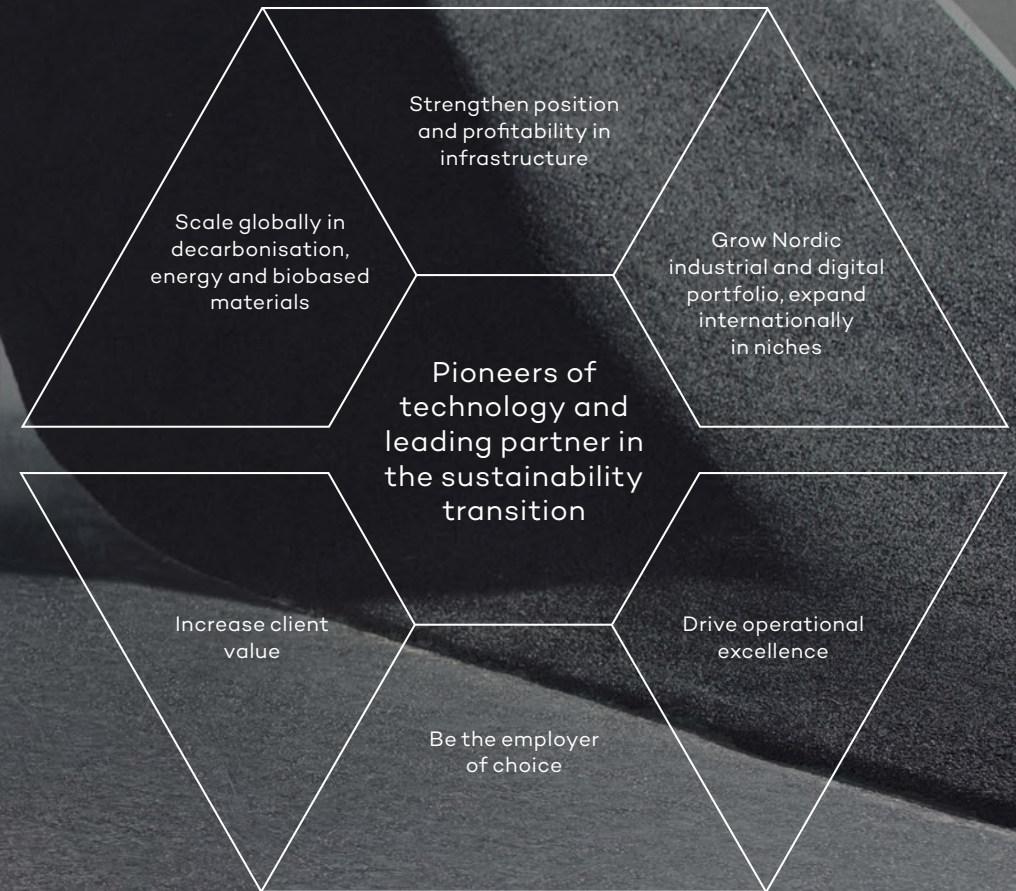


# AFRY in short

AFRY provides engineering, design, digital and advisory services to accelerate the transition towards a sustainable society. We are 19,000 devoted experts in industry, energy and infrastructure sectors, creating impact for generations to come. AFRY has Nordic roots with a global reach, net sales of 24 BSEK and is listed on Nasdaq Stockholm.



## Business strategy



## Who we are

### Our vision

Making future

### Our mission

We accelerate the transition towards a sustainable society

### Our values

Brave  
Devoted  
Team players

### Our people

Inclusive and diverse teams with deep sector knowledge

# A clear vision

AFRY strives for profitable growth to generate long-term value for our shareholders and the society. The financial targets focus on growth, profitability and a strong financial position. The sustainability targets are key elements of our strategy. The targets focus on the development of sustainable solutions, responsible and ethical operations and our people.



## Financial targets

- Annual growth of 10 percent. The target includes add-on acquisitions
- An EBITA margin of 10 percent (excluding items affecting comparability)
- Net debt in relation to EBITDA of 2.5
- Dividend policy of approximately 50 percent of profit after tax excluding capital gains

## Sustainability targets

- Increase taxonomy-eligible turnover
- 95 percent completion rate for sustainability training
- Halve CO<sub>2</sub> emissions by 2030 and achieve net zero emissions by 2040
- 95 percent completion rate for training in AFRY's Code of Conduct
- 40 percent female leaders by 2030
- Increase employee engagement

Net sales, billion SEK

24

Taxonomy-eligible net sales

42%

Number of employees

19 000

CO<sub>2</sub> emissions reduction since base year 2019

-31%

Countries with projects

100

Share of female leaders

25%

Numbers refer to full-year 2022

# New assignments



## Banedanmark

Banedanmark has chosen to cooperate with AFRY through a framework agreement that involves technical inspections on all Banedanmark projects in western and eastern Denmark. The framework agreement runs until 2027. Banedanmark is responsible for the maintenance and traffic control of the state-owned railway network in Denmark. As part of the green transition, Banedanmark is carrying out a program that electrifies the majority of the Danish state railway network between 2014 and 2027.



## APK

AFRY has been selected as engineering partner for a new plastics recycling plant in Germany. The project involves project development phases of APK's first industrial-scale plastics recycling plant using their own Newcycling® technology. APK aims to increase the recycling of flexible packaging materials and AFRY's competence from various recycling technologies combined with process technology knowledge will add great value.



## ANDE

Paraguay's state-owned energy company, ANDE, has awarded AFRY for the modernisation of the Acaray hydro-electric complex. AFRY, with its consortium partner, will provide full services for the rehabilitation and modernisation with the aim of extending the plant's lifecycle, improving its availability and reliability and increasing the electrical generation capacity. The 200MW complex is one of the most important power plants in Paraguay to meet the country's growing energy demand and to accelerate the sustainability transition.

# Financial summary

## January-March

### Net sales

Net sales for the quarter amounted to SEK 6,916 million (5,670), an increase of 22.0 percent (13.4). Organic growth was 17.3 percent (4.5) and 15.9 percent (3.3) when adjusted for calendar effects.

Order stock amounted to SEK 19,871 million (17,433), an increase of 14.0 percent compared with the corresponding period in the previous year.

### EBITA

Adjusted for items affecting comparability, EBITA amounted to SEK 689 million (472). The corresponding EBITA margin was 10.0 percent (8.3). Items affecting comparability amounted to SEK 0 million (-113). The comparability period relates to restructuring costs for the Infrastructure Division and Group functions and costs for adaptation and configuration of cloud-based IT systems. As of this quarter, adaption and configuration of cloud-based IT systems is no longer considered an item affecting comparability. For more information, see the reconciliation of alternative performance measures for EBITA on page 25.

EBITA and the EBITA margin were SEK 689 million (359) and 10.0 percent (6.3) respectively. The effects of IFRS 16 Leases on EBITDA were SEK 3 million (-4) on EBITA and SEK 164 million (129).

### Capacity utilisation

Capacity utilisation was 73.3 percent (74.3) for the quarter.

### Operating profit

EBIT totalled SEK 646 million (317). The difference

between EBIT and EBITA consists of acquisition-related non-cash items: amortisation of acquisition-related non-current assets amounting to SEK -43 million (-42).

### Financial items

Profit after financial items was SEK 568 million (290) and the profit after tax for the period was SEK 436 million (223). Net financial items for the quarter totalled SEK -77 million (-27).

In addition to higher interest expenses, net financial items were affected by discount rates related to leases in accordance with IFRS 16 Leases amounting to SEK -17 million (-10) and discounting of contingent considerations totalling SEK -3 million (-1) that did not impact cash flow.

### Income tax

The tax expense amounted to SEK -133 million (-67), corresponding to a tax rate of 23.3 percent (23.0). The tax rate during the quarter was partly impacted by non-deductible costs, but also by the utilisation of previously unrecognised accumulated tax losses.

### Cash flow and financial position

Consolidated net debt including IFRS 16 Leases amounted to SEK 7,130 million (6,326).

Consolidated net debt excluding IFRS 16 Leases amounted to SEK 4,941 million (4,217) at the end of the quarter, and SEK 4,646 million (3,565) at the start of the quarter. Cash flow from operating activities increased net debt by SEK 92 million (-146) in the first quarter, the lower cash flow is explained by increased working capital partly as a result of strong growth.

