

THE BOARD OF DIRECTORS' MOTIVATED STATEMENT IN ACCORDANCE WITH CHAPTER 19, SECTION 22 OF THE COMPANIES ACT

The Board of Directors of Eltel AB (publ) hereby presents the following statement in accordance with Chapter 19 Section 22 of the Swedish Companies Act. The Board of Directors justification whether the authorisation to resolve upon acquisition of own shares is in accordance with the provisions of Chapter 17 Section 3 paragraphs 2 and 3 of the Swedish Companies Act is as follows.

The company's objects, scope and risks

The company's objects and scope of business are set out in the Articles of Association and the submitted Annual Reports. The business conducted by the company does not entail any risks in excess of those that exist or may be deemed to exist in the industry or those risks which are generally associated with operating a business.

The financial position of the parent company and the group

The financial position of the parent company and the group as of 31 December 2019 is stated in the Annual Report for 2019. The Annual Report also states which accounting principles are applied in the valuation of assets, allocations and liabilities.

The parent company's non-restricted equity as of 31 December 2019 was EUR 284,799,214.86 of which the net profit for the year was EUR 55,567.22. The Board of Directors has proposed that no dividend is paid for the year 2019 and that the non-restricted equity of EUR 284,799,214.86 is retained and carried forward. As of 31 December 2019, the group's equity ratio was 28.5%.

The company's financial position does not give rise to any other conclusion than that the company can continue its business and that the company can be expected to fulfil its obligations on both a short and long-term basis.

Justification of the repurchase authorization

With reference to the above and to what has otherwise come to the knowledge of the Board of Directors, the Board of Directors is of the opinion that after a comprehensive review of the financial position of the parent company and of the group it follows that the proposal on authorisation to the Board to resolve upon acquisition of own shares is justified according to the provisions of Chapter 17 Section 3 paragraph 2 and 3 of the Swedish Companies Act, i.e. with reference to the requirements that the objects of the business, its scope and risks place on the size of the parent company's and group's equity and the parent company's and the group's consolidating requirements, liquidity and financing needs in general.

Bromma, April 2020

Eltel AB (publ)

The Board of Directors