Prospectus **5 May 2023**

ELTEL AB (PUBL)

EUR 25,000,000 Subordinated Sustainability-linked Capital Securities

This prospectus (the "**Prospectus**") has been prepared in order to provide information about Eltel AB (publ) ("**Eltel**", the "**Issuer**" or the "**Company**" and, together with its direct and indirect subsidiaries, the "**Group**" or "**Eltel Group**"; any reference to Eltel, the Issuer or the Company shall also include its direct and indirect subsidiaries where the context so permits) in connection with the admission to trading of in the aggregate EUR 25,000,000 of subordinated sustainability-linked hybrid capital securities (the "**Capital Securities**"). Each Capital Security bears interest at an initial fixed rate of 13.50 per cent per annum. The rate of interest is subject to a reset following a first call date as further set out in the terms and conditions of the Capital Securities (the "**Terms and Conditions**"). The Capital Securities have a denomination of EUR 20,000. The Capital Securities were offered for subscription in a minimum amount of EUR 100,000 to eligible counterparties, professional investors and retail investors in a private placement process (the "**Offering**").

Danske Bank A/S, Nordea Bank Abp and OP Corporate Bank plc acted as joint lead managers (the "**Joint Lead Managers**") in relation to the Offering. The Joint Lead Managers were not acting for anyone else in connection with the Offering and will not be responsible to anyone other than Eltel for providing the protections afforded to its clients nor for providing any advice in relation to the Offering or the contents of this Prospectus.

The Capital Securities involve risks that are described in more detail in this Prospectus, which each investor should carefully acquaint him/herself with before making a decision to invest. Among other things, the investor bears the risk that the Issuer will be unable to repay the Capital Securities or interest thereon, no separate security or guarantee has been set for the Capital Securities and that the Capital Securities are, in insolvency and liquidation proceedings of the Issuer, more junior than the other debt instruments of the Issuer.

From but excluding 6 April 2023 (the "**Issue Date**") to and including an interest reset date on 6 July 2026 (the "**Reset Date**"), the Capital Securities bear interest on their outstanding nominal amount at the fixed interest rate, subject to Clause 8.8 (*Change of Control*) of the Terms and Conditions of the Capital Securities. Such interest is payable (subject to the provisions contained in Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*)) annually in arrears on each interest payment date. From but excluding the Reset Date to and including the date on which the Capital Securities will be redeemed pursuant to the Terms and Conditions (the "**Redemption Date**"), the Capital Securities bear interest on their outstanding nominal amount at the floating interest rate, subject to Clause 8.8 (*Change of Control*). Such interest will be payable (subject to the provisions contained in Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*)) quarterly in arrears on each interest payment date. Investors who have made an investment in the Capital Securities are referred to as "**Holders**" in this Prospectus.

The Capital Securities have no maturity date, and the Issuer is not under an obligation to repay, repurchase or redeem the Capital Securities at any specified date. However, the Issuer may, at its option, redeem all of the outstanding Capital Securities in whole, but not in part, on the Reset Date or any interest payment date thereafter or upon the occurrence of certain events, including a Tax Event or an Accounting Event, a Replacing Capital Event, a Withholding Tax Event or a Change of Control each as defined and further described in Clause 8 (*Redemption and Purchase*) of the Terms and Conditions. The repayment of the capital and the payment of interest will depend on, among other things, the Issuer's repayment ability, the Issuer's obligations under any senior financing arrangement and on the decision to make the payments in relation to capital or interest in accordance with the Terms and Conditions. The invested capital and profit may be lost partially or completely.

Joint Lead Managers

IMPORTANT INFORMATION

General

This Prospectus should be read in conjunction with all the documents which are deemed to be incorporated herein by reference and such documents form part of this Prospectus. See "Documents Incorporated by Reference".

Any investor investing in the Capital Securities is bound by the final Terms and Conditions of the Capital Securities.

In making a decision to invest in any Capital Security, each investor must rely on their examination, analysis and enquiry of Eltel and the Terms and Conditions of the Capital Securities, including the risks and merits involved. None of the Issuer, the Joint Lead Managers or any of their respective affiliated parties or representatives is making, nor have they made, any representation to any offeree or subscriber of the Capital Securities regarding the legality or suitability of the investment by such person. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each reader of this Prospectus should consult with its own legal, business or tax advisor as to legal, business or tax advice. Each potential investor should: (a) have sufficient knowledge and experience to make a meaningful evaluation of the Capital Securities, the merits and risks of investing in the Capital Securities and the information contained or referred to in this Prospectus; (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Capital Securities and the impact the Capital Securities will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Capital Securities; (d) understand thoroughly the Terms and Conditions of the Capital Securities and be familiar with the behaviour of any relevant indices and financial markets; and (e) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any information supplied by Eltel or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by Eltel or the Joint Lead Managers. The Joint Lead Managers have not separately verified the information contained in this Prospectus. No representation or warranty, express or implied, is made by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as a promise or representation by the Joint Lead Managers in this respect, whether as to the past or the future. The Joint Lead Managers assume no responsibility, except for statutory responsibility, for the accuracy or completeness of the information and, accordingly, disclaims to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus or any such statement.

The data contained herein is current as at the date of this Prospectus. There may have been changes affecting Eltel subsequent to the date of this Prospectus, and information contained herein is subject to change, completion and amendment without notice or an obligation of the Issuer or the Joint Lead Managers to supplement or update this Prospectus. The publication and distribution of this Prospectus shall not under any circumstances create any implication that there has been no change in the affairs of Eltel or that the information herein is correct as of any date subsequent to the date of this Prospectus. The delivery of this Prospectus does not mean that no adverse changes have occurred or events have taken place, which may or could result in an adverse effect on Eltel's business, financial condition or results of operations and/or the market price of the Capital Securities. Nothing contained in this Prospectus constitutes, or shall be relied upon as, a promise or representation by Eltel or the Joint Lead Managers as to the future.

It is prohibited to copy or distribute this Prospectus or to reveal or use the information contained herein for any purpose other than considering an investment in the Capital Securities.

The distribution of this Prospectus and the offering or sale of the Capital Securities in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus may come are required by the Issuer and the Joint Lead Managers to inform themselves of and observe all such restrictions. This Prospectus may not be distributed in or into Australia, Belarus, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, Japan, New Zealand, Russia, Singapore, South Africa, Switzerland, the United Kingdom, the United states (or to any U.S. person) or any other jurisdiction or otherwise in such circumstances in which the offering of the Capital Securities would be unlawful or require measures other than those required under Swedish laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy or subscribe, nor shall there be any sale of the Capital Securities in any jurisdiction to any person to whom it is unlawful to make such an offer, solicitation or sale in such jurisdiction. None of the Issuer, the Joint Lead Managers or any of their respective affiliates or representatives accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Capital Securities is aware of such restrictions. See also notices to prospective investors in section "General Information".

The Terms and Conditions of the Capital Securities and the Offering are governed by Swedish law and any dispute arising in relation the Capital Securities or the Offering shall be settled exclusively by Swedish courts in accordance with Swedish law.

Notice Prospective Investors in the European Economic Area (Including Sweden)

This Prospectus has been prepared on the basis that all offers of the Capital Securities in the European Economic Area (the "**EEA**") are made pursuant to an exemption under Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the "**Prospectus Regulation**") from the requirement to produce a prospectus under the Prospectus Regulation for offers of securities to the public. Accordingly, any person making or intending to make any offer of the Capital Securities within the EEA should only do so in circumstances in which no obligation arises for the Issuer or the Joint Lead Managers to publish a prospectus under the Prospectus Regulation for such offer. Neither the Issuer nor the Joint Lead Managers has authorised, nor do they authorise, the making of any offer of securities through any financial intermediary. An offer to the public of any Capital Securities may not be made except that an offer of the Capital Securities to the public may be made at any time under the following exemptions from the Prospectus Regulation: (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation; (c) an offer of securities whose denomination per unit amounts to at least EUR 100,000; (d) an offer of securities addressed to investors who acquire securities for a total consideration of at least EUR 100,000 per investor, for each separate offer; or (e) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the Capital Securities shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation by the Issuer or the Joint Lead Managers.

For the purposes herein, the expression an "offer to the public" in relation to any of the Capital Securities means a communication in any form and by any means, presenting sufficient information on the terms of the offer and the Capital Securities to be offered, so as to enable an investor to decide to purchase or subscribe for any of the Capital Securities.

Prohibition of Sales to UK Retail Investors

This Prospectus does not constitute an offer of the Capital Securities to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the Capital Securities. Consequently, this Prospectus may be distributed only to, and may be directed at, (a) persons who are outside the United Kingdom, (b) persons who 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 (c) high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated (all such persons together being referred to as "**relevant persons**"). In addition, this Prospectus is in any event only directed at persons who are "qualified investors" pursuant to the Prospectus Regulation. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in the United States

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).

Prohibition of Sales to Russia and Belarus

Pursuant to Article 1 of the Council Decision (CFSP) 578/2022 of 8 April 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine and to Article 1 of the Council Decision (CFSP) 579/2022 of 8 April 2022 amending Decision 2012/642/CFSP concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russia aggression against Ukraine, it shall be prohibited to sell transferable securities denominated in any official currency of a Member State issued after 12 April 2022 or units in collective investment undertakings providing exposure to such securities to any Russian or Belarusian national or natural person residing in Russia or Belarus or any legal person, entity or body established in Russia or Belarus. The prohibition of sales to Russia and Belarus applies to the Capital Securities.

MiFID II Product Governance / Retail Clients, Professional Clients and Eligible Counterparties Target Market

Solely for the purposes of each manufacturer's product governance requirements set forth in Directive 2014/65/EU (as amended, "**MiFID II**"), the target market assessment made by the manufacturers in respect of the Capital Securities has led to the conclusion that: (1) the target market for the Capital Securities is clients that are eligible counterparties, professional clients and retail clients, each as defined in MiFID II, who are (a) informed investors, having (i) average knowledge of the relevant financial products (an informed investor can make an informed investment decision based on the offering documentation, together with knowledge and understanding of the specific risk factors/risks highlighted with them only) or (ii) some financial industry experience, and (b) advanced investors having one, or more, of the following characteristics, (i) good knowledge of relevant financial products and transactions or (ii) financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service, (c) clients that have the ability to tie money up for a perpetual instrument and bear losses of up to 100 per cent of the capital invested in the product, and who have the financial ability and willingness to put the entire capital invested at risk, are willing to take more risk than deposit savings and do not need a fully guaranteed income or return profile and (d) clients whose investment objective is to generate growth of the invested capital and have a medium or long-term investment horizon; (2) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate; and (3) the following channels for distribution of the Capital Securities to retail clients are appropriate: investment advice, portfolio management, and non-advised sales and pure execution services, subject to the distributor's (as defined below) suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Capital Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

Furthermore, the manufacturers have made an assessment as to the negative target market and concluded that the negative target market for the Capital Securities is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance.

Important – EEA Retail Investors

The Capital Securities are not PRIIPs for the purposes of Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") and, accordingly, no key information document pursuant to the PRIIPs Regulation has been or will be made available in respect of the Capital Securities.

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SUMMARY

Introduction and warnings

Introduction and warnings	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Capital Securities should be based on a consideration of the Prospectus as a whole by the investor. An investor investing in the Capital Securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Eltel assumes civil liability in respect of this summary including translation thereof only if it is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Capital Securities.
The Issuer	Legal and commercial name: Eltel AB (publ) Registered address: Adolfsbergsvägen 13, 168 66 Bromma, Sweden Telephone number: +46 8 585 376 00 Registration number: 556728-6652 Legal Entity Identifier (LEI) code: 549300QPTTHTI8KCH937
The securities	The International Securities Identification Number (ISIN) for the Capital Securities is SE0019914250.
Competent authority	The Swedish Financial Supervisory Authority (the "**SFSA**") (Sw. *Finansinspektionen*) is the competent authority and responsible for approving this Prospectus under the Prospectus Regulation (EU) 2017/1129. The SFSA's visiting address is Brunnsgatan 3, 111 38 Stockholm, Sweden and its postal address is P.O. Box 7821, 103 97 Stockholm, Sweden. The SFSA's telephone number is +46 (0)8 408 980 00 and its website is www.fi.se. The Prospectus was approved by the SFSA on 5 May 2023.

Key information on the Issuer

Who is the Issuer of the securities?

Information on the Issuer	Eltel AB (publ) is a Swedish public limited liability company domiciled in Bromma, Sweden. The Company's Legal Entity Identifier (LEI) code is 549300QPTTHTI8KCH937. Eltel was established under the laws of Sweden on 5 March 2007 and its operations are regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).
The Issuer's main objectives	Eltel is a leading service provider for communication and power networks. Operations are conducted in the Nordic countries, Poland, Germany and Lithuania within country-based organisations that have full responsibility for their financial results. Within Power, Eltel provides maintenance of power grids, upgrades and project work to national transmission system operators and distribution network owners. Within Communication, Eltel provides similar services to telecom operators and other owners of communication networks. According to §3 of Eltel's Articles of Association: "The company's objectives are to directly or through wholly-owned or part-owned subsidiaries provide services in the form of maintenance, upgrades and project deliveries in the fields of energy, communications, infrastructure and defence and, within the scope of such business acquire, own, manage or sell shares, interests, securities, securities-related instruments, companies or parts thereof and to manage and sell properties on its own behalf together with any other activities compatible therewith."
The Issuer's major shareholders	The following table sets forth the 15 largest shareholders of the Issuer that appear on the shareholder register maintained by Euroclear Sweden AB as at 1 March 2023. Various entities controlled by Herlin family members are among the largest individual shareholders of Eltel. The individual Herlin family controlled entities have declared that they make decisions independently and are not acting in concert. The shareholder structure has remained fairly stable in recent years.