	Q1 2023	Q1 2022	Full year 2022
<b>Net sales</b>			
Net sales, SEK million	6,916	5,670	23,552
Total growth, %	22.0	13.4	17.1
(-) Acquired, %	0.7	5.4	4.5
(-) Currency effects, %	3.9	3.5	4.9
Organic, %	17.3	4.5	7.8
(-) Calendar effect, %	1.4	1.2	-0.3
Organic growth adjusted for calendar effect, %	15.9	3.3	8.1
Order stock	19,871	17,433	19,440
<b>Profit/loss</b>			
EBITA excl. items affecting comparability, SEK million	689	472	1,886
EBITA margin excl. items affecting comparability, %	10.0	8.3	8.0
EBITA, SEK million	689	359	1,729
EBITA margin, %	10.0	6.3	7.3
Operating profit (EBIT), SEK million	646	317	1,444
Profit/loss after financial items, SEK million	568	290	1,220
Profit/loss after tax, SEK million	436	223	974
<b>Key ratios</b>			
Basic earnings per share, SEK	3.85	1.97	8.60
Diluted earnings per share, SEK	3.85 <sup>1)</sup>	1.97 <sup>1)</sup>	8.60 <sup>1)</sup>
Cash flow from operating activities, SEK million	54	263	1,042
Net debt, SEK million <sup>2)</sup>	4,941	4,217	4,646
Net debt/equity ratio, percent <sup>2)</sup>	39.2	36.9	38.2
Net debt/EBITDA, rolling 12 months, times <sup>3)</sup>	2.2	2.4	2.5
Number of employees	18,880	17,317	18,687
Capacity utilisation, %	73.3	74.3	74.7

<sup>1)</sup> Issued convertibles did not lead to any dilution during the period.

<sup>2)</sup> Excluding effects of IFRS 16 Leases.

<sup>3)</sup> Net debt/EBITDA excluding the effect of IFRS 16 and items affecting comparability over a rolling 12 months was 2.2 (2.2).

During the quarter, two companies were acquired which increased net debt by SEK 124 million.

The Group repaid an earlier bank loan of SEK 500 million, which fell due in March.

The Group issued commercial papers at the end of the quarter to the value of SEK 1,038 million as part of its commercial paper programme.

Consolidated cash and cash equivalents totalled SEK 1,162 million (902) at the end of the period, and unused credit facilities amounted to SEK 3,056 million (3,012).

#### Significant events during the quarter

##### Acquisitions

BLIX Consultancy B.V., the Netherlands, with annual sales of SEK 50 million and 25 employees.  
XPRO AS, Norway, with annual sales of SEK 71 million and 40 employees.

##### Parent company

Parent company's operating income totalled SEK 396 million (340) and relates primarily to internal services within the Group. Profit after net financial items was SEK -89 million (296). This change is mainly attributable to a dividend issued by a subsidiary. Cash and cash equivalents amounted to SEK 390 million (293). Gross investments in intangible assets and property, plant and equipment totalled SEK 10 million (2). The tax rate was impacted during the period by non-taxable financial expenses.

##### Number of employees

The average number of full-time employees (FTEs) was 18,091 (16,826). The total number of employees at the end of the period was 18,880 (17,317).

#### Calendar effects

The number of normal working hours during 2023, based on a 12-months' sales-weighted business mix, is broken down as follows.

	2023	2022	Difference
Q1	511	504	7
Q2	476	482	-6
Q3	518	526	-8
Q4	498	502	-4
Full year	2,003	2,014	-11

#### Shares

The AFRY share price was SEK 186.70 (190.00) at the end of the reporting period.

Class A shares	4,290,336
B shares	108,961,405
Total number of shares	113,251,741
of which own Class B shares	-
Number of votes	151,864,765

#### Significant events after the end of the reporting period

AFRY has concluded the divestment of its Russian subsidiary to the local management team. The Group's final capital gains are in line with the previously communicated effect of SEK -66 million, which had an impact on net profit in 2022.



# AFRY operates in six divisions



## Infrastructure

The division offers engineering and consulting services for buildings and infrastructure, for example in the areas of road and rail as well as water and environment. The division also operates in the fields of architecture and design. The division operates in the Nordics and Central Europe.

37% of net sales, 32% of EBITA



## Process Industries

The division offers engineering and consulting services, from earlystage studies to project implementation, in the areas of digitalisation, safety and sustainability solutions. The division operates in pulp and paper, chemicals, biorefining, mines and metals, as well as growth sectors such as batteries, hydrogen, textiles and plastics. The division operates globally.

19% of net sales, 24% of EBITA



## AFRY X

The division primarily offers consulting services in digitalisation. The division helps organisations undergoing digital transformation to reshape their businesses for the digital age. Key sectors are industry, energy and the public sector. The division operates predominantly in the Nordic region.

5% of net sales, 1% of EBITA



## Industrial & Digital Solutions

The division offers engineering and consulting services in the areas of product development, production systems & equipment, IT and defence. The division operates in all industry sectors with an emphasis on vehicles and food & pharma, and operates primarily in the Nordics.

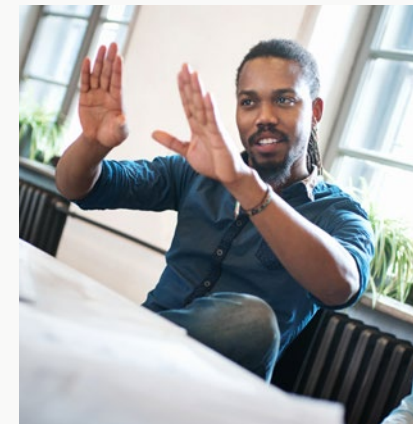
22% of net sales, 21% of EBITA



## Energy

The division offers engineering and consulting services in energy production from various energy sources such as hydro, gas, bio & waste fuels, nuclear power and renewable energy sources as well as services in transmission & distribution and energy storage. The division delivers solutions globally and has a leading position in hydropower.

12% of net sales, 15% of EBITA



## Management Consulting

Management Consulting  
The division works to meet challenges and opportunities in the energy, bioindustry, infrastructure, industry and mobility sectors through strategic consulting, forward-looking market analysis, operational and digital transformation as well as M&A and transaction services. The division operates globally.

5% of net sales, 7% of EBITA



# Division Infrastructure

## Net sales

Net sales in the first quarter amounted to SEK 2,595 million (2,240), an increase by 15.8 percent. Adjusted for calendar effect the organic growth was 11.5 percent. Growth was mainly driven by price increases, a good recruitment pace and a higher attendance rate. The order stock is at a continued high level.

## EBITA and EBITA margin

EBITA amounted to SEK 253 million (183) and the corresponding margin was 9.8 percent (8.2). In addition to the factors mentioned above, the margin was positively impacted by the cost program implemented in 2022, as well as a positive calendar effect.

## Market development

Higher interest rates and less available capital, continue to put a strain on demand and investments in the real estate market. During the quarter, clearer signs of a slowdown in the real estate sector have been visible in Finland and Sweden. Investments in education and healthcare facilities, as well as industrial segments and renovations, appear stable and drive demand for the division's services. Even public investments in transport infrastructure are stable in all markets. Sustainability and electrification trends are driving investments towards rail-based mobility and charging infrastructure.

## Net sales and EBITA, MSEK



## Key ratios

	Q1 2023	Q1 2022	Full year 2022
Net sales, SEK million	2,595	2,240	8,939
EBITA, SEK million	253	183	665
EBITA margin, %	9.8	8.2	7.4
Order stock	8,080	7,191	8,136
Average full-time equivalents (FTEs)	6,748	6,436	6,483
<b>Organic growth</b>			
Total growth, %	15.8	13.6	15.9
(-) Acquired, %	0.3	7.1	6.6
(-) Currency effects, %	2.8	3.4	3.9
<b>Organic, %</b>	<b>12.7</b>	<b>3.0</b>	<b>5.4</b>
(-) Calendar effect, %	1.2	1.7	-0.3
<b>Organic growth adjusted for calendar effects, %</b>	<b>11.5</b>	<b>1.3</b>	<b>5.6</b>

# Division Industrial & Digital Solutions

## Net sales

Net sales in the first quarter amounted to SEK 1,566 million (1,355), an increase of 15.6 percent. Adjusted for calendar effect the organic growth was 13.2 percent. Growth was driven by a strong demand across most segments, especially within manufacturing, automotive and defence. The order stock is at a stable level.

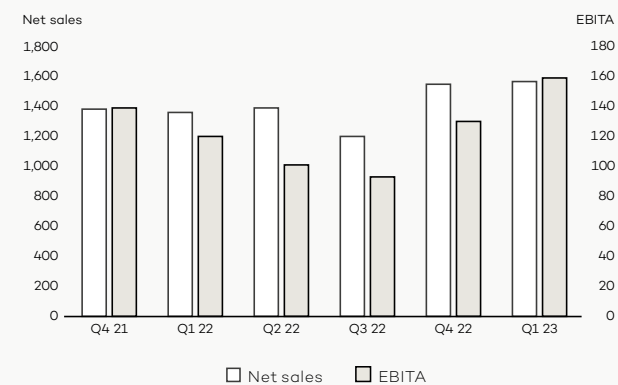
## EBITA and EBITA margin

EBITA amounted to SEK 159 million (121), and the corresponding margin was 10.2 percent (8.9). The margin was positively impacted by the volume growth, price increases and a good cost control, as well as a positive calendar effect.

