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## **Eltel AB establishes Sustainability-Linked Finance Framework and contemplates issuance of hybrid capital securities**

**Eltel AB (publ) ("Eltel") has established a Sustainability-Linked Finance Framework (the "Eltel SLF Framework") designed to support the future issuance of sustainability-linked securities by Eltel. For the securities issued under the Eltel SLF Framework, a premium will be payable or the interest rate will change if Eltel fails to meet the predefined sustainability performance targets at an agreed testing date for a designated sustainability performance indicator. By setting up the Eltel SLF Framework, Eltel strives to contribute to solving the major issues related to climate change and to establish a structure for integrating sustainability features in its financing.**

Furthermore, Eltel has mandated Danske Bank A/S, Nordea Bank Abp and OP Corporate Bank plc to act as joint lead managers (the "Joint Lead Managers") to arrange fixed income investor meetings starting on 27 March 2023 in order to investigate the prerequisites for potentially issuing subordinated sustainability-linked hybrid capital securities under the Eltel SLF Framework. The expected size of the potential issue is minimum EUR 20 million and certain existing shareholders have informed Eltel that they intend to subscribe for EUR 10 million in the potential issue. The capital securities are envisaged to not have a maturity date but to be subject to an increased interest rate level as from 3.25 years after the issue date. The net proceeds from such an issue would 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. Subject to prevailing market conditions, an issue of such capital securities may follow in the near future.

Since 2022, Eltel is committed to the Science Based Targets initiative (the "SBTi") to significantly reduce its greenhouse gas emissions by 2030. On 20 December 2022, Eltel announced that its sustainability performance targets had been approved by the SBTi, which demonstrates Eltel's commitment to tackling climate change and aligning its efforts with the objectives of the Paris climate agreement.

The Eltel SLF Framework has been established in accordance with the Sustainability-Linked Bond Principles ("SLBP") which is a voluntary framework that provides guidelines for how forward-looking sustainability goals can be integrated into bonds. The guidelines were launched in 2020 by the International Capital Markets Association. An external assessment by Morningstar Sustainability, a provider of second party opinions, confirms that the Eltel SLF Framework is aligned with the SLBP with ambitious target settings.

The Eltel SLF Framework and the second party opinion 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 potential issue of



sustainability-linked hybrid capital securities. Danske Bank A/S acts as the sole sustainability structuring adviser to Eltel.

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*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 12:00 CET on 24 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 any related material concerning the potential issuance of capital securities may, in certain jurisdictions, be restricted by law. No actions have been taken to register or qualify any capital securities, or otherwise to permit a public offering of any capital securities, in any jurisdiction. Any offering material or documentation related to any 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 any capital securities and this release and any related material concerning the potential issuance of 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 any 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 any capital securities, are aware of such restrictions.

The capital securities, if issued, 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, if issued, 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 potential issuance of capital securities is addressed to and directed only at persons in the United Kingdom in circumstances where provisions of section 21(1) of

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