Shareholder	Number of shares	Capital	Votes
The Herlin family holdings			
Wipunen varainhallinta Oy	*22,500,000*	*14.22%*	*14.35%*
Heikintorppa Oy	*12,400,000*	*7.84%*	*7.91%*
Mariatorp Oy	*10,000,000*	*6.32%*	*6.38%*
Triton Funds (Solero Luxco S.á r.l.)	25,683,845	16.23%	16.37%
Fourth Swedish National Pension Fund	15,027,060	9.50%	9.58%
Mandatum Life Insurance Company	9,414,863	5.95%	6.00%
Fidelity International (FIL)	7,104,292	4.49%	4.53%
Etola Group	6,005,000	3.80%	3.83%
Mandatum Fund Management	2,789,819	1.76%	1.78%
Ambergate Invest Sverige AB	2,382,231	1.51%	1.52%
SEB Funds	2,299,705	1.45%	1.47%
Fidelity Investments (FMR)	1,831,723	1.16%	1.17%
Eltel AB	1,497,800	0.95%	0.10%
Nordea Funds	1,170,937	0.74%	0.75%
Handelsbanken Funds	756,005	0.48%	0.48%
Total 15	**120,863,280**	**76.38%**	**76.20%**
Others	**37,367,801**	**23.62%**	**23.80%**
Total	**158,231,081**	**100.00%**	**100.00%**

Board of Directors and Group Executive Committee

Name	Year born	Position	Year elected
Ulf Mattsson	1964	Chairman	2017
Ann Emilson	1965	Member	2022
Gunilla Fransson	1960	Member	2016
Joakim Olsson	1965	Member	2018
Erja Sankari	1973	Member	2022
Roland Sundén	1953	Member	2018
Stefan Söderholm	1960	Employee representative	2021
Björn Tallberg	1976	Employee representative	2015
Andreas Nilsson	1976	Deputy employee representative	2022

Name	Year born	Position	Year appointed
Håkan Dahlström	1962	President and CEO	2022
Saila Miettinen-Lähde	1962	CFO	2020
Elin Otter	1978	Director, Communications and Investor Relations	2019
Henrik Sundell	1964	General Counsel	2016
Pamela Lundin	1970	Director of Business Development	2023
Juha Luusua	1965	Managing Director, Eltel Finland	2018
Lars Nilsson	1967	Managing Director, Eltel Sweden	2023
Thor-Egel Bråthen	1965	Managing Director, Eltel Norway	2018
Claus Metzsch Jensen	1968	Managing Director, Eltel Denmark	2018

Auditor

KPMG AB with Fredrik Westin, Authorised Public Accountant and member of the Institute for the Accountancy Profession in Sweden (Sw. *Föreningen Auktoriserade Revisorer, FAR*), as auditor in charge.

What is the key financial information regarding the Issuer?

Summary of key financial information

The financial information presented below has been derived from Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2022, and from Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2021 including audited consolidated comparative financial information as at and for the financial year ended 31 December 2020.

	As at and for the year ended 31 December (audited)		
EUR million	**2022**	**2021**	**2020**
Net result for the period	-14.9	4.9	5.3
Net sales	823.6	812.6	938.0
Operating result (EBIT)	-2.0	14.5	24.8
Net cash from operating activities	16.4	22.3	49.4
Net cash from investing activities	-3.9	-2.9	33.5
Net cash from financing activities	3.1	-13.7	-121.6

What are the key risks that are specific to the Issuer?

Significant risk factors specific to the Issuer

Prior to any investment decision, it is important to carefully analyse the risk factors that are deemed to be material for Eltel. These include, inter alia, the following:

- The Company generates a significant portion of its sales, and expects to continue deriving a large portion of its sales, from a limited number of customers.
- The Company's business is subject to seasonal fluctuations and volatility across quarters. As a result, the Company's quarterly results of operations may vary significantly, both during a particular year and when compared to the Company's historical results of operations. The Company is exposed to the risk that revenue expected to be booked in a particular quarter may not be realised until a later reporting period, if at all. The Company's market can also be highly seasonal over the course of the year as many customers' annual capital expenditure budgets are approved at the beginning of their financial year.
- Many of the Company's project delivery service contracts in certain markets are fixed-price contracts that contain inherent risks because the Company agrees to the price of the project at the time it enters into the contract. The price is based on estimates of the ultimate cost of the contract and the Company assumes substantially all of the risks associated with completing the project, as well as the post-completion warranty obligations.
- Several of the Company's maintenance and upgrade service contracts are non-exclusive. In some of the Company's contracts, the Company is an exclusive service provider to a customer, but there is no fixed minimum volume commitment. In addition, the Company's customers may reduce the value of existing contracts through partial termination, delay or withholding of the payment of invoices, or audit the Company's contract-related costs and fees.
- The infranet industry in general, and the telecommunications industry in particular, is changing rapidly due to technological advances and availability of alternative services. Achieving successful financial results will depend on the Company's ability to anticipate, assess and adapt to rapid technological changes and to offer, on a timely and cost-effective basis, the services that its customers demand.
- The Company faces competition from a variety of competitors in each of its markets. In a competitive tender, local competitors may underbid contracts because their workforce is not fully utilised, while international competitors may be able to compete by, for example, pushing for tighter timeframes. Some of the Company's present and potential future competitors may have substantially greater financial, marketing, technical or manufacturing resources. The Company's competitors may also be able to respond more quickly to new

technologies or processes and changes in customer demands. They may also be able to devote greater resources to the development, promotion and sale of their services than the Company.

- The Company's financial targets are the Company's expectations for the medium to long term and are based upon a number of assumptions, which are inherently subject to significant business, operational, economic and other risks. There is a risk that the key assumptions management has specified when setting its medium-term targets may not continue to reflect the commercial, regulatory and economic environment in which the Company operates. In addition, unanticipated events may adversely affect the actual results that the Company achieves in future periods whether or not its assumptions otherwise prove to be correct.
- The Group may be required to raise new financing or refinance parts of or all of its outstanding debt in the future. The Group's access to financing sources at a particular time may not be available on favourable terms, or at all. Disruptions and uncertainties on the capital and credit markets may also restrict access to the capital required to conduct the Group's business, and it cannot be ruled out that the Group may come to use or require additional financing in the future. The Group is also regularly required to source guarantees from banks, insurance companies and other institutions in connection with its contracts. Furthermore, the Group may face challenges in complying with covenants in its financing agreement, and any breach of covenant could result in suppliers and other stakeholders requiring quicker repayment or additional guarantees.
- Some of the Group's indebtedness bears interest at variable rates, generally linked to market benchmarks such as EURIBOR. Any increase in interest rates would increase the Group's finance expenses relating to its variable rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt. In addition, the Group conducts its business and incurs costs in the local currency of the countries in which the Group operates. The results and financial positions of its subsidiaries are then translated into EUR for inclusion in the Group's consolidated financial statements, which are stated in EUR. The Group is also impacted by inflation-linked increases in costs.

Key information on the securities

What are the main features of the securities?

Securities subject to admission to trading	The Capital Securities constitute unsecured subordinated sustainability-linked hybrid debt instruments which are dematerialised and issued in book-entry form in the book-entry system maintained by Euroclear Sweden AB. The International Securities Identification Number (ISIN) code for the Capital Securities is SE0019914250. Each Capital Security is freely transferable. The currency of the Capital Securities is EUR. The Capital Securities have a denomination of EUR 20,000 and have been offered for subscription in a minimum amount of EUR 100,000. The number of issued Capital Securities is 1,250.
Rights associated with the securities	The Capital Securities are subordinated obligations of the Issuer and are the most junior debt instruments of the Issuer as at the date of this Prospectus, ranking behind all present and future claims in respect of all unsubordinated obligations of the Issuer. The Holders would be unsecured creditors in the event of the Issuer's voluntary or involuntary liquidation, bankruptcy or reorganisation, they would not be entitled to demand that any collateral or guarantee be given for the Capital Securities, and the Holders could lose their entire investment. From but excluding 6 April 2023 (the "**Issue Date**") to and including an interest reset date on 6 July 2026 (the "**Reset Date**"), the Capital Securities bear interest on their outstanding nominal amount at the fixed interest rate, subject to Clause 8.8 (*Change of Control*) of the terms and conditions of the Capital Securities (the "**Terms and Conditions**"). Such interest is payable (subject to the provisions contained in Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*)) annually in arrears on each interest payment date. From but excluding the Reset Date to and including the date on which the Capital Securities will be redeemed pursuant to the Terms and Conditions (the "**Redemption Date**"), the Capital Securities bear interest on their outstanding nominal amount at the floating interest rate, subject to Clause 8.8 (*Change of Control*). Such interest will be payable (subject to the provisions

contained in Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*)) quarterly in arrears on each interest payment date.

The Capital Securities have no maturity date, and the Issuer is not under an obligation to repay, repurchase or redeem the Capital Securities at any specified date. However, the Issuer may, at its option, redeem all of the outstanding Capital Securities in whole, but not in part, on the Reset Date or any interest payment date thereafter or upon the occurrence of certain events, including a Tax Event or an Accounting Event, a Replacing Capital Event, a Withholding Tax Event or a Change of Control each as defined and further described in Clause 8 (*Redemption and Purchase*) of the Terms and Conditions. The repayment of the capital and the payment of interest will depend on, among other things, the Issuer's repayment ability, the Issuer's obligations under any senior financing arrangement and on the decision to make the payments in relation to capital or interest in accordance with the Terms and Conditions. The invested capital and profit may be lost partially or completely.

Where will the securities be traded?

Admission to trading	Eltel intends to apply for the Capital Securities to be admitted to trading on Nasdaq Stockholm Sustainable Debt Market.

What are the key risks that are specific for the securities?

Material risk factors specific to the securities

Prior to any investment decision, it is important to carefully analyse the risk factors that are deemed to be material for the Capital Securities. These include, inter alia, the following:

- The Capital Securities will not be obligations of anyone other than the Issuer and they are unsecured, deeply subordinated obligations of the Issuer and are the most junior debt instruments of the Issuer as at the date of this Prospectus. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Capital Securities.
- The Capital Securities have no stated final maturity date and the Issuer is under no obligation to redeem the Capital Securities at any time. The Holders have no right to call for their redemption and, therefore, the Holders should be aware that they may be required to bear the financial risks of an investment in the Capital Securities for an indefinite period of time and may not recover their investment in the foreseeable future.
- The Terms and Conditions of the Capital Securities do not provide for any right of acceleration or investor put option in relation to the occurrence of a change of control of the Issuer. Accordingly, if the Issuer is subject to a change of control, the investors will not have the right to accelerate the Capital Securities or require the Capital Securities to be redeemed.
- The Terms and Conditions of the Capital Securities do not provide for any event of default that allows the Holders to accelerate the Capital Securities or require the Capital Securities to be redeemed. Accordingly, if the Issuer fails to meet any obligations under the Capital Securities, including the payment of any interest, investors will not have the right to accelerate the Capital Securities or require the Capital Securities to be redeemed.
- The Issuer has the right to defer any payment of interest on the Capital Securities if the requirements for deferral set out in the Terms and Conditions of the Capital Securities are satisfied. As a result, the sequence or making of any future payment to the Holders are uncertain.
- A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The Capital Securities are structurally subordinated to the liabilities of such subsidiaries. Defaults by, or the insolvency of, certain subsidiaries may result in the obligation for the Issuer to make payments under financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group. There is a risk that the Issuer and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

Key information on the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

Timeline	The Capital Securities have been offered for subscription in a minimum amount of EUR 100,000 to eligible counterparties, professional investors and retail investors in a private placement process (the "**Offering**"). The Capital Securities have not been, and will not be, offered to the public. The Capital Securities were issued on 6 April 2023. Eltel will apply for the Capital Securities to be admitted to trading on Nasdaq Stockholm Sustainable Debt Market.

Why is this Prospectus being produced?