## Market development

The demand for the design and development of products, services, along with the needs to develop production capacity remained stable during the quarter. Clients have displayed continued high ambitions and needs, even though some signals of caution have been noticed due to market uncertainties. Within the manufacturing industry, the high demand for product development services continues, along with projects to improve production capacity. The defence sector also exhibit a high demand, while demand within automotive, telecom and the food & life science segment remain on a stable level. The trend towards more efficient delivery models continues, where an increased use of sub-consultants within the AFRY Partner Network continues to be an important enabler in the transition.

## Net sales and EBITA, MSEK



## Key ratios

	Q1 2023	Q1 2022	Full year 2022
Net sales, SEK million	1,566	1,355	5,454
EBITA, SEK million	159	121	444
EBITA margin, %	10.2	8.9	8.1
Order stock	2,544	2,411	2,572
Average full-time equivalents (FTEs)	3,322	3,141	3,230
<b>Organic growth</b>			
Total growth, %	15.6	14.1	11.6
(-) Acquired, %	0.0	2.4	1.7
(-) Currency effects, %	1.0	0.3	1.1
<b>Organic, %</b>	<b>14.6</b>	<b>11.4</b>	<b>8.8</b>
(-) Calendar effect, %	1.3	1.6	0.0
<b>Organic growth adjusted for calendar effects, %</b>	<b>13.2</b>	<b>9.8</b>	<b>8.8</b>

The historical figures above have been adjusted to account for organisational changes.

# Division Process Industries

## Net sales

Net sales in the first quarter amounted to SEK 1,402 million (1,060), an increase by 32.2 percent. Adjusted for calendar effect the organic growth was 22.4 percent. The growth was driven by big CAPEX projects in North and Latin America, Finland and Central Europe. The order stock remains on a high level.

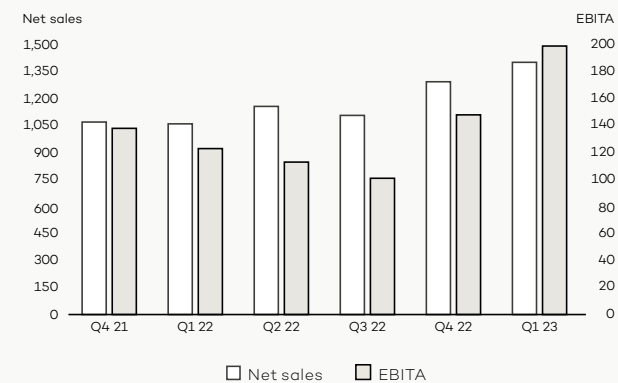
## EBITA and EBITA margin

EBITA amounted to SEK 199 million (123), and the corresponding margin was 14.2 percent (11.6). The margin was positively impacted by a high utilisation rate, a good cost control, and also a positive calendar effect. The development was especially strong in Finland and Central Europe.

## Market development

Market activities continued to remain on a high level in the quarter. The market for big CAPEX projects in both pulp and paper as well as mining and metals remains strong, even if some investment decisions are postponed due to the uncertain market environment. Projects in new sustainable technologies and solutions like battery sector, regenerated textile fibers and plastics recycling are rapidly increasing.

## Net sales and EBITA, MSEK



## Key ratios

	Q1 2023	Q1 2022	Full year 2022
Net sales, SEK million	1,402	1,060	4,617
EBITA, SEK million	199	123	486
EBITA margin, %	14.2	11.6	10.5
Order stock	3,770	3,332	3,428
Average full-time equivalents (FTEs)	4,394	3,870	4,116
<b>Organic growth</b>			
Total growth, %	32.2	16.6	21.0
(-) Acquired, %	0.4	2.8	1.1
(-) Currency effects, %	7.3	4.8	8.6
<b>Organic, %</b>	<b>24.5</b>	<b>9.0</b>	<b>11.3</b>
(-) Calendar effect, %	2.2	0.4	-0.5
<b>Organic growth adjusted for calendar effects, %</b>	<b>22.4</b>	<b>8.6</b>	<b>11.8</b>

# Division Energy



## Net sales

Net sales in the first quarter amounted to SEK 867 million (695), an increase by 24.7 percent. Adjusted for calendar effects the organic growth was 14.7 percent. Growth was driven by strong demand in all segments. The order stock is at a continued high level.

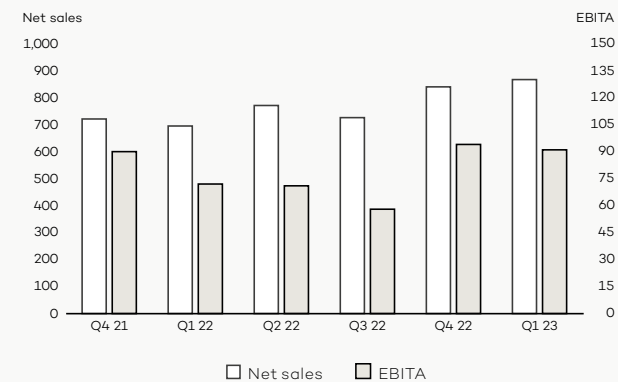
## EBITA and EBITA margin

EBITA amounted to SEK 91 million (72) and the corresponding margin was 10.5 percent (10.3). The margin was at a high level and was positively impacted by a continued good cost control and a strong performance in all segments, especially Nuclear.

## Market development

The general outlook for the energy sector is improving in most areas and green capex industry investment drives the clean energy transition. There is a very strong focus on hydro and nuclear rehabilitation/life extension investments, waste-to-energy projects, as well as green ammonia/hydrogen and solar & wind projects. There is also a strong market for electrical power connections to new energy production like onshore and offshore wind, but also to strengthen existing grids, for example to allow for more electric vehicle charging. The investments in especially renewable energy in Europe is expected to increase even further in 2023 and the competition for talent will continue.

## Net sales and EBITA, MSEK



## Key ratios

	Q1 2023	Q1 2022	Full year 2022
Net sales, SEK million	867	695	3 032
EBITA, SEK million	91	72	294
EBITA margin, %	10.5	10.3	9.7
Order stock	4,882	3,874	4,798
Average full-time equivalents (FTEs)	1,851	1,676	1,754
<b>Organic growth</b>			
Total growth, %	24.7	-1.7	13.0
(-) Acquired, %	2.9	1.3	2.1
(-) Currency effects, %	6.6	4.0	6.6
<b>Organic, %</b>	<b>15.1</b>	<b>-6.9</b>	<b>4.3</b>
(-) Calendar effect, %	0.4	0.8	-0.6
<b>Organic growth adjusted for calendar effects, %</b>	<b>14.7</b>	<b>-7.8</b>	<b>4.9</b>

# Division AFRY X

## Net sales

Net sales in the first quarter amounted to SEK 340 million (303). The total growth was 12.1 percent. Adjusted for calendar effects the organic growth was 7.3 percent. The growth was mainly supported by price increases and an increased use of sub-consultants.

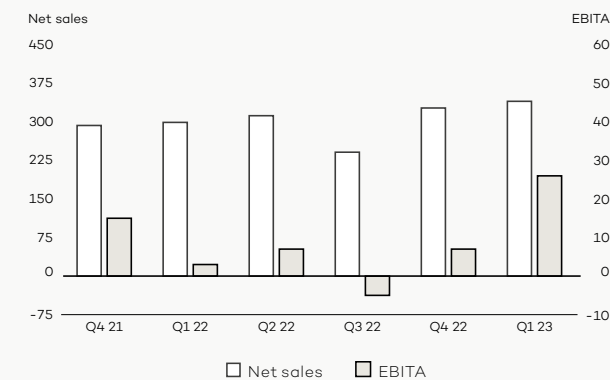
## EBITA and EBITA margin

EBITA amounted to SEK 26 million (2) and the corresponding margin was 7.5 percent (0.5). The strengthened margin is a result of lower costs as the review of the software portfolio was completed previous quarter. The result was also affected by a positive calendar effect.

## Market development

Demand for digital services is at a stable level. The most requested expertise is senior competence in cyber security, business intelligence and consulting. During the quarter, demand in the public sector has been strongest. It is a continued high demand in industry segments and defence which the division is well positioned to meet.

