

Press release, 30 March 2023 at 17:40 CEST

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## Eltel issues EUR 25 million of sustainability-linked hybrid capital securities

Eltel AB (publ) ("Eltel") has successfully issued subordinated sustainability-linked hybrid capital securities in the aggregate principal amount of EUR 25 million (the "Capital Securities"). Some of Eltel's existing major shareholders have been allocated approximately EUR 10 million of Capital Securities in the aggregate and Eltel's President and CEO Håkan Dahlström has been allocated EUR 400,000 of Capital Securities. The Capital Securities have no maturity date, and the Capital Securities will bear interest at an initial fixed rate of 13.50 per cent per annum. After a so-called reset date, falling approximately 3.25 years after the issue date of the Capital Securities, the Capital Securities will bear interest at a floating rate corresponding to 3-month EURIBOR plus a spread of 10.29 per cent and a margin of 5.00 per cent per annum. The issue date for the Capital Securities is expected to be on 6 April 2023.

The Capital Securities may, at the option of Eltel, be redeemed on or following the reset date (or prior to the reset rate, subject to the occurrence of certain redemption events). If Eltel elects to redeem the Capital Securities on the reset date, the redemption price will equal the principal amount of the Capital Securities plus a premium amount (if any) of up to 1.20 per cent of the principal amount of the Capital Securities. The premium amount is calculated based on Eltel's performance against the set sustainability performance targets (as specified in the terms and conditions of the Capital Securities) as at 31 December 2025. If all targets are met, no premium amount will be applied.

The net proceeds from the issue of the Capital Securities will be used for partially refinancing certain existing indebtedness of Eltel and to support Eltel's expansion within renewable energy infrastructure and efforts to improve profitability. Eltel will apply for the Capital Securities to be admitted to trading on Nasdaq Stockholm Sustainable Debt Market.

The Terms and Conditions for the Capital Securities and Eltel's Sustainability-Linked Finance Framework are available at Eltel's website, <https://www.eltelgroup.com/sustainable-financing>.

Danske Bank A/S, Nordea Bank Abp and OP Corporate Bank plc act as joint lead managers and Hannes Snellman Attorneys Ltd acts as legal advisor in relation to Eltel's issue of the sustainability-linked hybrid capital securities. Danske Bank A/S acts as the sole sustainability structuring adviser to Eltel.

### For further information:

Saila Miettinen-Lähde  
Chief Financial Officer  
+358 405 483 695, [saila.miettinen-lahde@eltelnetworks.com](mailto:saila.miettinen-lahde@eltelnetworks.com)

Elin Otter  
Director, Communications and Investor Relations  
+46 72 595 4692, [elin.otter@eltelnetworks.com](mailto:elin.otter@eltelnetworks.com)



*This information is information that Eltel AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 17:40 CEST on 30 March 2023.*

## **About Eltel**

Eltel is a leading service provider for critical infrastructure that enables renewable energy and high-performing communication networks. Eltel designs, plans, builds and secures the operation of networks for a more sustainable and connected world today and for future generations. In total, we have about 5,000 employees and in 2022 the annual sales was EUR 823.6 million. The head office is located in Sweden and Eltel's shares have been listed on Nasdaq Stockholm since 2015. Read more at [www.eltelnetworks.com](http://www.eltelnetworks.com).

## **Important Information**

This release is for information purposes only and is not to be construed as an offer to purchase or sell or a solicitation of an offer to purchase or sell with respect to any securities of Eltel. The distribution of this release and the related material concerning the issuance of the Capital Securities may, in certain jurisdictions, be restricted by law. No actions have been taken to register or qualify the Capital Securities, or otherwise to permit a public offering of the Capital Securities, in any jurisdiction. Any offering material or documentation related to the Capital Securities may be received only in compliance with applicable exemptions or restrictions. Persons into whose possession this release or any such offering material or documentation may come are required to inform themselves of and observe all such restrictions. This release and any such offering material or documentation may not be distributed or published in any country or jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction or would require actions under the laws of a state or jurisdiction. In particular, this release and any such offering material or documentation may not be distributed in or into Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, Japan, New Zealand, Singapore, South Africa, Switzerland, the United Kingdom, the United States (or to any U.S. person) or any other jurisdiction in which it would not be permissible to offer the Capital Securities and this release and any related material concerning the issuance of the Capital Securities may not be sent to any person in the before mentioned jurisdictions. The information contained herein shall not constitute an offer to sell or tender, or a solicitation of an offer to buy or sell any of Eltel's securities, including the Capital Securities, to any person in any jurisdiction in which such offer, solicitation or sale or tender would be unlawful. Neither Eltel nor the Joint Lead Managers, or their representatives or advisors, accept any legal responsibility for any violation by any person, whether or not the persons contemplating investing in or divesting Eltel's securities, including the Capital Securities, are aware of such restrictions.

The Capital Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Capital Securities may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, registration requirements of the Securities Act.

The information provided in this release and any offer materials relating to the Capital Securities is addressed to and directed only at persons in the United Kingdom in circumstances where provisions of section 21(1) of the Financial Services and Markets Act 2000, as amended, do not apply and are solely directed at persons in the United Kingdom who (a) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (b) persons falling within Article 49(2)(a) to (d) of the Order, or other persons to whom they may be lawfully communicated (all such persons together being referred to as "**relevant persons**"). This release is directed only at relevant persons and any person who is not a relevant person must not act or rely on this release or any of its contents.

### **Eltel AB**

POB 12 623, SE112 92 Stockholm, SWEDEN  
Adolfsbergsvägen 13, Bromma  
[www.eltelnetworks.com](http://www.eltelnetworks.com)

Tel +46 (0)8 585 376 00

VAT ID SE556728665201

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