Background and reasons	Eltel has prepared this Prospectus, inter alia, to provide investors with information about the Group, the Capital Securities and the risks involved in investing in the Capital Securities. The net proceeds from the issue, which are estimated to amount to approximately EUR 24.1 million, 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.
Material conflicts of interest	Danske Bank A/S, Nordea Bank Abp and OP Corporate Bank plc have acted as joint lead managers (the "**Joint Lead Managers**") in relation to the issue. The Joint Lead Managers and other entities within their groups and/or their affiliates may have performed and may in the future perform investment, insurance, banking or other services for Eltel in the ordinary course of business for which they may have received and may continue to receive customary fees and commissions. Existing financial indebtedness to be partly refinanced with the proceeds from the issuance of Capital Securities may include financial indebtedness provided by one or more of the Joint Lead Managers. In addition, the Joint Lead Managers and other entities within the same group and/or their affiliates have provided, and may provide in the future, the Issuer with investment, insurance, banking and/or other services in the ordinary course of business for which they may have received and may continue to receive customary fees and commissions. The Joint Lead Managers and other entities within the same group and/or their affiliates have also acted in the ordinary course of business as arrangers or lenders under certain loan agreements of the Issuer and its affiliates, for which they have received, and may continue to receive, customary interest, fees and commissions.

SAMMANFATTNING

Inledning och varningar

Inledning och varningar	Denna sammanfattning bör betraktas som en introduktion till Prospektet. Varje beslut om att investera i Hybridobligationerna bör baseras på en bedömning av hela Prospektet från investerarens sida. En investerare som investerar i Hybridobligationerna kan förlora hela eller delar av det investerade kapitalet. Om talan väcks i domstol angående informationen i Prospektet kan den investerare som är kärande enligt nationell rätt bli tvungen att stå för kostnaderna för översättning av Prospektet innan de rättsliga förfarandena inleds. Eltel åtar sig civilrättsligt ansvar avseende denna sammanfattning, inklusive översättningar därav, endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av Prospektet eller om den inte, tillsammans med de andra delarna av Prospektet, ger nyckelinformation för att hjälpa investerare när de överväger att investera i Hybridobligationerna.
Emittenten	Legalt och kommersiellt namn: Eltel AB (publ) Registrerad adress: Adolfsbergsvägen 13, 168 66 Bromma, Sverige Telefonnummer: +46 8 585 376 00 Registreringsnummer: 556728-6652 Legal Entity Identifier (LEI-kod): 549300QPTTHTI8KCH937
Värdepapperen	International Securities Identification Number (ISIN-kod) för Hybridobligationerna är SE0019914250.
Behörig myndighet	Finansinspektionen är behörig myndighet och ansvarig för godkännande av Prospektet enligt Europaparlamentets och rådets förordning (EU) 2017/1129. Finansinspektionens besöksadress är Brunnsgatan 3, 111 38 Stockholm, Sverige och dess postadress är Box 7821, 103 97 Stockholm. Finansinspektionens telefonnummer är +46 (0)8 408 980 00 och dess webbplats är www.fi.se. Prospektet godkändes av Finansinspektionen den 5 maj 2023.

Nyckelinformation om Emittenten

Vem är Emittent av värdepapperen?

Information om Emittenten	Eltel AB (publ) är ett svenskt publikt aktiebolag med säte i Bromma, Sverige. Bolagets Legal Entity Identifier (LEI-kod) är 549300QPTTHTI8KCH937. Eltel stiftades enligt svensk rätt den 5 mars 2007 och dess verksamhet regleras av aktiebolagslagen (2005:551).
Emittentens huvudverksamhet	Eltel är en ledande leverantör av tjänster för kommunikations- och elnätverk. Verksamheten bedrivs i Norden, Polen, Tyskland och Litauen inom landsbaserade organisationer med eget fullt resultatansvar. Inom Power tillhandahåller Eltel underhåll av elnät, uppgraderingar och projekt till nationella transmissionssystemoperatörer och ägare av distributionsnätverk. Inom Communication tillhandahåller Eltel liknande tjänster till telekomoperatörer och andra ägare av kommunikationsnätverk. §3 i Eltels bolagsordning lyder: ”Bolaget skall direkt eller genom hel- eller delägda dotterbolag erbjuda servicetjänster i form av underhåll, uppgradering och projektleverans inom områden för energi, kommunikation, infrastruktur och försvar samt inom ramen för denna verksamhet förvärva, äga, förvalta och försälja aktier, andelar, värdepapper, värdepappersrelaterade instrument, företag eller del därav samt att förvalta och försälja fastigheter för egen räkning och ävensom bedriva därmed förenlig verksamhet.”
Emittentens större aktieägare	Följande tabell anger Emittentens 15 största aktieägare som framgår av aktieboken som förs av Euroclear Sweden AB per den 1 mars 2023. Diverse bolag som kontrolleras av medlemmar i familjen Herlin är bland Eltels största enskilda aktieägare. De enskilda bolagen som kontrolleras av familjen Herlin har uppgett att de fattar beslut självständigt och inte agerar i samförstånd. Aktieägarstrukturen har varit relativt stabil under senare år.

Aktieägare	Antal aktier	Kapital	Röster
Familjen Herlins innehav			
Wipunen varainhallinta Oy	*22 500 000*	*14,22 %*	*14,35 %*
Heikintorppa Oy	*12 400 000*	*7,84 %*	*7,91 %*
Mariatorp Oy	*10 000 000*	*6,32 %*	*6,38 %*
Triton Funds (Solero Luxco S.á r.l.)	25 683 845	16,23 %	16,37 %
Fjärde AP-fonden	15 027 060	9,50 %	9,58 %
Mandatum Life Insurance Company	9 414 863	5,95 %	6,00 %
Fidelity International (FIL)	7 104 292	4,49 %	4,53 %
Etola Group	6 005 000	3,80 %	3,83 %
Mandatum Fund Management	2 789 819	1,76 %	1,78 %
Ambergate Invest Sverige AB	2 382 231	1,51 %	1,52 %
SEB Fonder	2 299 705	1,45 %	1,47 %
Fidelity Investments (FMR)	1 831 723	1,16 %	1,17 %
Eltel AB	1 497 800	0,95 %	0,10 %
Nordea Fonder	1 170 937	0,74 %	0,75 %
Handelsbanken Fonder	756 005	0,48 %	0,48 %
Totalt 15	**120 863 280**	**76,38 %**	**76,20 %**
Övriga	**37 367 801**	**23,62 %**	**23,80 %**
Total	**158 231 081**	**100,00 %**	**100,00 %**

Styrelse och koncernledning

Namn	År född	Position	År vald
Ulf Mattsson	1964	Ordförande	2017
Ann Emilson	1965	Ledamot	2022
Gunilla Fransson	1960	Ledamot	2016
Joakim Olsson	1965	Ledamot	2018
Erja Sankari	1973	Ledamot	2022
Roland Sundén	1953	Ledamot	2018
Stefan Söderholm	1960	Arbetstagarrepresentant	2021
Björn Tallberg	1976	Arbetstagarrepresentant	2015
Andreas Nilsson	1976	Arbetstagarrepresentant, suppleant	2022

Namn	År född	Position	År tillsatt
Håkan Dahlström	1962	Verkställande direktör och koncernchef	2022
Saila Miettinen-Lähde	1962	Finansdirektör	2020
Elin Otter	1978	Kommunikations- och IR-direktör	2019
Henrik Sundell	1964	Chefsjurist	2016
Pamela Lundin	1970	Affärsutvecklingsdirektör	2023
Juha Luusua	1965	Verkställande direktör, Eltel Finland	2018
Lars Nilsson	1967	Verkställande direktör, Eltel Sverige	2023
Thor-Egel Bråthen	1965	Verkställande direktör, Eltel Norge	2018
Claus Metzsch Jensen	1968	Verkställande direktör, Eltel Danmark	2018

Revisor

KPMG AB med Fredrik Westin, auktoriserad revisor och medlem i Föreningen Auktoriserade Revisorer (FAR), som huvudansvarig revisor.

Finansiell nyckelinformation för Emittenten

Sammanfattning av finansiell nyckelinformation

Den finansiella information som presenteras nedan har hämtats ur Eltels reviderade konsoliderade årsredovisning per och för räkenskapsåret som avslutades den 31 december 2022, och från Eltels reviderade konsoliderade årsredovisning per och för räkenskapsåret som avslutades den 31 december 2021 med reviderade konsoliderade jämförelsesiffror per och för räkenskapsåret som avslutades den 31 december 2020.

	Per och för räkenskapsåret som avslutades den 31 december (reviderat)		
Miljoner EUR	**2022**	**2021**	**2020**
Periodens resultat	-14,9	4,9	5,3
Nettoomsättning	823,6	812,6	938,0
Rörelseresultat (EBIT)	-2,0	14,5	24,8
Kassaflöde från den löpande verksamheten	16,4	22,3	49,4
Kassaflöde från investeringsverksamheten	-3,9	-2,9	33,5
Kassaflöde från finansieringsverksamheten	3,1	-13,7	-121,6

Specifika nyckelrisker för Emittenten

Väsentliga riskfaktorer specifika för Emittenten

Inför ett eventuellt investeringsbeslut är det viktigt att noggrant analysera de riskfaktorer som bedöms väsentliga för Eltel. Dessa innefattar bland annat följande:

- Bolaget genererar en avsevärd del av sin omsättning, och väntar sig att fortsätta att erhålla en stor del av sin omsättning, från ett begränsat antal kunder.
- Bolagets verksamhet är föremål för säsongsbetonad fluktuation och volatilitet över kvartal. Till följd av detta kan Bolagets kvartalsvisa verksamhetsresultat variera kraftigt, både under ett visst år och i jämförelse med Bolagets historiska verksamhetsresultat. Bolaget är utsatt för risken att intäkter som väntas att bokföras under ett visst kvartal inte realiseras förrän en senare rapporteringsperiod, eller inte alls. Bolagets marknad kan också vara höggradigt säsongsbetonad över året då många kunders årsvisa investeringsbudgetar godkänns i början av deras räkenskapsår.
- Många av Bolagets tjänstekontrakt för projekt på vissa marknader är till fast pris och innehåller inneboende risker till följd av att Bolaget accepterar priset för projektet vid tidpunkten för avtalets ingående. Priset baseras på uppskattningar av den slutliga avtalskostnaden och Bolaget tar huvudsakligen all risk relaterad till att slutföra projektet, såväl som till garantiåtaganden efter slutförandet.
- Flera av Bolagets tjänsteavtal för underhåll och uppgradering är icke-exklusiva. I vissa av Bolagets kontrakt är Bolaget exklusiv tjänsteleverantör till en kund men det finns inget specificerat åtagande avseende minimivolym. Därutöver kan Bolagets kunder komma att minska värdet av befintliga kontrakt genom partiell hävning, dröjsmål eller genom att kvarhålla betalning av fakturor, eller genom att granska Bolagets kontraktsrelaterade kostnader och arvoden.
- Infranätbranschen i allmänhet, och telekommunikationsbranschen i synnerhet, förändras snabbt till följd av teknologiska framsteg och tillgången till alternativa tjänster. Att uppnå framgångsrika finansiella resultat kommer att bero på Bolagets förmåga att förutse, utvärdera och anpassa sig till snabba teknologiska förändringar och att erbjuda, i rätt tid och på ett kostnadseffektivt sätt, de tjänster som dess kunder kräver.
- Bolaget möter konkurrens från diverse konkurrenter på var och en av dess marknader. I en konkurrensutsatt upphandling kan lokala konkurrenter komma att bjuda under kontrakt för att deras arbetskraft inte är fullt utnyttjad medan internationella konkurrenter kan komma att kunna konkurrera genom att exempelvis driva på för snävare tidsramar. Vissa av Bolagets nuvarande och potentiella framtida konkurrenter kan ha betydligt större finansiella,

marknadsförings-, tekniska eller tillverkningsresurser. Bolagets konkurrenter kan även vara snabbare med att svara upp mot nya teknologier eller processer och förändringar i kunders kravbild. De kan även ha möjlighet att ägna mer resurser åt utveckling, marknadsföring och försäljning av sina tjänster än Bolaget.

- Bolagets finansiella mål är Bolagets förväntningar på medellång till lång sikt och är baserade på ett antal antaganden, vilka till sin natur är föremål för betydande affärsmässiga, operationella, ekonomiska och andra risker. Det finns en risk att de avgörande antagandena som företagsledningen har specificerat när de har satt sina medellångsiktiga mål inte kommer att fortsätta att återspegla den kommersiella, regulatoriska och ekonomiska miljön som Bolaget är verksamt i. Därutöver kan oförutsedda händelser komma att negativt påverka de verkliga resultat som Bolaget uppnår under framtida perioder oavsett om dess antaganden i övrigt visar sig vara riktiga eller inte.

- Koncernen kan i framtiden vara tvungen att ordna ny finansiering eller refinansiera delar av eller all sin utestående skuld. Koncernen kanske, vid en viss tidpunkt, inte kommer att ha tillgång till finansiering till förmånliga villkor eller över huvud taget. Avbrott och ovisshet på kapital- och kreditmarknaderna kan också begränsa tillgången till det kapital som krävs för att bedriva Koncernens verksamhet och det kan inte uteslutas att Koncernen kanske kommer att använda eller behöva ytterligare finansiering i framtiden. Koncernen är också regelbundet tvungen att inhämta garantier från banker, försäkringsbolag och andra institutioner i samband med sina avtal. Vidare kan Koncernen komma att möta utmaningar med att efterleva villkoren i sina finansieringsavtal, och eventuella brott mot sådana villkor skulle kunna leda till att leverantörer och andra intressenter begär snabbare återbetalning eller ytterligare garantier.