## Net sales and EBITA, MSEK



## Key ratios

	Q1 2023	Q1 2022	Full year 2022
Net sales, SEK million	340	303	1 222
EBITA, SEK million	26	2	13
EBITA margin, %	7.5	0.5	1.1
Orders tock	243	318	204
Average full-time equivalents (FTEs)	690	751	745
<b>Organic growth</b>			
Total growth, %	12.1	36.2	24.6
(-) Acquired, %	2.6	30.9	18.3
(-) Currency effects, %	0.0	0.0	1.5
<b>Organic, %</b>	<b>9.5</b>	<b>5.3</b>	<b>4.9</b>
(-) Calendar effect, %	2.2	1.4	0.7
<b>Organic growth adjusted for calendar effects, %</b>	<b>7.3</b>	<b>3.9</b>	<b>4.2</b>

The historical figures above have been adjusted to account for organisational changes.

# Division Management Consulting



## Net sales

Net sales in the first quarter amounted to SEK 331 million (256), an increase by 29.3 percent. Adjusted for calendar effects the organic growth was 19.6 percent. Growth was driven by a strong demand in the energy and bioindustry sectors across our service portfolio, as well as headcount growth.

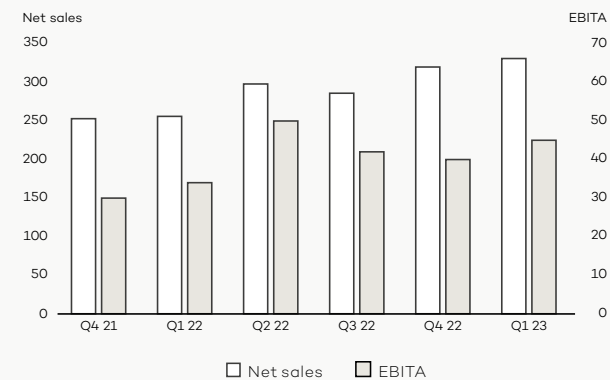
## EBITA and EBITA margin

EBITA amounted to SEK 45 million (34) and the corresponding margin was 13.6 percent (13.4). The margin was positively impacted by a continued strong demand in both the energy and bioindustry sectors.

## Market development

The balance between ensuring security of supply in the short-term and ongoing decarbonisation is a key area of discussion across the global economy. As a result, companies are adapting their strategies and seeking our advisory services. The green transition is continuously increasing the need for bio-based alternatives and circular solutions which is then driving demand for consulting services. Limited raw material availability and surging costs support demand for sourcing strategies, operational excellence and digital transformation services. The demand for consulting services remains strong despite the uncertainty in the market.

## Net sales and EBITA, MSEK



## Key ratios

	Q1 2023	Q1 2022	Full year 2022
Net sales, SEK million	331	256	1 160
EBITA, SEK million	45	34	166
EBITA margin, %	13.6	13.4	14.3
Orders tock	352	307	301
Average full-time equivalents (FTEs)	578	484	520
<b>Organic growth</b>			
Total growth, %	29.3	17.8	22.8
(-) Acquired, %	0.0	0.0	0.0
(-) Currency effects, %	8.5	7.9	9.5
<b>Organic, %</b>	<b>20.8</b>	<b>10.0</b>	<b>13.3</b>
(-) Calendar effect, %	1.2	-0.4	-0.2
<b>Organic growth adjusted for calendar effects, %</b>	<b>19.6</b>	<b>10.4</b>	<b>13.6</b>

# Financial statements

## Condensed consolidated income statement

SEK MILLION	Q1 2023	Q1 2022	Full year 2022	Apr 2022– Mar 2023
Net sales	6,916	5,670	23,552	24,798
Personnel costs	-4,027	-3,612	-14,428	-14,843
Purchases of services and materials	-1,407	-1,116	-4,897	-5,189
Other costs	-602	-423	-1,903	-2,082
Other income	2	5	98	95
Profit/loss attributable to participations in associates	-	1	8	7
<b>EBITDA</b>	<b>881</b>	<b>526</b>	<b>2,430</b>	<b>2,786</b>
Depreciation/amortisation and impairment of non-current assets <sup>1</sup>	-192	-167	-702	-727
<b>EBITA</b>	<b>689</b>	<b>359</b>	<b>1,729</b>	<b>2,059</b>
Acquisition-related items <sup>2</sup>	-44	-42	-285	-287
<b>Operating profit (EBIT)</b>	<b>646</b>	<b>317</b>	<b>1,444</b>	<b>1,772</b>
Financial items	-77	-27	-224	-275
<b>Profit/loss after financial items</b>	<b>568</b>	<b>290</b>	<b>1,220</b>	<b>1,498</b>
Tax	-133	-67	-246	-312
<b>Profit/loss for the period</b>	<b>436</b>	<b>223</b>	<b>974</b>	<b>1,186</b>
Attributable to:				
Shareholders of the parent company	436	223	974	1,186
Non-controlling interest	0	0	0	0
<b>Profit/loss for the period</b>	<b>436</b>	<b>223</b>	<b>974</b>	<b>1,186</b>
Basic earnings per share, SEK	3.85	1.97	8.60	
Diluted earnings per share, SEK	3.85 <sup>3</sup>	1.97 <sup>3</sup>	8.60 <sup>3</sup>	
Number of shares outstanding	113,251,741	113,251,741	113,251,741	
Average number of basic shares outstanding	113,251,741	113,236,166	113,247,847	
Average number of diluted shares outstanding	113,251,741	113,236,166 <sup>3</sup>	113,247,847 <sup>3</sup>	

## Statement of consolidated comprehensive income

SEK MILLION	Q1 2023	Q1 2022	Full year 2022
<b>Profit/loss for the period</b>	<b>436</b>	<b>223</b>	<b>974</b>
Items that have been or will be reclassified to profit/loss for the period			
Change in translation reserve	3	140	624
Change in hedging reserve	-16	64	202
Tax	1	-7	-16
Items that will be not be reclassified to profit/loss for the period			
Pensions	1	-1	-11
Tax	0	0	27
<b>Other comprehensive income</b>	<b>-12</b>	<b>197</b>	<b>826</b>
<b>Comprehensive income for the period</b>	<b>424</b>	<b>419</b>	<b>1,800</b>
Attributable to:			
Shareholders of the parent company	424	419	1,800
Non-controlling interest	0	0	0
<b>Total</b>	<b>424</b>	<b>419</b>	<b>1,800</b>

<sup>1</sup> Depreciation/amortisation and impairment of non-current assets refers to non-current assets excluding acquisition-related intangible assets.

<sup>2</sup> Acquisition-related items are defined as depreciation/amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains/losses on divestment of companies and operations. For more details, see Note 5, Note 6 and alternative performance measures for EBITA on page 25.

<sup>3</sup> Issued convertibles did not lead to any dilution during the period.

## Condensed consolidated balance sheet

SEK MILLION	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	15,738	14,852	15,590
Property, plant and equipment	363	500	355
Other non-current assets	2,258	2,217	2,272
<b>Total non-current assets</b>	<b>18,359</b>	<b>17,570</b>	<b>18,217</b>
<b>Current assets</b>			
Current receivables	8,890	7,290	8,690
Cash and cash equivalents	1,162	902	1,088
<b>Total current assets</b>	<b>10,052</b>	<b>8,192</b>	<b>9,778</b>
<b>Total assets</b>	<b>28,411</b>	<b>25,762</b>	<b>27,996</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Attributable to shareholders of the parent company	12,600	11,419	12,176
Attributable to non-controlling interest	2	1	2
<b>Total equity</b>	<b>12,602</b>	<b>11,420</b>	<b>12,178</b>
<b>Non-current liabilities</b>			
Provisions	646	667	657
Non-current liabilities	5,902	5,107	6,139
<b>Total non-current liabilities</b>	<b>6,548</b>	<b>5,775</b>	<b>6,797</b>
<b>Current liabilities</b>			
Provisions	36	108	45
Current liabilities	9,224	8,458	8,975
<b>Total current liabilities</b>	<b>9,260</b>	<b>8,566</b>	<b>9,021</b>
<b>Total equity and liabilities</b>	<b>28,411</b>	<b>25,762</b>	<b>27,996</b>

## Condensed statement of change in consolidated equity

SEK MILLION	31 Mar 2023	31 Mar 2022	31 Dec 2022
Equity at start of period	12,178	10,993	10,993
Comprehensive income for the period	424	419	1,800
Dividends paid	0	0	-623
Conversion of convertible bonds into shares	-	8	8
Equity at end of period	12,602	11,420	12,178



