

Press release 27 June 2019 at 08.30 CET

Eltel and LFV signs letter of intent

Eltel and LFV, Air Navigation Services of Sweden, have signed a letter of intent to which Eltel will transfer the business area Aviation & Security to LFV. In the letter of intent, both parties undertake to ensure a definitive agreement is signed no later than the first quarter 2020.

Based on its sourcing strategy, the resumed total defense, operative demands and the requirements of the new national law, LFV has assessed that the services, currently delivered by Eltel, should be under LFV's own management.

- As LFV is the largest customer of Aviation & Security, a transfer of the entire business area is deemed the best and most effective solution for all parties, including employees, customers and other stakeholders, says Casimir Lindholm, President and CEO of Eltel.

The definitive agreement is conditional on approval by the respective party's board, the Swedish Competition Authority and the Swedish Government. Following signature of the letter of intent, LFV will conduct a due diligence of the business.

For further information:

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About Aviation & Security

The business area Aviation & Security supplies technical operations and maintenance services to air traffic control centers, airports, other government agencies and companies in Sweden. In 2018, Eltel had sales of EUR 30 million and about 200 employees in its Aviation & Security operations.

About LFV

LFV is Sweden's leading provider of air traffic control and associated services for civil and military aviation. Our air traffic controllers manage around 2,000 aircraft within Swedish airspace every day. LFV pioneered remote air traffic control and is a driver of digitisation in several areas. By participating in various collaboration efforts, we help make the use of European airspace more efficient. LFV employs 1,100 people and has an annual turnover of SEK 3.2 billion.

About the Swedish Protective Security Act

A new Protective Security Act took effect on April 1, 2019. The new Act sets clearer and more comprehensive requirements for organizations that conduct safety-sensitive activities.

About Eltel

Eltel is a leading Northern European provider of technical services for critical infrastructure networks – Infranets – in the segments of Power, Communication and Other, with operations throughout the Nordics, Poland and Germany. Eltel provides a broad, integrated range of services from maintenance and upgrade services to project deliveries. Eltel has a diverse contract portfolio and a growing customer base of large network owners. In 2018, Eltel had annual sales of EUR 1.2 billion. The total number of employees currently stands at around 7,200. Eltel AB has been listed on Nasdaq Stockholm since 2015.

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