- En del av Koncernens skuldsättning är räntebärande till rörliga räntesatser som i allmänhet är knutna till referenspunkter på marknaden såsom EURIBOR. En eventuell höjning av räntesatser skulle kunna öka Koncernens finansieringskostnader relaterad till dess rörliga skuldsättning och öka kostnaderna för refinansiering av befintlig skuldsättning och utfärdande av ny skuld. Därutöver bedriver Koncernen sin verksamhet och ådrar sig kostnader i lokal valuta i de länder där Koncernen är verksam. Dess dotterbolags resultat och ekonomiska ställning översätts sedan till EUR för att inkluderas i Koncernens konsoliderade årsredovisning, som anges i EUR. Koncernen påverkas även av inflationsrelaterade kostnadsökningar.

Nyckelinformation om värdepapperen

Värdepapperens viktigaste egenskaper

Värdepapper som är föremål för upptagande till handel	Hybridobligationerna utgör icke-säkerställda efterställda hållbarhetslänkade hybridskuldinstrument vilka är dematerialiserade och kontoförda i det avstämningsregister som förs av Euroclear Sweden AB. International Securities Identification Number (ISIN-kod) för Hybridobligationerna är SE0019914250. Varje Hybridobligation är fritt överlåtbar. Valutan för Hybridobligationerna är EUR. Hybridobligationernas nominella värde är 20 000 EUR och de har erbjudits till teckning till ett minsta belopp om 100 000 EUR. Antalet emitterade Hybridobligationer är 1 250.
Rättigheter som sammanhänger med värdepapperen	Hybridobligationerna är efterställda förpliktelser för Emittenten och är Emittentens mest juniora skuldinstrument per dagen för detta Prospekt, rangordnade efter alla nuvarande och framtida fordringar avseende alla Emittentens prioriterade skulder. Innehavarna skulle vara oprioriterade borgenärer vid Emittentens frivilliga eller ofrivilliga likvidation, konkurs eller omorganisering, de skulle inte vara berättigade att kräva att någon säkerhet eller garanti utställs avseende Hybridobligationerna och Innehavarna skulle kunna förlora hela sin investering. Från men exklusive den 6 april 2023 (”**Emissionsdagen**”) till och med en ränteomläggningsdag den 6 juli 2026 (”**Ränteomläggningsdagen**”) bär Hybridobligationerna ränta på det utestående kapitalbeloppet till den fasta räntesatsen, villkorat av klausul 8.8 (*Kontrollskifte*) i villkoren för Hybridobligationerna (”**Villkoren**”). Sådan ränta förfaller till betalning (villkorat av de bestämmelser som återfinns i klausul 7.1 (*Kumulativt frivilligt ränteuppskjutande och frivillig betalning*)) årligen i efterhand på varje räntebetalningsdag. Från men exklusive Ränteomläggningsdagen till och med dagen då Hybridobligationerna kommer att lösas in enligt Villkoren (”**Inlösendagen**”) bär

Hybridobligationerna ränta på sitt utestående nominella belopp till rörlig ränta, villkorat av klausul 8.8 (*Kontrollskifte*). Sådan ränta kommer att förfalla till betalning (villkorat av de bestämmelser som återfinns i klausul 7.1 (*Kumulativt frivilligt ränteuppskjutande och frivillig betalning*)) kvartalsvis i efterhand på varje räntebetalningsdag.

Hybridobligationerna har ingen förfallodag, och Emittenten har inga förpliktelser att återbetala, återköpa eller lösa in Hybridobligationerna vid någon bestämd tidpunkt. Emittenten får dock, enligt eget gottfinnande, lösa in samtliga utestående Hybridobligationer i sin helhet, men inte delvis, på Ränteomläggningsdagen eller eventuell räntebetalningsdag därefter eller vid inträffande av vissa händelser, inklusive en Skattehändelse eller en Bokföringshändelse, en Ersättningskapitalhändelse, Kupongskattehändelse eller ett Kontrollskifte, var och en såsom de definieras och vidare beskrivs i Klausul 8 (*Inlösen och förvärv*) i Villkoren. Återbetalning av kapitalbeloppet och räntebetalning kommer bland annat att bero på Emittentens återbetalningsförmåga, Emittentens skyldigheter enligt eventuella prioriterade finansiella arrangemang och beslutet att genomföra betalningarna i förhållande till kapitalbeloppet eller ränta i enlighet med Villkoren. Det investerade kapitalet och avkastning kan komma att förloras helt eller delvis.

Var kommer värdepapperen att handlas?

Upptagande till handel	Eltel avser att ansöka om upptagande till handel av Hybridobligationerna på Nasdaq Stockholm Sustainable Debt Market.

Vilka nyckelrisker är specifika för värdepapperen?

Väsentliga riskfaktorer specifika för värdepapperen

Inför ett eventuellt investeringsbeslut är det viktigt att noggrant analysera de riskfaktorer som bedöms väsentliga för Hybridobligationerna. Dessa innefattar bland annat följande:

- Hybridobligationerna kommer inte att vara förpliktelser för någon annan än Emittenten och de är icke-säkerställda, djupt efterställda förpliktelser för Emittenten och de är Emittentens mest juniora skuldinstrument per dagen för detta Prospekt. Ingen annan än Emittenten kommer att åta sig något som helst ansvar för Emittentens eventuella underlåtenhet eller oförmåga att betala något belopp som är förfallet under Hybridobligationerna.
- Hybridobligationerna har ingen angiven slutlig förfallodag och Emittenten har ingen skyldighet att lösa in Hybridobligationerna vid något som helst tillfälle. Innehavarna har ingen rätt att påkalla deras inlösen och därför bör Innehavarna vara medvetna om att de kan behöva bära de finansiella riskerna förknippade med en investering i Hybridobligationerna under en obegränsad tidsperiod och kommer kanske inte att återfå sin investering under förutsebar framtid.
- Villkoren för Hybridobligationerna ger inte någon rätt till acceleration eller säljoption för investerare vid kontrollskifte avseende Emittenten. Om Emittenten blir föremål för kontrollskifte kommer investerarna följaktligen inte att ha rätt att accelerera Hybridobligationerna eller begära att Hybridobligationerna löses in.
- Villkoren för Hybridobligationerna reglerar ingen situation av betalningsoförmåga som ger Innehavarna rätt att accelerera Hybridobligationerna eller begära att Hybridobligationerna löses in. Om Emittenten brister i uppfyllandet av någon förpliktelse under Hybridobligationerna, innefattande betalning av eventuell ränta, kommer investerare följaktligen inte att ha rätt att accelerera Hybridobligationerna eller begära att Hybridobligationerna löses in.
- Emittenten har rätt att skjuta upp betalning av ränta på Hybridobligationerna om förutsättningarna för uppskjutande som anges i Villkoren för Hybridobligationerna är uppfyllda. Till följd av detta är ordningsföljden eller genomförandet av eventuell framtida betalning till Innehavarna förenade med osäkerhet.
- En avsevärd del av Koncernens tillgångar och intäkter är hänförliga till Emittentens dotterbolag. Hybridobligationerna är strukturellt efterställda i förhållande till sådana dotterbolags skyldigheter. Betalningsoförmåga eller insolvens för vissa dotterbolag kan resultera i skyldighet för Emittenten att genomföra betalningar under finansiella eller

prestationsgarantier avseende sådana dotterbolags skyldigheter eller förekomsten av korsvis betalningsoförmåga beträffande vissa av Koncernens lån. Det finns en risk att Emittenten och dess tillgångar inte skulle vara skyddade från dotterbolagsborgenärers eventuella åtgärder oavsett om dessa är av konkursrättslig, obligationsrättslig eller annan karaktär.

Nyckelinformation om upptagandet till handel på en reglerad marknad

På vilka villkor och enligt vilken tidsplan kan jag investera i detta värdepapper?

Tidsplan	Hybridobligationerna har erbjudits till teckning till ett minsta belopp om 100 000 EUR för godtagbara motparter, professionella investerare och icke-professionella investerare i en så kallad private placement-process (”**Erbjudandet**”). Hybridobligationerna har inte, och kommer inte att, erbjudas till allmänheten. Hybridobligationerna emitterades den 6 april 2023. Eltel kommer att ansöka om upptagande till handel av Hybridobligationerna på Nasdaq Stockholm Sustainable Debt Market.

Varför upprättas detta Prospekt?

Bakgrund och motiv	Eltel har upprättat detta Prospekt bland annat för att förse investerare med information om Koncernen, Hybridobligationerna och de risker som är förknippade med en investering i Hybridobligationerna. Nettolikviden från emissionen, vilken uppskattas att uppgå till cirka 24,1 miljoner EUR, kommer att användas till att återbetala delar av Eltels befintliga skuldsättning och för att stödja Eltels expansion inom infrastruktur för förnybar energi och initiativ för att förbättra lönsamheten.
Väsentliga intressekonflikter	Danske Bank A/S, Nordea Bank Abp och OP Corporate Bank plc har agerat joint lead managers (“**Joint Lead Managers**”) i förhållande till emissionen. Joint Lead Managers och andra bolag inom deras koncerner och/eller deras närstående kan ha utfört, och kan i framtiden komma att utföra, investerings-, försäkrings-, bank- eller andra tjänster för Eltel inom ramen för sin normala affärsverksamhet för vilka de kan ha erhållit, och kan komma att fortsätta att erhålla, sedvanligt arvode och provision. Befintlig finansiell skuldsättning som delvis ska refinansieras med likviden från emissionen av Hybridobligationer kan innefatta finansiell skuldsättning som tillhandahålls av en eller flera av Joint Lead Managers. Därutöver kan Joint Lead Managers och andra bolag inom samma koncern och/eller deras närstående ha tillhandahållit, och kan i framtiden komma att tillhandahålla, investerings-, försäkrings-, bank- och/eller andra tjänster åt Emittenten inom ramen för sin normala affärsverksamhet för vilka de kan ha erhållit, och kan komma att fortsätta att erhålla, sedvanligt arvode och provision. Joint Lead Managers och andra bolag inom samma koncern och/eller deras närstående har även inom ramen för sin normala affärsverksamhet agerat arrangörer eller långivare under vissa av Emittentens och dess närståendes låneavtal, för vilket de har erhållit, och kan komma att fortsätta att erhålla, sedvanlig ränta, arvoden och provision.

RISK FACTORS

An investment in the Capital Securities involves a number of risks. Investors considering an investment in the Capital Securities should carefully review the information contained in this Prospectus and, in particular, the risk factors described below. Should one or more of the risk factors described herein materialise, it could have an adverse effect on Eltel's business, financial condition, results of operations and future prospects and thereby Eltel's ability to fulfil its obligations under the Capital Securities as well as the market price and value of the Capital Securities. As a result, investors may lose part or all of their investments.

In this section, risk factors which are specific to Eltel and the Capital Securities, and which Eltel deems to be material for making a well-grounded decision to invest in the Capital Securities, are presented. The risk factors are presented in categories where the most material risk factor in a category is presented first under such category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. The materiality of each risk factor, based on the probability of its occurrence and the expected magnitude of its negative impact, is indicated by using a scale of low, medium or high, as assessed by Eltel. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.

The description of each risk factor below is based on information available and estimates made on the date of this Prospectus. Therefore, the description of the risks facing Eltel is not necessarily exhaustive. Eltel also faces many of the risks inherent to its industry and additional risks not currently known or not currently deemed material may also impair Eltel's business, financial condition, results of operations and thereby Eltel's ability to fulfil its obligations under the Capital Securities. All prospective investors should make their own evaluations of the risks associated with an investment in the Capital Securities and consult their own professional advisors should they deem it necessary.

Risks Relating to the Issuer's Business

The Company generates a significant portion of its sales, and expects to continue deriving a large portion of its sales, from a limited number of customers and any significant loss of business from these customers, or failure by such customers to pay for the Company's services, could have a material adverse effect on the Company's business, financial position and results of operations

The Company relies on a limited number of customers in each of its segments for the majority of its net sales. Eltel typically enters into long-term framework agreements (with a 2–4-year term) with a relatively small number of large, well-established companies, many of which has Nordic and/or international presence. Long-term business relationships with some of Eltel's key clients have been in place for over 10 years. The Company's top five largest customers represented approximately 48% of the Company's net sales in the 2022 financial year, aggregated from several contracts per customer of varying durations, geographic coverage and technology. In order to secure contracts that expire and must be renegotiated, the Company may be required to agree to terms not favourable to it and which may reduce the profitability of these contracts. Loss of major framework agreements with customers may require restructuring of local operations in impacted geographies. Failure to secure the renewal of a significant portion of these contracts on the same or more favourable terms could have a material adverse effect on the Company's results and financial position.