### Condensed statement of consolidated cash flows

SEK MILLION	Q1 2023	Q1 2022	Full year 2022
Profit/loss after financial items	568	290	1,220
Adjustment for non-cash items, etc.	215	351	1,005
Income tax paid	-120	-142	-385
<b>Cash flow from operating activities before change in working capital</b>	<b>663</b>	<b>498</b>	<b>1,840</b>
Cash flow from change in working capital	-609	-235	-797
<b>Cash flow from operating activities</b>	<b>54</b>	<b>263</b>	<b>1,042</b>
Cash flow from investing activities	-168	-720	-873
Cash flow from financing activities	201	-711	-1,012
<b>Cash flow for the period</b>	<b>87</b>	<b>-1,168</b>	<b>-843</b>
Opening cash and cash equivalents	1,088	2,112	2,112
Exchange difference in cash and cash equivalents	-13	-42	-180
<b>Closing cash and cash equivalents</b>	<b>1,162</b>	<b>902</b>	<b>1,088</b>

### Change in consolidated net debt (excluding IFRS 16)

SEK MILLION	Q1 2023	Q1 2022	Full year 2022
Opening balance	4,646	3,565	3,565
Cash flow from operating activities (excl. IFRS 16)	92	-146	-550
Investments	40	30	46
Acquisitions and contingent considerations	125	691	817
Dividend distribution	-	-	623
Other	38	78	147
<b>Closing balance</b>	<b>4,941</b>	<b>4,217</b>	<b>4,646</b>

## Parent company income statement

SEK MILLION	Q1 2023	Q1 2022	Full year 2022
Net sales	274	247	1,020
Other operating income	122	93	397
<b>Operating income</b>	<b>396</b>	<b>340</b>	<b>1,417</b>
Personnel costs	-96	-76	-328
Other costs	-386	-362	-1,431
Depreciation/amortisation	-10	-9	-37
<b>Operating profit</b>	<b>-95</b>	<b>-107</b>	<b>-379</b>
Financial items	7	403	423
<b>Profit/loss after financial items</b>	<b>-89</b>	<b>296</b>	<b>44</b>
Appropriations	0	-	299
<b>Profit/loss before taxes</b>	<b>-89</b>	<b>296</b>	<b>343</b>
Tax	10	20	11
<b>Profit/loss for the period</b>	<b>-78</b>	<b>316</b>	<b>353</b>
Other comprehensive income	-5	28	73
<b>Comprehensive income for the period</b>	<b>-83</b>	<b>344</b>	<b>427</b>

## Parent company balance sheet

SEK MILLION	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	4	8	5
Property, plant and equipment	135	119	133
Financial assets	14,152	14,156	14,142
<b>Total non-current assets</b>	<b>14,292</b>	<b>14,283</b>	<b>14,281</b>
<b>Current assets</b>			
Current receivables	4,671	3,199	5,033
Cash and cash equivalents	390	293	308
<b>Total current assets</b>	<b>5,061</b>	<b>3,492</b>	<b>5,340</b>
<b>Total assets</b>	<b>19,352</b>	<b>17,775</b>	<b>19,622</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	9,121	9,745	9,204
Untaxed reserves	103	101	103
Provisions	36	35	36
Non-current liabilities	4,168	3,369	4,349
Current liabilities	5,924	4,524	5,930
<b>Total equity and liabilities</b>	<b>19,352</b>	<b>17,775</b>	<b>19,622</b>

# Notes

## Note 1

### Accounting policies

This report was prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies conform with International Financial Reporting Standards (IFRS), as well as with the EU-approved interpretations of the relevant standards, the International Financial Reporting Interpretations Committee (IFRIC) and Chapter 9 of the Swedish Annual Accounts Act. The report has been drawn up using the same accounting policies and methods of calculation as those in AFRY's Annual and Sustainability Report 2022 (Note 1).

New or revised IFRS standards that came into force in 2023 did not have any material impact on the Group. Regarding the amendments to IAS 12, deferred tax related to assets and liabilities arising from a single transaction that the International Accounting Standards Board (IASB) published in May 2021, the principal change is that the exemption at the time of accounting does not apply to transactions where equal amounts of deductible and taxable temporary differences occur. The changes to IAS 12 take effect for reporting periods which begin on or after 1 January 2023. AFRY has analysed the impact on the Group and the net effect will not have a significant impact on the financial statements.

The parent company complies with the Swedish Financial reporting Board's Recommendation RFR2, which requires that the parent company's annual reports apply all IFRS standards and interpretations approved by the EU as far as possible within the constraints of the Annual Accounts Act and the Pension Obligations Vesting Act (Trygandelagen), and while considering the relationship reporting and taxation. Disclosures according to IAS 34.16A can partly be found on the pages preceding the condensed consolidated income statement.

## Note 3

### Income

#### Net sales according to the business model

SEK million	Jan-Mar 2023		
	Project Business	Professional Services	Total
Infrastructure	2,533	62	2,595
Industrial & Digital Solutions	622	944	1,566
Process Industries	1,028	374	1,402
Energy	720	147	867
AFRY X	141	199	340
Management Consulting	325	6	331
Group common/eliminations	-134	-51	-185
<b>Group</b>	<b>5,235</b>	<b>1,681</b>	<b>6,916</b>

The Group applies the accounting standard IFRS 15 Revenue from Contracts with Customers. AFRY's business model is divided into two client offerings: Project Business and Professional Services. Project Business is AFRY's offering for major projects and end-to-end solutions. In such projects, AFRY acts as a partner to the client, leading and running the entire project. Professional Services is AFRY's offering in which the client manages and runs the project, while AFRY provides suitable expertise at the appropriate time.

Invoicing in Project Business takes place as work proceeds in accordance with agreed terms and conditions, either periodically (monthly) or when contractual milestones are reached. Invoicing ordinarily takes place after the income has been recorded, resulting in contract assets. However, AFRY sometimes receives advance payments or deposits from our clients before the income is recognised, which then results in contract liabilities. In Professional Services, hours spent on a project are ordinarily invoiced at the end of each month. Performance obligations in Project Business are fulfilled over time as the service is provided. Revenue recognition is based on costs with accumulated costs set in relation to total estimated costs. In Professional Services, revenue is recognised by the amount that the unit is entitled to invoice, in accordance with IFRS 15 B16.

## Note 2

### Risks and uncertainties

The significant risks and uncertainties to which the AFRY Group is exposed include strategic risks linked to the market, acquisitions, sustainability and IT, and operational risks related to projects and the ability to recruit and retain qualified employees. In addition, the Group is exposed to several financial risks, such as currency risks, interest-rate risks and credit risks. The risks to which the Group is exposed are described in detail in AFRY's Annual and Sustainability Report 2022.

#### Geopolitical and macroeconomic uncertainties

Geopolitical tensions and the uncertain economic situation entails various risks for AFRY and are mainly related to delayed decision processes. In April 2023, AFRY concluded the divestment of the Russian subsidiary to the local management team. In April 2023, AFRY decided to terminate ongoing hydropower projects in Myanmar due to the negative developments around human rights in the country.

#### Contingent liabilities

Reported contingent liabilities reflect one part of the AFRY Group's exposure to risk. AFRY provides clients with both corporate and bank guarantees when clients request them. This typically involves tender guarantees, advance payment guarantees or performance guarantees. Corporate guarantees are mainly provided by the parent company, AFRY AB, and bank guarantees by AFRY's banks. As at 31 March 2023, the Group's corporate guarantees amounted to SEK 430 million (90) and bank guarantees to SEK 757 million (497). The guarantee amounts do not include pension guarantees, advance payment guarantees or leasing as these are already reported on the debt side in the balance sheet.

### Order stock

SEK million	31 Mar 2023	31 Mar 2022	Full year 2022
Infrastructure	8,080	7,191	8,136
Industrial & Digital Solutions	2,544	2,410	2,572
Process Industries	3,770	3,332	3,428
Energy	4,882	3,874	4,798
AFRY X	243	318	204
Management Consulting	352	307	301
<b>Group</b>	<b>19,871</b>	<b>17,433</b>	<b>19,440</b>

## Note 4

## Quarterly information by division

	2021				2022				2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Net sales, SEK million</b>									
Infrastructure	1,972	2,045	1,638	2,058	2,240	2,279	1,954	2,466	2,595
Industrial & Digital Solutions	1,192	1,252	1,099	1,382	1,355	1,375	1,191	1,532	1,566
Process Industries	909	986	851	1,070	1,060	1,157	1,107	1,294	1,402
Energy	707	674	581	721	695	771	726	840	867
AFRY X	219	241	193	293	303	325	250	344	340
Management Consulting	217	230	245	253	256	298	286	320	331
Group common/eliminations	-218	-251	-187	-269	-240	-229	-217	-187	-185
<b>Group</b>	<b>4,999</b>	<b>5,177</b>	<b>4,419</b>	<b>5,509</b>	<b>5,670</b>	<b>5,975</b>	<b>5,298</b>	<b>6,609</b>	<b>6,916</b>

	2021				2022				2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>EBITA, SEK million</b>									
Infrastructure	151	156	86	175	183	171	119	193	253
Industrial & Digital Solutions	80	89	92	139	121	100	94	129	159
Process Industries	119	119	95	138	123	113	101	148	199
Energy	76	67	68	90	72	71	58	94	91
AFRY X	19	15	-5	15	2	8	-5	9	26
Management Consulting	32	38	52	30	34	50	42	40	45
Group common/eliminations	-57	-72	-21	-122	-176	-80	-32	-50	-84
<b>Group</b>	<b>419</b>	<b>411</b>	<b>367</b>	<b>465</b>	<b>359</b>	<b>432</b>	<b>376</b>	<b>562</b>	<b>689</b>

	2021				2022				2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>EBITA margin, %</b>									
Infrastructure	7.6	7.6	5.3	8.5	8.2	7.5	6.1	7.8	9.8
Industrial & Digital Solutions	6.7	7.1	8.4	10.1	8.9	7.3	7.9	8.4	10.2
Process Industries	13.1	12.0	11.1	12.9	11.6	9.8	9.2	11.5	14.2
Energy	10.7	10.0	11.6	12.5	10.3	9.2	8.0	11.2	10.5
AFRY X	8.7	6.1	-2.6	5.1	0.5	2.4	-2.2	2.6	7.5
Management Consulting	14.6	16.3	21.4	12.1	13.4	16.7	14.6	12.5	13.6
<b>Group</b>	<b>8.4</b>	<b>7.9</b>	<b>8.3</b>	<b>8.4</b>	<b>6.3</b>	<b>7.2</b>	<b>7.1</b>	<b>8.5</b>	<b>10.0</b>

As a result of organisational changes, comparative figures have been adjusted to provide a better reflection of the business.

<sup>1)</sup> The calculation of the average number of FTEs has changed in connection with organisational changes. This has led to a more accurate and weighted calculation of the number of available hours for all divisions.

	2021 <sup>1)</sup>				2022 <sup>1)</sup>				2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Average number of employees</b>									
Infrastructure	5,801	5,955	5,901	5,998	6,436	6,455	6,440	6,603	6,748
Industrial & Digital Solutions	2,952	2,962	2,999	3,141	3,141	3,206	3,233	3,340	3,322
Process Industries	3,421	3,518	3,684	3,734	3,870	4,072	4,202	4,314	4,394
Energy	1,669	1,791	1,678	1,603	1,676	1,738	1,783	1,819	1,851
AFRY X	491	538	643	702	751	770	743	716	690
Management Consulting	428	465	451	485	484	508	528	558	578
Group functions	382	387	414	432	469	514	489	492	507
<b>Group</b>	<b>15,145</b>	<b>15,618</b>	<b>15,770</b>	<b>16,096</b>	<b>16,826</b>	<b>17,265</b>	<b>17,418</b>	<b>17,843</b>	<b>18,091</b>

	2021				2022				2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Number of working days</b>									
Sweden only	62	61	66	63	63	60	66	63	64
All countries	62	61	66	63	63	60	66	63	64

## Note 5

**Acquisitions and divestments**

The following acquisitions have been made during the period

Consolidated from	Company <sup>1</sup>	Country	Division	Annual net sales, SEK million	Average number of employees
March	BLIX Consultancy B.V.	Netherlands	Energy	50	25
March	XPRO AS	Norway	Infrastructure	71	40
<b>Total</b>				<b>121</b>	<b>65</b>

<sup>1)</sup> Company name at time of acquisition.

**Acquired companies**

Acquisition analyses are preliminary as the net assets in the companies acquired have not been conclusively analysed. The purchase considerations for acquisitions for the year were larger than the booked net assets of the acquired companies, which means that the acquisition analyses have resulted in intangible assets.

**Contingent consideration**

Total undiscounted contingent consideration for the companies acquired during the year is a maximum of SEK 22 million.

**Holdback**

Part of the purchase price withheld by the buyer as security for any claims against the seller, paid to the seller according to the agreed payment plan. The withheld parts of the purchase price are independent of conditions linked to the future performance of acquired companies.

**Goodwill**

Goodwill consists mainly of human capital in the form of employee skills and synergy effects. Goodwill is not expected to be tax deductible on acquisition of a company. The acquisition of a consulting business essentially involves the acquisition of human capital, and most of the intangible assets in the company acquired are thus attributable to goodwill.

**Other intangible assets**

Order stock and client relationships are identified and assessed in connection with completed acquisitions.

**Transaction costs**

Transaction costs are recognised in other external costs in profit or loss. Transaction costs amounted to SEK 4 million for the period.

**Revenue and profit from acquired companies**

The acquired companies are expected to contribute net sales of approximately SEK 121 million and operating profit of roughly SEK 17 million over a full year.

Since their acquisition dates, acquired companies have contributed SEK 13 million to consolidated revenue and SEK 3 million to operating profit.

**Divestments**

No significant divestments were made during the period.

**Acquisitions after the end of the reporting period**

After the end of the reporting period, the following companies were acquired: Grünenfelder + Keller Winterthur AG, Sweden, with annual net sales of around SEK 19 million and 11 employees. The company will be consolidated from 1 May 2023.

**Acquired companies' net assets on acquisition date**

SEK million	Jan–March 2023
Intangible assets	–
Property, plant and equipment	1
Right-of-use assets	–
Financial assets	0
Trade and other receivables	29
Deferred tax asset	0
Cash and cash equivalents	33
Trade payables, loans and other liabilities	-31
<b>Net identifiable assets and liabilities</b>	<b>31</b>
Goodwill	147
Fair value adjustment, intangible assets	7
Fair value adjustment, non-current provisions	-2
<b>Purchase consideration including estimated contingent consideration</b>	<b>183</b>
Transaction costs	4
Less:	
Cash (acquired)	33
Estimated contingent consideration	20
Holdback	10
<b>Net cash outflow</b>	<b>124</b>

## Note 6

## Financial instruments

Valuation principles and classification of the Group's financial assets and liabilities, as described in Note 13 of AFRY's Annual and Sustainability Report 2022, have been applied consistently throughout the reporting period.

## Financial assets and liabilities

SEK million	Level	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Financial assets measured at fair value</b>				
Interest rate derivatives, hedge accounting applied	2	110	109	132
Forward exchange contracts, hedge accounting applied	2	21	5	15
Forward exchange contracts, hedge accounting not applied	2	48	32	45
Bought foreign exchange options	2	2	–	4
<b>Total</b>		<b>181</b>	<b>147</b>	<b>197</b>
<b>Financial assets not recognised at fair value</b>				
Trade receivables		4,437	3,690	5,205
Revenue generated but not invoiced		3,165	2,543	2,325
Financial investments		8	9	8
Non-current receivables		11	14	12
Cash and cash equivalents		1,162	902	1,088
<b>Total</b>		<b>8,784</b>	<b>7,158</b>	<b>8,638</b>

SEK million	Level	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Financial liabilities measured at fair value</b>				
Interest rate derivatives, hedge accounting applied	2	41	1	17
Forward exchange contracts, hedge accounting applied	2	19	3	18
Forward exchange contracts, hedge accounting not applied	2	23	56	54
Sold foreign exchange options	2	0	–	2
Contingent considerations	3	221	214	197
<b>Total</b>		<b>304</b>	<b>275</b>	<b>287</b>
<b>Financial liabilities not recognised at fair value</b>				
Bank loans		2,103	1,017	2,587
Bonds		2,500	3,500	2,500
Commercial paper		1,038	40	189
Staff convertibles		318	370	316
Lease liabilities		2,189	2,109	2,203
Work invoiced but not yet carried out		2,095	1,838	2,134
Trade payables		933	897	1,286
<b>Total</b>		<b>11,176</b>	<b>9,770</b>	<b>11,214</b>

## Fair value of financial assets and liabilities

Recognised and fair values of the Group's financial assets and liabilities are presented above. The fair value of derivatives is based on level 2 of the fair value hierarchy. Contingent considerations are valued at market value in accordance with level 3. Derivative instruments where hedge accounting is not applied are measured at fair value through profit/loss, and derivatives where hedge accounting is applied are measured at fair value through other comprehensive income. All other financial assets and liabilities are measured at amortised cost. Compared with 2022, no switches have been made between different levels in the fair value hierarchy for derivatives or loans. Nor have any significant changes been made in terms of valuation techniques, inputs or assumptions.

## Contingent considerations

Contingent considerations are valued at market value in accordance with level 3. The calculation of contingent consideration is dependent on parameters in the relevant agreements. These parameters are chiefly linked to expected EBIT for the acquired companies over the next two to three years. The changes in the balance sheet is recognised in the table below.