Risk level: High

The demand for the Company's services is subject to seasonal fluctuations and cyclicality

The Company's business is subject to seasonal fluctuations and volatility across quarters. Generally, during the winter months (primarily the first quarter), demand for new projects and maintenance services are lower due to reduced construction activity during cold weather. Additionally, in the Nordic region, frozen ground during winter months limits the ability to conduct work that involves digging, for example digging trenches to lay cable. However, demand for electrical service and repairs may be higher (primarily in the first and fourth quarters) due to damage caused by winter storms. As a result of these and other factors, the Company's quarterly results of operations may vary significantly, both during a particular year and when compared to the Company's historical results of operations. The Company is exposed to the risk that revenue expected to be booked in a particular quarter may not be realised until a later reporting period, if at all. As a result, the Company's operating results for any particular quarter may not be indicative of the results that can be expected for any other quarter within the same year, for the entire year, or for the corresponding quarter of any other year.

The Company's market can also be highly seasonal over the course of the year as many customers' annual capital expenditure budgets are approved at the beginning of their financial year. Tenders are often conducted during the early months of the year, and customers strive to complete their budgeted capex spending by the end of the year. Some customers spend nearly their entire annual budgets in the fourth quarter when they have invested less than estimated during the year's first nine months.

The Company's volume of business may be adversely affected by declines in the number of signed/awarded new projects. Seasonal fluctuations, such as weather conditions, the timing of the customers' orders and completion of certain project phases at the end of a month, may affect the Company's results of operation and cash flows on a quarterly basis, but tend to even out over the year. However, years with weather conditions that are unusually inclement or mild or characterised by heavy or little precipitation, may affect operating results and cash flow for that year.

The Company's cash flows are dependent on the timing of payments received by the Company for the services it provides. Payment schedules for a project may be revised as a result of delays in the project's timetable caused by a number of factors, including inclement weather, delays in obtaining equipment and materials, phasing out projects, or unforeseen complexities in executing planned works. Delays in payment schedules result in delays in the Company's expected cash inflows. For large-scale projects, these delays can adversely affect the Company's working capital.

Risk level: High

Inefficient or unsuccessful project management and/or forecasting, particularly in relation to fixed-price contracts, may result in significant losses if costs are greater than anticipated

Many of the Company's project delivery service contracts in certain markets are fixed-price contracts that contain inherent risks because the Company agrees to the price of the project at the time it enters into the contract. In particular, the Company has faced significant profitability challenges in its High Voltage business in Poland, partly due to recent cost increases and the impact of the war in Ukraine on sourcing of materials and subcontractors. The price is based on estimates of the ultimate cost of the contract and the Company assumes substantially all of the risks associated with completing the project, as well as the post-completion warranty obligations. The essential skills for performance and profitability of a project are the Company's ability to foresee the project's costs, to correctly assess the various resources (in particular, human resources) necessary to carry out the project, to effectively manage and document the services provided by subcontractors, and to control technical events that could in part affect and delay progress on the project and in part entail issues relating to changes and addition work and documentation thereof. Poor project management, errors in calculating costs, incomplete documentation relating to modifications in the project or defective bids by subcontractors engaged by the Company can generate significant additional performance costs and delays, leading to a potential loss in profits, delays in payment for the Company's services and/or damaging its reputation.

Insufficient follow-up according to the above has entailed and may in future entail, that already calculated completed percentage during ongoing fixed-price projects according to the applied percentage-of-completion method must be revised, which may imply that already recognised profits from individual projects decline or even become a loss for the projects in question.

Warranty obligations can range from re-performance of services to modification or replacement of equipment. In cases where the Company agrees to fixed-price contracts, it also assumes the risks related to cost and gross profit realised on such contracts, which can vary, sometimes substantially, from the original projections due to changes in a variety of factors, including but not limited to:

- changes in the cost of components, materials or labour as well as current foreign exchange rates;
- difficulties in obtaining required governmental permits or approvals;
- changes in local laws and regulations;
- changes in local labour conditions;
- project modifications creating unanticipated costs;
- delays caused by adverse weather conditions;
- fraud and corruption by suppliers or subcontractors; and
- project suppliers' or subcontractors' failure to perform.

These risks may be exacerbated by the length of time between signing a fixed-price contract and completing the project because most of the projects that the Company enters into are long term both in regard to fixed-price projects and follow-up during execution and more generally in regard to post-completion warranty obligations. Additionally, the Company sometimes bears the risk of delays caused by unexpected conditions or events. The Company may be subject to delay penalties if portions of the long-term, fixed-priced projects are not completed in accordance with agreed-upon standards in the agreed-upon time limits. The materialisation of any such risks, conditions, events or penalties could have a material adverse effect on the Company's business, financial position and results of operations. These risks are emphasised by the fact that the number of customers and projects within the project business in total is small.

Under its fixed-price project delivery service contracts, the Company to a large extent bears the risk for sudden increases in market prices of raw materials necessary for the service in question, e.g., steel, aluminium, copper and fuel. Such raw materials are priced on international commodity markets and Eltel must obtain adequate supplies of the materials in competition with others. Sudden increases in raw material prices may have a significant impact on Eltel's margins as they cannot be passed on to the customer under such fixed-priced contracts. Similarly, the Company is exposed to sudden market price increases of electricity. In recent years, the Company has experienced such sudden price increases regarding several of its most important raw materials as well as electricity, in part as a consequence of the Covid-19 pandemic, the war in Ukraine, increased inflation and other significant macro events.

Eltel has to some extent chosen to move away from large projects, especially where fixed-price contracts are employed. Whereas the service type Project delivery represented approximately 26% of total net sales in 2019, it only accounted for approximately 20% in 2022. This shift is especially true for Eltel's home markets, whereas fixed-price contracts or other contracts with inflexible cost compensation mechanisms are more commonly used in Eltel's High Voltage business in Poland. The use of these inflexible contract structures combined with the inflation, which is even higher in Poland than in Eltel's home markets, and the proximity to the war in Ukraine has impacted Eltel's Polish operations significantly. Other ways that Eltel seeks to partly mitigate the risks associated the increased inflation throughout Eltel's markets include the application of price indexes and mechanisms for direct cost compensation, especially for fuel, by the customer. At present, contracts covering approximately 58% of the Group's net sales have indexes in place. However, the degree of compensation may be lower than previously anticipated, and it will take time before the agreed indexation mechanisms take full effect. It is also difficult to cover the full impact with price increases, especially in existing long-term contracts.

These risks, if they were to materialise, could have a material adverse effect on the Company's results of operations, and by extension, financial position.

Risk level: High

Several of the Company's customer contracts are non-exclusive and several contracts do not provide for a fixed-volume of work, both of which could lead to an unexpected loss of revenue and a reduction in backlog

Several of the Company's maintenance and upgrade service contracts are non-exclusive, such that the Company's customers may effectively terminate the contract at will or engage a service provider other than the Company. In some of the Company's contracts, the Company is an exclusive service provider to a customer, but there is no fixed minimum volume commitment, which means that the customer can easily reduce the Company's volume of work under that agreement without the Company's consent. Several of the Company's contracts are both non-exclusive and do not provide for a fixed minimum volume.

In addition, the Company's customers may reduce the value of existing contracts through partial termination, delay or withholding of the payment of invoices, or audit the Company's contract-related costs and fees. The Company's customers may exercise their rights to use other service providers, reduce the volume of services the Company provides or exercise termination rights. Any exercise of these contractual rights could have a material adverse effect on the Company's business, financial position and results of operations.

Risk level: High

The Company's business depends on its ability to identify, attract and retain highly skilled personnel

The Company is largely dependent upon the skills, experience and efforts of its Group management and key operational leaders. Given their expertise in the industry in general and within the Company in particular, the loss of one or more of the Group management members could have a material adverse effect on the Company's business, financial position and results of operations.

The Company is also dependent on its continued ability to hire and retain highly skilled technical personnel with the level of expertise necessary to conduct its operations and activities. For example, the Company depends on highly qualified technicians to perform services that involve cabling, installing and maintaining networks. Such work involves numerous employees working under varying and sometimes difficult conditions, often involving heights. Technicians working under such conditions must be highly qualified and adhere to the requisite safety standards. In some regions, competition for qualified employees is significant, which leads to high employee turnover. The shortage of resources on the labour market in certain regions, especially with regard to qualified employees, could adversely affect the Company's business. If the Company fails to continue to attract and retain highly qualified management and other skilled employees on acceptable terms, it may not be able to sustain or further develop its business, which could have a material adverse effect on the Company's results of operations.

Risk level: Medium

The Company's business strategy includes to grow in new and adjacent markets which can be achieved through strategic acquisitions of complementary businesses and service lines, which the Company may be unable to achieve or successfully integrate

Part of the Company's continuing business strategy includes aspirations to grow in new and adjacent markets, such as renewable energy and public infrastructure, which the Company may try to achieve through acquisitions of, or investments in, companies that complement the Company's current service packages, enhance its market coverage, technical capabilities or capacity, or offer growth opportunities. There is a risk that the Company will not find attractive acquisition opportunities on favourable terms or at all, and the Company may face competition for attractive acquisition targets which may increase the price of the target. The Company may also be restricted from making acquisitions over a certain amount as a result of covenants in its financing agreements. Competition for acquisition objects has driven up the price of larger acquisitions, for instance where the sale is conducted by auction; however, smaller, bolt-on acquisitions have not been so affected. If the Company cannot complete an acquisition on favourable terms, it could adversely impact the Company's ability to implement its growth strategy. In addition, future acquisitions could pose numerous risks to the Company's operations, including:

- the Company may have difficulty integrating acquired operations, products, technologies or personnel;
- the Company may incur substantial unanticipated integration costs;
- assimilating the acquired businesses may divert significant management attention and financial resources from the Company's other operations and could disrupt its ongoing business;
- acquisitions could result in the loss of key employees, particularly those of the acquired operations;
- the Company may have difficulty retaining or developing the relationship with the acquired businesses' customers;
- the Company may fail to realise the potential cost savings or other financial benefits and/or the strategic benefits of the acquisitions; and
- the Company may incur liabilities or other claims from the acquired businesses, and it may not be successful in seeking indemnification for such liabilities or claims.

In connection with these acquisitions or investments, the Company could incur debt, amortisation expenses related to intangible assets, large and immediate write-offs, assume liabilities, or issue shares that would dilute its current shareholders' percentage of ownership. The Company may be unable to complete acquisitions or integrate the operations, products, technologies or personnel gained through any such acquisition, which could have a material adverse effect on the Company's results of operations.

Risk level: Medium

Certain of the Company's contracts contain performance undertakings that could adversely affect its profitability

The Company enters into certain contracts under which it undertakes to reach a particular result in connection with the service. For example, with respect to certain technical services contracts, the Company undertakes to provide a level of service quality measured by certain performance indicators. Failure to comply with such performance undertakings could result in a decrease or loss of fees payable under the contract, or to the early termination of the contract and could have a material adverse effect on the Company's profitability and, by extension, results of operation.

Risk level: Medium

Certain of the Company's contracts cover standby fault repair maintenance. In order to fulfil its obligations under such contracts, the Company needs to be able to mobilise its workforce with limited notice and in difficult conditions

Under the terms of certain of its contracts with customers, the Company provides standby fault repair maintenance. Such maintenance may be required in the event that there is a major storm which disrupts power lines and networks. Under the terms of these contracts, the Company may be required to have workers on-site within 12–24 hours. The Company may face difficulty in doing so if challenging weather conditions persist or other factors prevent it from mobilising its work force within the prescribed period of time. Should the Company fail to substantially meet its obligations, the Company may be subject to penalties or fines under the agreement and may suffer reputational damage as a result, which could have a material adverse effect on the Company's business, financial position and results of operations.

Risk level: Medium

The Company relies on its customer-integrated information technology systems for the operation of its business, making the Company subject to cybersecurity risks. If the systems suffer breakdowns due to hacking, systems failure or computer viruses, the Company's sales and profits could be adversely affected

The Company relies on its technology systems and operations to perform critical functions such as gathering, processing and communicating information efficiently, securely and without interruptions. The Company's systems are often integrated with its customers' systems for purposes of order processing and invoicing, particularly in communication and power distribution services. To the extent the Company experiences system interruptions, errors or downtime, the Company's customers' systems may experience similar disruptions, which could result in the loss of work orders and reputational damage to the Company.

If the Company's or its customers' systems are disabled, not adequately maintained, or if the systems are unable to support new or developed products or services, it could have an adverse effect on the Company's ability to receive new work orders from its customers and invoice for completed work. As the telecommunications sector has become increasingly digitalised, automated and online-based, the Company has also become exposed to increased risks of hacking and general information technology system failures. Unanticipated information technology problems, system failures, computer viruses, employee incautiousness, hacker attacks or unauthorised access to the Company's systems could affect the quality of the Company's services, compromise the confidentiality of its subscriber data or cause service interruptions, which could harm its reputation and thus have a material adverse effect on the Company's market share, business, financial position, results of operation and growth prospects.

Risk level: Medium

The Company is subject to risks relating to the actions of its employees, subcontractors and temporary workers

In general, Company employees provide services at premises and other locations belonging to or operated by its customers and regularly handle valuable plant and equipment that is not owned by the Company. As a result, the Company could be subject to claims relating to damage caused by, or wrongful behaviour or illegal act committed by its employees or any other person entering customer premises in an unauthorised manner in connection with the performance of the Company's services. Such claims could be significant and could affect the Company's reputation. For certain activities, the Company uses a number of temporary workers. This could result in a decrease in the quality of services or a higher rate of work-related accidents, which could affect the Company's reputation.