## Change in contingent consideration

SEK million	31 Mar 2023
Opening balance 1 January 2022	197
Acquisitions for the year	20
Payments	-1
Changes in value recognised in income statement	0
Adjustment of preliminary acquisition analysis	–
Discounting	3
Translation differences	1
<b>Closing balance</b>	<b>221</b>

## Note 6, cont.

## Derivative instruments

SEK million	Level	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Forward exchange contracts, no hedge accounting applied</b>				
Total nominal values		3,652	3,552	2,741
Fair value, gains	2	48	32	45
Fair value, loss	2	-23	-56	-54
<b>Fair value, net</b>		<b>25</b>	<b>-24</b>	<b>-9</b>
<b>Forward exchange contracts, cash flow hedging reporting</b>				
Total nominal values		862	432	702
Fair value, gains	2	21	5	15
Fair value, loss	2	-19	-3	-18
<b>Fair value, net</b>		<b>2</b>	<b>2</b>	<b>-2</b>
<b>Bought foreign exchange options, no hedge accounting</b>				
Total nominal values		120	-	270
Fair value, gains	2	1	-	2
Fair value, loss	2	-	-	-
<b>Fair value, net</b>		<b>2</b>	<b>-</b>	<b>2</b>

SEK million	Level	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Sold currency options, no hedge accounting</b>				
Total nominal values		239	-	540
Fair value, gains	2	1	-	1
Fair value, loss	2	-	-	0
<b>Fair value, net</b>		<b>1</b>	<b>-</b>	<b>1</b>
<b>Cross currency rate swaps, hedge accounting for net investments applied</b>				
Total nominal values		1,850	1,850	1,850
Fair value, gains	2	17	70	31
Fair value, loss	2	-41	-1	-17
<b>Fair value, net</b>		<b>-24</b>	<b>69</b>	<b>14</b>
<b>Interest rate swaps, cash flow hedge accounting applied</b>				
Total nominal values		1,064	1,517	1,056
Fair value, gains	2	93	39	101
Fair value, loss	2	-	0	-
<b>Fair value, net</b>		<b>93</b>	<b>39</b>	<b>101</b>

## Note 7

## Related party transactions

There were no material transactions between AFRY and its related parties during the period.

## Note 8

## Significant events after the end of the reporting period

AFRY has concluded the divestment of its Russian subsidiary to the local management team. The Group's final capital gains are in line with the previously communicated effect of SEK -66 million, which had an impact on net profit in 2022.

After the end of the reporting period, the following companies were acquired: Grünenfelder + Keller Winterthur AG, Sweden, with an annual net sales of around SEK 19 million and 11 employees. The company will be consolidated from 1 May 2023.

# Alternative performance measures

The consolidated financial statements contain financial ratios defined according to IFRS. They also include measurements not defined according to IFRS, known as alternative performance measures. The purpose of this is to provide information for comparing trends across years and to understand the underlying operations. These terms may be defined in a different way by other companies and are therefore not always comparable to similar measures used by other companies.

## Definitions

The key ratios and alternative performance measures (APMs) used in this report are defined in AFRY's Annual and Sustainability Report 2022 and on our website: <https://afry.com/en/investor-relations/>.

## Organic growth

Since the Group is active in a global market, sales are transacted in currencies other than the Swedish krona, which is the presentation currency. Exchange rates have been relatively volatile historically, and the Group carries out acquisitions/divestments of operations on an ongoing basis. Taken together, this has led to the Group's sales and performance being evaluated on the basis of organic growth. Organic sales growth represents comparable sales growth or sales reduction and enables separate valuations to be carried out on the impact of acquisitions/divestments and exchange rate fluctuations.

	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		AFRY X		Management Consulting		Group <sup>1</sup>	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
%														
Total growth	15.8	13.6	15.6	14.1	32.2	16.6	24.7	-1.7	12.1	36.2	29.3	17.8	22.0	13.4
(-) Acquired	0.3	7.1	0.0	2.4	0.4	2.8	2.9	1.3	2.6	30.9	0.0	0.0	0.7	5.4
(-) Currency effect	2.8	3.4	1.0	0.3	7.3	4.8	6.6	4.0	0.0	0.0	8.5	7.9	3.9	3.5
<b>Organic</b>	<b>12.7</b>	<b>3.0</b>	<b>14.6</b>	<b>11.4</b>	<b>24.5</b>	<b>9.0</b>	<b>15.1</b>	<b>-6.9</b>	<b>9.5</b>	<b>5.3</b>	<b>20.8</b>	<b>10.0</b>	<b>17.3</b>	<b>4.5</b>
(-) Calendar effect	1.2	1.7	1.3	1.6	2.2	0.4	0.4	0.8	2.2	1.4	1.2	-0.4	1.4	1.2
<b>Organic growth adjusted for calendar effects</b>	<b>11.5</b>	<b>1.3</b>	<b>13.2</b>	<b>9.8</b>	<b>22.4</b>	<b>8.6</b>	<b>14.7</b>	<b>-7.8</b>	<b>7.3</b>	<b>3.9</b>	<b>19.6</b>	<b>10.4</b>	<b>15.9</b>	<b>3.3</b>
<b>SEK million</b>														
Total growth	355	268	211	168	342	151	172	-12	37	79	75	39	1,246	671
(-) Acquired	7	140	0	29	4	25	20	9	8	68	0	0	39	271
(-) Currency effect	63	68	14	4	78	44	46	28	0	0	22	17	223	175
<b>Organic</b>	<b>284</b>	<b>60</b>	<b>197</b>	<b>135</b>	<b>260</b>	<b>82</b>	<b>105</b>	<b>-49</b>	<b>29</b>	<b>12</b>	<b>53</b>	<b>22</b>	<b>983</b>	<b>225</b>
(-) Calendar effect	27	34	18	19	23	4	3	6	7	3	3	-1	79	61
<b>Organic growth adjusted for calendar effects</b>	<b>257</b>	<b>26</b>	<b>179</b>	<b>116</b>	<b>237</b>	<b>79</b>	<b>102</b>	<b>-55</b>	<b>22</b>	<b>9</b>	<b>50</b>	<b>23</b>	<b>904</b>	<b>164</b>

<sup>1</sup> The Group includes eliminations.



## EBITA/EBITA excluding items affecting comparability

Operating profit before associates and items affecting comparability refers to the operating profit after restored tangible items and events related to changes in the Group's structure and operations which are relevant for an understanding of the Group's performance on a comparable basis. This metric is used by Group Executive Management to monitor and analyse underlying profit/loss and to provide comparable figures between periods.

SEK million	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		AFRY X		Management Consulting		Group <sup>1</sup>	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
EBIT (operating profit/loss)	253	183	159	121	199	123	91	72	26	2	45	34	646	317
<b>Acquisition-related items</b>														
Amortisation and impairment of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	43	42
Revaluation of contingent considerations	-	-	-	-	-	-	-	-	-	-	-	-	0	0
<b>Profit/loss (EBITA)</b>	<b>253</b>	<b>183</b>	<b>159</b>	<b>121</b>	<b>199</b>	<b>123</b>	<b>91</b>	<b>72</b>	<b>26</b>	<b>2</b>	<b>45</b>	<b>34</b>	<b>689</b>	<b>359</b>
<b>Items affecting comparability</b>														
Restructuring costs Infrastructure Division	-	-	-	-	-	-	-	-	-	-	-	-	-	80
Restructuring costs Group functions	-	-	-	-	-	-	-	-	-	-	-	-	-	20
Cost of customisation/configuration of cloud-based IT systems	-	-	-	-	-	-	-	-	-	-	-	-	-	13
<b>EBITA excl. items affecting comparability</b>	<b>253</b>	<b>183</b>	<b>159</b>	<b>121</b>	<b>199</b>	<b>123</b>	<b>91</b>	<b>72</b>	<b>26</b>	<b>2</b>	<b>45</b>	<b>34</b>	<b>689</b>	<b>472</b>
<b>%</b>														
EBIT margin	9.8	8.2	10.2	8.9	14.2	11.6	10.5	10.3	7.5	0.5	13.6	13.4	9.3	5.6
<b>Acquisition-related items</b>														
Amortisation and impairment of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7
Revaluation of contingent considerations	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0
<b>Profit/loss (EBITA margin)</b>	<b>9.8</b>	<b>8.2</b>	<b>10.2</b>	<b>8.9</b>	<b>14.2</b>	<b>11.6</b>	<b>10.5</b>	<b>10.3</b>	<b>7.5</b>	<b>0.5</b>	<b>13.6</b>	<b>13.4</b>	<b>10.0</b>	<b>6.3</b>
<b>Items affecting comparability</b>														
EBITA margin excl. items affecting comparability	9.8	8.2	10.2	8.9	14.2	11.6	10.5	10.3	7.5	0.5	13.6	13.4	10.0	8.3

The historical figures above have been adjusted to account for organisational changes.

<sup>1)</sup> The Group includes eliminations.