The Company also relies on subcontractors (both internal and external) in all of its segments in order to perform its services, and the Company may increase its reliance on such subcontractors as part of its growth strategy. The Company maintains responsibility for the work performed by its subcontractors. Consequently, the Company is exposed to risks relating to managing subcontractors and the risk that such subcontractors may fail to perform their obligations satisfactorily and on a timely basis. In addition, such subcontractors may fail to adhere to the Company's rigorous safety standards. Failures by the Company's subcontractors could adversely affect the Company's ability to perform its obligations to its customers and to comply with applicable regulatory requirements. In cases of underperformance, non-performance or other deficiencies on the part of the Company's subcontractors could result in a customer terminating its contract with the Company. Such a situation could expose the Company to financial liabilities, damage its reputation and impair its ability to compete for new contracts, which could have a material adverse effect on the Company's business, financial position and results of operations.

Risk level: Low

An accident or incident involving the Company's employees, subcontractors or other third parties could harm the Company's reputation, affect its ability to compete for business, and if not adequately insured or indemnified, could have a material adverse effect on its business, financial position and results of operations

The Company's operations are subject to hazards inherent in the industries in which it operates. Services performed in the Power and Communication business segments regularly involve working at heights in connection with work performed on towers and antennae, which require the Company's employees and subcontractors to adhere to strict safety procedures. Road safety is a particularly important area for Eltel as teams spend a lot of time on the road driving from site to site. The Company's employees and subcontractors are also subject to hazards related to electrified and power lines. The Company's customers depend on the Company's safety, quality and environmental expertise for the services and projects it carries out, and the Company in turn depends to a degree on subcontractors and other third parties to execute these services and projects. Some of the Company's contracts with customers contain provisions relating to compliance with health and safety standards, and breaches of such provisions could result in loss of reputation, customer trust, fines and loss of contracts and could have an impact on future business opportunities. Furthermore, lack of subcontractor availability on the market may lead to the selection of subcontractors with less experience and/or focus on health, safety and environment matters, and thus their usage may lead to increased incidents and/or reputational damage to Eltel.

Failure by the Company, its employees, subcontractors or other third parties to comply with health and safety standards could expose both them and the Company to risk, and can cause personal injury and loss of life, business interruptions, property and equipment damage, pollution and environmental damage. Failure to effectively cover the Company against these risks through insurance or indemnification arrangements could expose the Company to substantial costs and potentially lead to material losses. Actual or alleged accidents at projects, safety defects, defective performance, quality defects or environmental damage resulting therefrom could affect the demand for the Company's services, result in reputational damage and have adverse financial consequences, including the imposition of significant fines and the loss of authorisations and qualifications required to conduct its business. All such accidents or events could do lasting damage to the Company's reputation, even if the Company was not actually responsible and no fault on the part of the Company has been proven. This could have a material adverse effect on the Company's business, financial position and results of operations.

Risk level: Low

Revocation of the Company's employees' or subcontractors' safety accreditations could adversely affect the Company's results of operations and ability to compete

Under certain of the Company's contracts, the Company is required to deliver its services using a minimum number of individuals (whether employees or subcontractors) who hold applicable safety accreditations. The individuals holding these safety accreditations may fail to retain their safety accreditations (for example, as a result of violation of the safety policies), may be dismissed by the Company or may terminate their employment or engagement voluntarily. If the Company is unable to employ or engage the required minimum number of safety-accredited individuals, the Company may be unable to fulfil its contractual obligations, which could have a material adverse effect on the Company's results of operations and ability to compete.

Risk level: Low

The Company may be adversely affected by risks associated with joint ventures

The Company has previously made investments in strategic development projects with third parties and may make additional such investments in the future. These projects may be developed pursuant to joint venture agreements and involve jointly owned companies over which the Company only has joint control. Eltel is currently co-owner of Eltel Networks Pohjoinen Oy (60 per cent owned by Eltel) and the Danish consortium NKEL (50 per cent owned by Eltel and 50 per cent by Nordkysten). Investments in projects over which the Company has partial or joint control are subject to the risk that the other shareholders of the joint venture, who may have different business or investment strategies than the Company or with whom the Company may have a disagreement or dispute, may have the ability to block business, financial or board decisions (such as the decision to distribute dividends or appoint members of management, which may be crucial to the success of the project or the Company's investment in the project), or otherwise implement initiatives which may be contrary to the Company's interests. The Company's partners may be unable, or unwilling, to fulfil their obligations under the relevant joint venture agreements and shareholder agreements, for example by contributing working capital or other resources, or may experience financial or other difficulties that may adversely impact its investment in a particular joint venture. In certain joint ventures, the Company may also be reliant on the particular expertise of its partners and, as a result, any failure to perform its obligations in a diligent manner could also adversely impact the joint venture. If any of the foregoing were to occur, such occurrence could have a material adverse effect on the Company's business, financial position and results of operations.

Risk level: Low

Risks Relating to the Issuer's Industry and Markets

The infranet industry in general, and the telecommunications industry in particular, is rapidly changing and if the Company is unable to adjust its strategy and resources effectively to meet changing market conditions and demand, the Company may not be able to compete effectively

The infranet industry in general, and the telecommunications industry in particular, is changing rapidly due to technological advances, availability of alternative services such as, in the mobile telecommunications industry, the shift from 4G to 5G, which is underpinned by an increased demand from customers for technological innovation, data volumes and high-speed internet access. The roll-out of 2G, 3G, 4G has historically driven activity in the mobile business area and the rollout of 5G is expected to have similar effects. The 5G roll-out is also expected to generate a large need of new connections to enable new use cases for both private and industrial customers, such as smart manufacturing, connected cars and smart cities. Furthermore, increasing demand for electricity for electric cars, factories and city 'smartification' will place even further emphasis on grid capacity, flexibility, balance and reliability and drive the power market through power network investments.

Change in consumer demand for streaming technologies and HD-TV has previously increased service providers' focus on developing fibre networks, which allows for greater bandwidth and better delivery of services. Given the maturity of the overall fixed telecommunications market, the Company must secure contracts for the deployment of fibre networks in order to maintain or increase its market share in the telecommunications market. In addition, as copper usage declines and networks become more automated, less field service will be required, which may have a negative effect on the Company's net sales. Furthermore, the Company's assessment is that Sweden has already reached "peak fibre" and that there are signs of decreasing volumes in Norway. When fibre and 5G installations have peaked, there is a risk of declining sales based on current offering.

Achieving successful financial results will depend on the Company's ability to anticipate, assess and adapt to rapid technological changes and to offer, on a timely and cost-effective basis, the services that its customers demand. If the Company is unable to anticipate, assess or adapt to such technological changes at a competitive price, maintain competitive services or obtain new technologies on a timely basis or satisfactory terms, it could lead to Eltel being unable to compete effectively.

Should Eltel not succeed in renewing its services as compared to its competitors, or keep up with new technological developments, or adapt to changes in terms of customer behaviour, this could lead to customers choosing competitors instead of Eltel, which could have a material impact on Eltel's earnings, and, as a consequence, its results of operations and financial position.

Risk level: High

Competitive pressure and market consolidation may result in the Company's loss of current market share or inability to increase its market share

The Company has different competitive positions in each of the markets in which it operates and faces competition from a variety of competitors in each of these markets. The market for power transmission services (i.e., services for carrying high voltage from where it is generated to where it can be distributed) is fragmented with numerous international and local players serving transmission service operators, while the competitive landscape in power distribution (i.e., services for carrying lower voltage to where it is used) services is more local in nature. The market for communication services has been fragmented and has led to a consolidation in Sweden and Norway. In other markets, the competition situation is still fragmented. In a competitive tender, local competitors may underbid contracts because their workforce is not fully utilised, while international competitors may be able to compete by, for example, pushing for tighter timeframes. Some of the Company's present and potential future competitors may have substantially greater financial, marketing, technical or manufacturing resources. The Company's competitors may also be able to respond more quickly to new technologies or processes and changes in customer demands. They may also be able to devote greater resources to the development, promotion and sale of their services than the Company. Moreover, the Company perceives an increasing trend among customers to consolidate their supplier bases in order to increase efficiency and benefit from scale and scope advantages. In addition, the Company's current and potential competitors may make strategic acquisitions or establish partnerships among themselves or with third parties that increase their ability to address the needs of the Company's customers. The inability of the Company to maintain or increase its current market share could have a material adverse effect on the Company's business and results of operations.

Risk level: High

The Company's revenue growth is to a certain extent dependent on continued deregulation and outsourcing of technical services – in both the public and private sectors – by the power and communications industries

Deregulation of the power, telecommunications, transport and defence industries has resulted in increased outsourcing of services in these industries. Deregulation has historically been advantageous to the Company's development as outsourcing initiatives have allowed the Company to expand its business and to enter into new markets that were previously restricted. The foundation of what Eltel is today was formed in 2001 when Fortum outsourced its field service organisation. The growth that the Company has since exhibited is attributed to growth in the market in total and the manifestation of business opportunities in conjunction with deregulation and outsourcing.

The pace of deregulation and outsourcing has historically varied among industries and countries, and the prerequisites still vary considerably among countries in which business activities are conducted. For example, the Company's Communication segment in Sweden anticipates no further deregulation and outsourcing in the immediate future, while there is growth potential in Germany, for instance. The Company's services in the Power segment have been outsourced to a significant degree in Sweden and Finland, but to a much lesser extent in Norway. Outsourcing of technical service is in its infancy in other markets and segments. On the basis of the above, the Company believes that outsourcing opportunities remain in a number of the Company's markets.

The Company believes that outsourcing levels in the public sector within these segments are driven by a focus on cost savings by government-owned operators and decisions with respect to public expenditure levels that may be influenced by political and administrative approaches. In recent years, economic pressures in Europe have significantly affected the resources of governments and other public entities, leading to an increased political focus on cost savings. In the Power segment, outsourcing by government-owned distribution system operations, particularly of power distribution services, is becoming more prevalent as initiatives to upgrade and expand power distribution infrastructure are increasing. However, in the Finnish market regulatory restrictions on network operator profitability have taken effect as of January 2022 causing reduced investments and thereby negatively impacting Eltel's sales in the Power distribution market.

The Company's business with power distribution service operators is dependent on the continued government-driven roll-out of smart meters. Should government support for these or other regulatory initiatives decrease, many of the Company's current projects may be subject to delay or termination, and the Company's growth prospects would suffer.

In other industries in which the Company operates, particularly Communication, private-sector players have outsourced functions in order to focus on their core businesses, raising the operational efficiency and improving both their productivity and reliability while achieving cost savings, which has resulted in widespread outsourcing across the industry. As a result of the relatively mature state of the outsourcing market, there are fewer new outsourcing opportunities in the Company's Communication segment than in other segments.

A component of the Company's strategy is to expand operations by taking on additional maintenance functions and services outsourced by both the public and private sector. If the pace of outsourcing is slower than expected, or if the market for outsourced services fails to develop in the industries and countries in which the Company operates, then these and other developments could have a material adverse effect on the Company's business, financial position and results of operations.

Risk level: Medium

The Company is exposed to the effects of significant economic disruptions and, to a lesser extent, the general market conditions and economic activity in Northern and Central Europe, particularly in the Nordic region

The Company's results of operations are susceptible to the effects of significant economic disruptions in Denmark, Sweden, Norway and Finland and, to a lesser extent, the Baltic and Central European countries. Pursuant to Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2022, out of the total net sales of EUR 823.6 million for the financial year ended 31 December 2022, only EUR 99.4 million was attributable to Eltel's other business outside of its country segments in Finland, Sweden, Norway and Denmark. This other business is mainly conducted in Poland, Germany and Lithuania. Adverse economic developments and severe economic contractions such as, for example, the recent increases in inflation as well as volatility and disruption on financial markets, which have partly been caused by the Covid-19 pandemic and the war in Ukraine, have had and are likely to continue to have an adverse effect on the Company's business as customers generally reduce their level of expenditure in a recession which adversely affects the demand for the Company's services. Such disruptions may also cause governments to change their priorities and reduce public spending or direct funds to other projects than they would have otherwise, which could affect Eltel negatively with regard to public sector contracts. Such adverse economic developments may also cause disturbance of global or regional logistics chains, as well as price increases or shortages of materials or components, which could affect the Company and its suppliers.

Prolonged periods of low economic growth, high unemployment, other negative economic developments in Europe and general uncertainty in the eurozone, could have a material adverse effect on the Company's financial position and results of operations.

Risk level: Medium

The Company's ability to secure favourable contracts and achieve its growth targets may be limited as a result of competitive bid processes and pressure on prices

In order to secure contracts with customers, the Company is often required to participate in competitive bid processes in the form of call for tenders. Whether a contract is awarded depends in part on customer perception with regard to prices and quality of the services offered by the various bidders. As a result, the Company may lose tenders if it is unable to successfully demonstrate its strengths relative to its competitors or be competitive on price. As Eltel typically enters into long-term framework agreements (with a 2–4-year term) with a relatively small number of large customers, the Company has a relatively high dependency on each of its existing and potential contracts. The loss of a single competitive bid process can consequently have a relatively significant impact on the Company's business and results of operations.