## Net debt

Net debt is the total of interest-bearing liabilities less cash and cash equivalents and interest-bearing assets. Lease liabilities after the deduction of receivables relating to subleases are included in net debt. Net debt also includes dividends approved but not yet paid out. Net debt is used by Group Executive Management to monitor and analyse the debt trend in the Group and evaluate the Group's refinancing requirements. Net debt/

EBITDA is a key ratio for net debt in relation to cash-generating profit in the operation, which provides an indication of the business's ability to pay its debts. This metric is commonly used by financial institutions to measure creditworthiness. A negative figure means that the Group has a net cash balance (cash and cash equivalents exceed interest-bearing liabilities).

### Consolidated net debt (excl. IFRS 16)

SEK million	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023
Loans and credit facilities	4,590	4,729	5,471	4,913	5,771	5,667	5,580	5,947
Net pension liability	340	342	205	206	207	174	155	156
Cash and cash equivalents	-1,103	-852	-2,112	-902	-1,187	-862	-1,088	-1,162
<b>Total net debt</b>	<b>3,826</b>	<b>4,219</b>	<b>3,565</b>	<b>4,217</b>	<b>4,792</b>	<b>4,979</b>	<b>4,646</b>	<b>4,941</b>

### Net debt/equity ratio

SEK million	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023
Net debt	3,826	4,219	3,565	4,217	4,792	4,979	4,646	4,941
Equity	10,204	10,422	10,993	11,420	11,318	11,703	12,178	12,602
<b>Net debt/equity ratio, %</b>	<b>37.5</b>	<b>40.5</b>	<b>32.4</b>	<b>36.9</b>	<b>42.3</b>	<b>42.5</b>	<b>38.2</b>	<b>39.2</b>

### Consolidated net debt (incl. IFRS 16)

SEK million	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023
Loans and credit facilities	6,957	7,014	7,633	7,022	7,903	7,819	7,783	8,136
Net pension liability	340	342	205	206	207	174	155	156
Cash and cash equivalents	-1,103	-852	-2,112	-902	-1,187	-862	-1,088	-1,162
<b>Total net debt</b>	<b>6,193</b>	<b>6,504</b>	<b>5,726</b>	<b>6,326</b>	<b>6,923</b>	<b>7,131</b>	<b>6,849</b>	<b>7,130</b>

### Net debt/EBITDA excl. IFRS 16 rolling 12 months, times

SEK million	Jul 2020–Jun 2021	Oct 2020–Sep 2021	Full year 2021	Apr 2021–Mar 2022	Jul 2021–Jun 2022	Oct 2021–Sep 2022	Full year 2022	Apr 2022–Mar 2023
Profit/loss (EBITA)	1,541	1,649	1,662	1,602	1,623	1,632	1,729	2,059
Depreciation/amortisation and impairment of non-current assets.	666	686	697	703	695	685	702	727
<b>EBITDA</b>	<b>2,207</b>	<b>2,335</b>	<b>2,359</b>	<b>2,305</b>	<b>2,318</b>	<b>2,317</b>	<b>2,430</b>	<b>2,786</b>
Lease expenses	-553	-561	-564	-554	-543	-535	-540	-577
<b>EBITDA excl. IFRS 16</b>	<b>1,654</b>	<b>1,774</b>	<b>1,796</b>	<b>1,751</b>	<b>1,775</b>	<b>1,783</b>	<b>1,890</b>	<b>2,209</b>
Net debt	3,826	4,219	3,565	4,217	4,792	4,979	4,646	4,941
<b>Net debt/EBITDA, excl. IFRS 16, rolling 12 months, times</b>	<b>2.3</b>	<b>2.4</b>	<b>2.0</b>	<b>2.4</b>	<b>2.7</b>	<b>2.8</b>	<b>2.5</b>	<b>2.2</b>
Items affecting comparability	85	57	50	150	165	171	157	44
<b>EBITDA excl. IFRS 16 and items affecting comparability</b>	<b>1,738</b>	<b>1,832</b>	<b>1,846</b>	<b>1,901</b>	<b>1,940</b>	<b>1,953</b>	<b>2,047</b>	<b>2,253</b>
Net debt	3,826	4,219	3,565	4,217	4,792	4,979	4,646	4,941
<b>Net debt/EBITDA, excl. IFRS 16 and items affecting comparability, rolling 12 months, times</b>	<b>2.2</b>	<b>2.3</b>	<b>1.9</b>	<b>2.2</b>	<b>2.5</b>	<b>2.5</b>	<b>2.3</b>	<b>2.2</b>

## Return on equity

Return on equity is the business's profit after tax during the period in relation to average equity. This key ratio is used to show the return on the owners' invested capital, which gives an indication of the business's ability to create value for its owners.

SEK million	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023
Profit after tax, rolling 12 months	1,054	1,166	1,130	1,062	945	877	974	1,186
Average equity	10,074	10,215	10,433	10,715	10,872	11,171	11,522	11,844
<b>Return on equity, %</b>	<b>10.5</b>	<b>11.4</b>	<b>10.8</b>	<b>9.9</b>	<b>8.7</b>	<b>7.8</b>	<b>8.5</b>	<b>10.0</b>

## Return on capital employed

Return on capital employed shows the business's profit/loss after financial items, adjusted for interest expenses in relation to average interest-bearing capital in the business's balance sheet total. The key ratio is used to evaluate how the company utilises capital which has some form of return requirement (for example, dividends on invested capital from shareholders as well as interest on bank loans).

SEK million	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023
Profit after financial items rolling 12 months	1,329	1,433	1,393	1,324	1,196	1,116	1,220	1,498
Financial expenses, rolling 12 months	102	10	148	167	162	117	206	247
<b>Profit/loss</b>	<b>1,431</b>	<b>1,442</b>	<b>1,542</b>	<b>1,491</b>	<b>1,358</b>	<b>1,233</b>	<b>1,426</b>	<b>1,745</b>
Average balance sheet total	23,831	23,860	24,383	24,831	25,373	25,912	26,711	27,211
Average other current liabilities	-5,928	-5,824	-6,020	-6,164	-6,386	-6,496	-6,853	-6,964
Average other non-current liabilities	-175	-185	-200	-216	-229	-235	-237	-232
Average deferred tax liability	-223	-226	-229	-219	-210	-197	-190	-184
<b>Capital employed</b>	<b>17,506</b>	<b>17,625</b>	<b>17,934</b>	<b>18,232</b>	<b>18,547</b>	<b>18,985</b>	<b>19,432</b>	<b>19,831</b>
<b>Return on capital employed, %</b>	<b>8.2</b>	<b>8.2</b>	<b>8.6</b>	<b>8.2</b>	<b>7.3</b>	<b>6.5</b>	<b>7.3</b>	<b>8.8</b>

## Equity ratio

The equity ratio shows the business's equity in relation to total capital and describes how large a proportion of the business's assets are not matched by liabilities. The equity ratio can be seen as the business's ability to pay in the long term. The key ratio is impacted by profitability during the period and by how the business is financed. This metric is often used to provide an indication of how the company is financed and also to see trends in how the business's funds are utilised. A change in the equity ratio over time may, for example, be an indication that the business is reviewing its financing structure or is utilising its equity to finance an expansion.

SEK million	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Mar 2023
Equity	10,204	10,422	10,993	11,420	11,318	11,703	12,178	12,602
Balance sheet total	24,272	24,001	25,913	25,762	26,917	26,971	27,996	28,411
<b>Equity ratio, %</b>	<b>42.0</b>	<b>43.4</b>	<b>42.4</b>	<b>44.3</b>	<b>42.0</b>	<b>43.4</b>	<b>43.5</b>	<b>44.4</b>

# Making Future

Stockholm, Sweden - 27 April 2023

AFRY AB (publ)  
Jonas Gustavsson  
President and CEO

This report has not been subjected to scrutiny by the company's auditors.

This information fulfils AFRY AB (publ)'s disclosure requirements under the provisions of the EU's Market Abuse Regulation and the Swedish Securities Markets Act. This information was released, through the agency of the above-mentioned contact person, for publication on 27 April 2023, at 11.00 CEST.

All forward-looking statements in this report are based on the company's best assessment at the time the report was written. As is the case with all assessments of the future, such assumptions are subject to risks and uncertainties, which may mean that the actual outcome differs from the anticipated result.

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## Investor presentation

Time:	27 April 2023 at 12.00 CEST
Webcast:	<a href="https://youtube.com/live/QFbNVkppcB8?feature=share">https://youtube.com/live/QFbNVkppcB8?feature=share</a>
For analysts/ investors:	<a href="#">Click here to connect to the meeting</a> With the opportunity to ask questions

## Calendar

Annual General Meeting	27 April 2023 at 14.00 CET
Q2 2023	18 July 2023
Q3 2023	27 October 2023