The call for tenders often requires significant time and financial resources, and regardless of the amount of time and resources committed, it is possible that the Company will not be awarded the contract. Even in cases where the Company is awarded the contract, the profits realised may be lower than initial projections, or sales could prove insufficient to make the project profitable. The conditions under which the Company performs a contract may prove different from those provided for at the time when the bid was prepared because such terms depend on many variables that are sometimes difficult to foresee. These include accessibility to the work site, availability of qualified personnel and inclement weather. The difficulty in foreseeing the financial costs and performance conditions could adversely affect the Company's profit margins in connection with a particular contract, which could have a material adverse effect on the Company's business and results of operations.

Risk level: Medium

Legal, Regulatory and Tax Related Risks

Disruption of business operations due to changes in labour laws, work stoppages, strikes, the negotiation of new collective bargaining agreements and other industrial actions could adversely affect the Company's business

The Company estimates that a significant portion of its employees in the Nordic region are members of trade unions. The Company has entered into a written agreement with the trade unions in certain jurisdictions, which essentially governs its duty to consult and inform the trade unions about significant changes in its business, operations, development, future plans, etc. The Company is a member of employer and trade organisations in several countries, and is thereby bound by the collective bargaining agreements with the corresponding trade unions in those countries. The collective bargaining agreements provide for annual salary increases and include general terms and conditions on, among other things, vacation entitlements, notice periods, working hours and insurance benefits. The Company may in the future experience lengthy consultations with trade unions, strikes, work stoppages or other industrial actions called by the trade unions according to law, which could result in delays in the Company's ability to serve customers in a timely manner. Strikes and other industrial actions, and the negotiation of new collective bargaining agreements or salary increases in the future, could disrupt the Company's operations and make it more costly to operate its facilities, which in turn could have a material adverse effect on the Company's business.

The Company is dependent on a mobile workforce that involves the movement of employees from certain jurisdictions to perform work in other jurisdictions. Such a mobile workforce exposes the Company to certain risks. The Company is required to understand and comply with local labour laws (including in relation to minimum salary levels as well as employment conditions) in both the jurisdiction where the employees are coming from and the jurisdictions where employees are going to work, which requires a good understanding of local labour laws and good coordination among jurisdictions. In addition, the Company must comply with applicable labour laws related to transfers of undertakings, particularly when it wins new outsourcing contracts or expands existing framework agreements to cover new geographies or services. The enactment of labour or tax laws in any of the jurisdictions in which the Company operates could restrict its ability to use employees outside of their home jurisdiction, result in increased labour costs, including increases due to healthcare reform or minimum wages increases, all of which could have a material adverse effect on the Company's business.

Risk level: Medium

The Company is exposed to competition law risks

The Company is subject to competition laws in the jurisdictions in which it operates. Contractual conditions and price arrangements in agreements used in the Company's operations may be subject to restrictions under such competition laws. Competition authorities have the power to initiate procedures pursuant to existing regulations and can require a party to cease applying contractual terms and prices that are found to be anti-competitive. Competition authorities also have the power to impose fines and other sanctions as a result of non-compliance with relevant regulatory requirements. In addition, a person or company that has suffered damages on the basis of conduct in violation of competition laws may claim compensation for any damages caused by such violation, including interest thereon. Such third-party claims or administrative proceedings could result in Eltel being required to pay administrative fines, penalties or damages (plus interest), which, individually or in the aggregate, could have a material adverse effect the Eltel's business.

In October 2014, the Finnish Competition and Consumer Authority ("**FCCA**") issued a proposal to the Finnish Market Court to impose a fine of EUR 35 million on Eltel based on the alleged infringement of competition rules by Eltel in its power transmission line building and planning business in Finland during the period 2004–2011. The Finnish Market Court dismissed the case as time barred in March 2016 and, after appeal by the FCCA, the Supreme Administrative Court also dismissed the case in August 2021. Consequently, the case has been finally resolved. To the extent that the Company does not comply with applicable competition laws, it may be adversely affected by regulatory sanctions and remedies as well as inability to enforce contractual terms that are found to be anti-competitive. Furthermore, the Company's strong position in certain markets may result in the Company being considered by the regulatory authorities to have significant market power in such markets. Significant market power in one or more markets may result in regulatory restrictions on the Company's ability to act freely in these markets and its ability to grow through acquisitions, which could have a material adverse effect on its business and on the Company's ability to achieve its financial targets.

The Company operates in a competitive and commoditised industry with low barriers to entry and low margins. This creates an environment with risk for market abuse related to corruptive actions, conflicts of interest and competition law violations. The Company's operations could be adversely affected if the Company would, whether or not it is justifiable, become associated with illegal activities or otherwise unacceptable business methods, become the subject of investigations by competition authorities, find itself subject to an enforcement action or is found to be in violation of such laws. Such enforcement action, association or investigation could result in, inter alia, significant penalties, fines and/or sanctions being imposed on the Company, a negative perception of the Company among its current and future customers, problems in relationships with important contracting parties, e.g., insurance companies, exclusion from participation in public procurement procedures, or an adverse effect on the Company's ability to conduct major acquisitions, all of which could have a material adverse effect on the Company's business.

Risk level: Medium

The Company is involved in litigation, administrative and arbitration proceedings

In the ordinary course of business, the Company may be involved in a number of legal, administrative or arbitration proceedings relating in particular to civil liability, competition, intellectual and industrial property, taxation, employment and environmental matters. In connection with some of these processes and proceedings, monetary claims of a significant amount have been or could be made against one or more of the Company's subsidiaries. The legal and other expenses, as well as management attention, associated with administering these proceedings can be significant. The corresponding provisions that the Company could be required to record in its accounts could prove insufficient. Claims involving customers, suppliers and subcontractors may be brought against the Company, and by the Company in connection with its project contracts. Claims brought against the Company by customers could include back charges for alleged defective or incomplete work, breaches of warranty and/or late completion of the project and claims for cancelled projects. The claims and back charges can involve actual damages, as well as contractually agreed liquidated damages. Claims brought by the Company against customers include claims for additional costs incurred in excess of current contract price arising from project delays and changes in the agreed scope of work. Claims brought against or by the Company and its suppliers, subcontractors and vendors include claims like any of those described above.

These project claims, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings. The Company is also subject to legal proceedings in connection with regulatory regimes to which the Company is subject, including claims by customers and other third parties for damages arising from the Company's non-compliance with regulatory regimes. If the outcome of legal, administrative or arbitration proceedings involving the Company were to be unfavourable, it could have a material adverse effect on the Company's business, financial position and results of operations.

The Group is currently subject to a claim from a subcontractor in Tanzania in the amount of EUR 4.7 million regarding an alleged unfounded termination by Eltel Tanzania Ltd of a subcontractor agreement with the claimant. Eltel's legal advisor's view is that the claim has no substantial merits. Furthermore, the Group is involved in tax proceedings and other disputes relating to the Group's Power Transmission International ("**PTI**") business area, which is currently under ramp-down and no longer has active projects. This includes claims in the aggregate amount of approximately EUR 8 million raised by a Group company on behalf of a consortium against Georgian State Electrosystem related to works performed by the consortium on the Ksani-Stepantsminda Transmission Line. In February 2022, Eltel initiated arbitration proceedings by filing a Request for Arbitration with the ICC and in October 2022, Eltel filed its Statement of Claim. Georgian State Electrosystem rejects Eltel's claims in their entirety and asks that they be dismissed fully. Eltel's management's opinion is that the outcome of this case and the tax proceedings and other disputes incidental to PTI's business are difficult to predict.

Historical claims against the Group include a fine in the amount of approximately EUR 100,000 imposed by Nasdaq Stockholm on 8 December 2021 for alleged deficiencies in Eltel's disclosure of inside information during the years 2016 and 2017.

Such proceedings or claims could result in the Company being required to pay penalties, fines or damages, plus interest. In the event that the Company was required to pay penalties, fines or damages to a third party as a result of a third-party claim, such penalties, fines or damages would individually or in the aggregate, have a material adverse effect on the Company's business, financial position and results of operations. Furthermore, such claims could affect the Company's reputation, which could have a material adverse effect on the Company's business, financial position and results of operations.

Risk level: Medium

Certain customer agreements lack limitations of liability or have high monetary caps

Certain subsidiaries of the Group have entered into, and may in the future enter into, customer agreements that lack satisfactory limitations of liability and/or have high or no monetary caps on the Company's liability, or that lack limitations of liability with high monetary caps on the Company's liability. In Finland, for example, market practice under the standard agreement "YSE", which is frequently used in the infranet industry, does not exclude suppliers' liability for indirect and consequential loss. Should any of the Company's subsidiaries incur liability under an agreement with unsatisfactory limitations of liability or limitations of liability with a high monetary cap on the Company's liability, the Company may be obliged to pay damages, including punitive or consequential damages, which could have a material adverse effect on the Company's results of operation, and consequently its financial position.

Risk level: Medium

The Company's failure to comply with environmental laws and regulations could increase the Company's operating costs and decrease its profit and cash flow

The Company is subject to a variety of environmental regulations relating to the use, storage, discharge and disposal of hazardous materials in the course of its projects. Any failure by the Company to comply with current or subsequently enacted environmental regulations could subject the Company to liabilities, fines, the suspension of services or projects, or other punishments which would decrease the Company's cash reserves and could harm its profitability, which could have a material adverse effect on the Company's business, financial position and results of operations.

Risk level: Low

Uninsured losses arising from third party claims brought against the Company could result in payment of substantial damages, which could adversely affect the Company's business

The Company's business is exposed to the inherent risks in the markets in which it operates. The Company's insurance coverage may not be sufficient to cover all of the possible losses the Company may face in the future. The products or equipment used in the services the Company provides could result in serious bodily injury or death should such products or equipment be misused or malfunction. In addition, insurance coverage may not continue to be available to the Company or, if available, may be at a significantly higher cost, in particular with regard to some of the emerging market countries where the Company operates. If the Company were to incur a serious uninsured loss or a loss that significantly exceeded the insurance amount established in its insurance policies, the resulting costs could have a material adverse effect on the Company's business.

Risk level: Low

Risks Relating to the Issuer's Financing

The Company's financial targets may differ from the Company's actual results and investors should not place undue reliance on them

The Company's financial targets are the Company's expectations for the medium to long term, including revenue growth, operative EBITA margin, cash generation, leverage ratio and pay-out targets. These financial targets are based upon a number of assumptions, which are inherently subject to significant business, operational, economic and other risks. There is a risk that the key assumptions management has specified when setting its medium-term targets may not continue to reflect the commercial, regulatory and economic environment in which the Company operates. Accordingly, such assumptions may change or may not materialise at all. In addition, unanticipated events may adversely affect the actual results that the Company achieves in future periods whether or not its assumptions otherwise prove to be correct. As a result, the Company's actual results may vary materially from these targets and investors should not place undue reliance on them.

Risk level: High

The Group may not be able to obtain financing or guarantee facilities at favourable terms, or at all, or perform payment obligations due to insufficient liquidity, and the Group may breach the terms of its credit agreements

The Group may be required to raise new financing or refinance parts of or all of its outstanding debt in the future. The Group's ability to successfully raise new financing or to refinance its existing debt is dependent on a number of factors including the conditions of the financial markets in general, the Group's creditworthiness and its capacity to assume more debt at such time. As a result, the Group's access to financing sources at a particular time may not be available on favourable terms, or at all. Disruptions and uncertainties on the capital and credit markets may also restrict access to the capital required to conduct the Group's business, and it cannot be ruled out that the Group may come to use or require additional financing in the future. Furthermore, the Group is subject to liquidity swings in relation to different periods of the year. For example, the liquidity need of the Group is at its highest peak during the summer and early autumn months, when working capital typically accumulates due to the most active operational months in the Group's business. The Group is also regularly required to source guarantees from banks, insurance companies and other institutions in connection with its contracts. The Group's inability to raise additional financing, to refinance its debt obligations on favourable terms, or at all, or to obtain adequate guarantees could have a material adverse effect on the Group's business, financial position and results of operations.

In January 2022, the Group and its creditors entered into a new financing agreement, and have since extended the maturity of the Group's term loan until January 2025. The Group may face challenges in complying with covenants in its financing agreement, and any breach of covenant could result in suppliers and other stakeholders requiring quicker repayment or additional guarantees, which could have a material adverse effect on the Group's liquidity.

A breach of covenants or other obligations in the Group's credit agreements or other financing arrangements could also result in the finance providers requiring immediate repayment of all or a portion of the Group's outstanding debt, which could render any member of the Group insolvent, which in turn would have a material adverse effect on the Group's business and financial position.

Risk level: High

The Group may be subject to increased finance expenses if it does not effectively manage its exposure to interest rate and foreign currency exchange rate risks as well as inflation

The Group is exposed to various types of market risks in the normal course of business, including the impact of interest rate changes and foreign exchange rate fluctuations. Some of the Group's indebtedness bears interest at variable rates, generally linked to market benchmarks such as EURIBOR. Any increase in interest rates would increase the Group's finance expenses relating to its variable rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt. The market interest rates have increased significantly since the second quarter of 2022 and may continue to increase. The Group's policy is not to hedge its loans maturing within less than 2 years, and as the Group does not have any loans maturing in 2 years or more the Group does not have any interest rate hedges in place.

In addition, the Group conducts its business and incurs costs in the local currency of the countries in which the Group operates. The results and financial positions of its subsidiaries are then translated into EUR for inclusion in the Group's consolidated financial statements, which are stated in EUR. As a result, the Group is subject to currency translation risk, whereby changes in foreign exchange rates between EUR and the other currencies in which the Group does business, particularly SEK, NOK, DKK and PLN, could result in foreign exchange losses that could have a material adverse effect on the Group's business, financial position and results of operations. Pursuant to Eltel's unaudited consolidated year-end report 2022, the currency translation effect in net sales for the twelve-month period ended 31 December 2022 was EUR -6.3 million.

During 2021 and 2022, volatility in the currency markets caused by the Covid-19 pandemic increased, which impacted the Group negatively. If the Group's risk management strategies are not successful in limiting its exposure to changes in interest rates and foreign currency exchange rates, this could result in foreign exchange losses for the Group.

The Group is also impacted by inflation-linked increases in costs. The high inflation, partly attributed to the war in Ukraine, impacts Eltel across its cost base, including fuel and material prices, salaries, wages, benefits and other administrative costs as well as availability and cost of subcontractors. Eltel has agreements in place to recover parts of the cost increases with most of its largest customers. However, the degree of compensation may be lower than previously anticipated. It will also take time before the agreed indexation mechanisms take full effect. As a result, the Group's operating expenses may increase faster than associated revenue, which could have a material adverse effect on the Group's business, financial position and results of operations.

Risk level: High

The Company carries significant goodwill and other intangible assets on its balance sheet and impairments have had and may have a material effect on profit

The Company carries significant goodwill and other intangible assets on its balance sheet. As of 31 December 2022, the Company's goodwill and intangible assets amounted to EUR 256.0 million and EUR 35.3 million, respectively. The Company monitors relevant circumstances, including consumption levels, the expected current and future contribution of assets to the Company's financial results and general economic conditions, and the potential impact that such circumstances might have on the valuation of the Company's goodwill and other intangible assets. For example, the market interest rates have increased significantly since the second quarter of 2022 and may continue to increase, which leads to a higher discount rate (WACC) and consequently to a risk of goodwill impairment. Such or other changes in the future could require the Company to impair a portion or all of its goodwill and/or other intangible assets and record related non-cash impairment charges, which could have a material adverse effect on the Company's profits, business position and results of operation.

Risk level: Medium

As a holding company, the Company's principal assets consist of its direct and indirect shareholdings in its subsidiaries

The Company is the Group's parent company. As a holding company, its principal assets consist of direct or indirect shareholdings and loan receivables from the subsidiary companies which generate the Company's cash flow. As a result, the Company's revenue essentially comes from intra-group interest and loan repayments by subsidiaries, possible contributions and dividends from subsidiaries and from management services income. The ability of the Company's subsidiaries to make these payments to the Company may be at risk depending on the changes in their activities or regulatory limits. Group contributions, dividend distributions or other financial flows may also be limited due to various undertakings such as credit agreements entered into by such subsidiaries or by reasons of tax constraints making financial transfers more difficult or expensive. The Company's ability to pay dividends in accordance with its dividend policy depends on the dividend distributions it receives from its subsidiaries and may also be restricted by the Group's financing agreements.

Risk level: Medium

Risks Relating to the Capital Securities[1]

The Capital Securities are unsecured and sole obligations of the Issuer and subordinated to most of the Issuer's other liabilities

The Capital Securities will not be obligations of anyone other than the Issuer and they are unsecured, deeply subordinated obligations of the Issuer and are the most junior debt instruments of the Issuer as at the date of this Prospectus, ranking behind all present and future claims in respect of all unsubordinated obligations of the Issuer and all Issuer Subordinated Indebtedness, *pari passu* with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities, and in priority to all present and future claims in respect of the shares of the Issuer and any other obligation of the Issuer expressed by its terms to rank junior to the Capital Securities or any Parity Securities. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Capital Securities. The Holders would be unsecured creditors in the event of the Issuer's voluntary or involuntary liquidation, bankruptcy or reorganisation, they would not be entitled to demand that any collateral or guarantee be given for the Capital Securities, and the Holders could lose their entire investment. Accordingly, any adverse change in the financial condition and prospects of the Issuer may negatively impact the liquidity and the market prices for the Capital Securities and endanger the probability that the Holder will receive prompt and full payment, when due, for principal, interest and/or any other amounts and items payable to the Holders pursuant to the Capital Securities from time to time.

No other remedies than the remedies set out in Clause 14 (*Enforcement events*) of the Terms and Conditions of the Capital Securities will be available to the Holders, whether for the recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities. Such available remedies are limited to certain proceedings and enforcement following a default under the Terms and Conditions. Each investor should therefore be aware that an investment in the Capital Securities entails a risk that the investor loses all or part of its investment if the Issuer becomes liquidated, bankrupt, insolvent, carries out a restructuring or is wound-up.

Risk level: Medium

Perpetual nature of the Capital Securities

The Capital Securities have no stated final maturity date and the Issuer is under no obligation to redeem the Capital Securities at any time. The Holders have no right to call for their redemption and, therefore, the Holders should be aware that they may be required to bear the financial risks of an investment in the Capital Securities for an indefinite period of time and may not recover their investment in the foreseeable future.

Risk level: Medium

Change of control under the Capital Securities

The Terms and Conditions of the Capital Securities do not provide for any right of acceleration or investor put option in relation to the occurrence of a change of control of the Issuer. Accordingly, if the Issuer is subject to a change of control, the investors will not have the right to accelerate the Capital Securities or require the Capital Securities to be redeemed.

Risk level: Medium

Remedies in case of default in respect of the Capital Securities are severely limited

The Terms and Conditions of the Capital Securities do not provide for any event of default that allows the Holders to accelerate the Capital Securities or require the Capital Securities to be redeemed. Accordingly, if the Issuer fails to meet any obligations under the Capital Securities, including the payment of any interest, investors will not have the right to accelerate the Capital Securities or require the Capital Securities to be redeemed. Upon a failure by the Issuer to pay any amount due, the sole remedy available to Holders for recovery of amounts owing in respect of any payment of principal or interest on the Capital Securities will be to institute proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

[1] Words and expressions used in this sub-section shall have the meaning defined in "Terms and Conditions of the Capital Securities".

Risk level: Medium

Issuer's right to defer interest payments

The Issuer has the right to defer any payment of interest on the Capital Securities if the requirements for deferral set out in the Terms and Conditions of the Capital Securities are satisfied. As a result, the sequence or making of any future payment to the Holders are uncertain.

Interest, which accrues during an Interest Period ending on and including an Interest Payment Date, will be due on that Interest Payment Date, unless the Issuer elects to defer such payment in whole or part, and the Issuer shall not have any obligation to make such payment and any failure to so pay shall not constitute a default by the Issuer under the Capital Securities or for any other purpose.

Any interest in respect of the Capital Securities, which has been deferred on an Interest Payment Date, shall constitute arrears of interest and bear interest. Deferred Interest will not be capitalised to the principal amount of the Capital Securities and be payable only where the Issuer elects to do so as described in Clause 7 (*Interest Payment and Deferral*) of the Terms and Conditions of the Capital Securities.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Capital Securities. In addition, as a result of the above provisions of the Capital Securities, the market price of the Capital Securities may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Risk level: Medium

Structural subordination and insolvency of subsidiaries

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The subsidiaries are legally separated from the Issuer and the subsidiaries' abilities to make payments to the Issuer is restricted by, among other things, the availability of funds as well as corporate and legal restrictions. In the event of insolvency, liquidation or a similar event relating to one or several of the Issuer's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Issuer, as a shareholder, would be entitled to any payments. Thus, the Capital Securities are structurally subordinated to the liabilities of such subsidiaries. Defaults by, or the insolvency of, certain subsidiaries may result in the obligation for the Issuer to make payments under financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group. There is a risk that the Issuer and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

Risk level: Medium

No limitation on issuing additional debt or granting of security

There is no restriction under the Terms and Conditions of the Capital Securities on the amount of debt that the Issuer may issue that ranks senior to the Capital Securities or on the amount of securities that it may issue that rank *pari passu* to the Capital Securities. The Terms and Conditions of the Capital Securities neither restrict the Issuer from granting any security in respect of any of its existing or future liabilities. Such issuance of further debt or securities or granting of security may reduce the amount recoverable by the Holders upon the winding-up or insolvency of the Issuer or may increase the likelihood that the Issuer elects to defer interest payments under the Capital Securities.

Risk level: Medium

The Capital Securities do not, as a rule, contain covenants governing the Issuer's operations and do not limit its ability to merge, effect asset sales or otherwise effect significant transactions that may have an adverse effect on the Capital Securities and the Holders

As a rule, the Capital Securities do not contain any provision designed to protect Holders from a reduction in the creditworthiness of the Issuer. In particular, the Terms and Conditions of the Capital Securities do not restrict the Issuer's ability to enter into a merger, asset sale or other significant transaction that could materially alter its existence, jurisdiction of organisation or regulatory regime and/or its composition and business. In the event the Issuer was to enter into such a transaction, Holders could be materially and adversely affected. Furthermore, the Change of Control condition does not restrict any of the current shareholders of the Issuer from disposing any or all of their shareholdings.

Risk level: Medium

Possibility to forfeit interest and principle amount invested

Should the Issuer become insolvent during the term of the Capital Securities, an investor may forfeit interest payable on, and the principal amount of, the Capital Securities in whole or in part. An investor is always solely responsible for the economic consequences of his/her investment decisions.

Risk level: Low

There may be no rights of set-off or counterclaim

Holders of Capital Securities shall not be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Capital Securities. Therefore, Holders the Capital Securities will not be entitled (subject to applicable law) to set-off the Issuer's obligations under the Capital Securities against obligations owed by them to the Issuer. Holders of the Capital Securities may therefore be required to participate in separate proceedings in order to recover amounts owing to them under any counterclaim, and may receive a lower recovery in an insolvency of the Issuer than would be the case if set-off or counterclaim were permitted.

Risk level: Low

The Issuer or the Capital Securities are not rated

Neither the Issuer nor the Capital Securities nor any other long-term indebtedness of the Issuer are currently rated by any rating agency nor is it the current intention of the Issuer to request any such rating. One or more independent credit rating agencies may independently assign credit ratings to the Capital Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Capital Securities. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Credit ratings are subject to revision, suspension or withdrawal at any time, and a change in the credit ratings of the Capital Securities, or a new unsolicited credit rating assigned to the Capital Securities, could affect the market value and reduce the liquidity of the Capital Securities.

Risk level: Low

The Capital Securities may not be freely transferred

The Capital Securities are subject to certain restrictions on resale and other transfer thereof. As a result of these restrictions, the Issuer cannot be certain of the existence of a secondary market for the Capital Securities or the liquidity of such a market if one develops. Consequently, a Holder of Capital Securities and an owner of beneficial interests in those Capital Securities must be able to bear the economic risk of their investment in the Capital Securities for the terms of the Capital Securities, rather than being able to realise their investment, or to do so at favourable prices, during the lifespan of the Capital Securities.

Risk level: Low

There may be no active trading market for the Capital Securities

The Capital Securities constitute a new issue of securities by the Issuer. There is no active trading market for the Capital Securities. As at the date of this Prospectus, the Capital Securities are not listed on any regulated market or trading venue. Although the Terms and Conditions of the Capital Securities stipulate that the Issuer has the intention and shall use its best efforts to ensure that the Capital Securities are admitted to listing on the sustainable bond list of Nasdaq Stockholm and to trading on its regulated market for as long as any Capital Securities remain outstanding, there can be no assurances that Capital Securities will be so admitted or that an active trading market will develop. In addition, it is not foreseeable that any liquid secondary market for the Capital Securities will develop and even if such a market were to develop neither the Issuer nor the Joint Lead Managers are under any obligation to maintain such market. The liquidity and the market prices (if any) of the Capital Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer as well as many other factors that generally influence the market prices (if any) of securities. Such factors may significantly affect the liquidity and the market prices (if any) of the Capital Securities, which may trade at a discount to the price at which the Holders purchased the Capital Securities. As the Terms and Conditions of the Capital Securities does not restrict the Issuer or any Subsidiary from repurchasing any Capital

Securities, save in relation to tender offers by the Issuer, which, when made, need to be made to all Holders alike, any such repurchase may further impair the liquidity of the secondary market (if any) for the Capital Securities.

Since an active trading market for the Capital Securities may not develop and will not be maintained, this may result in a decline in the market price of the Capital Securities, and the liquidity of the Capital Securities may be adversely affected. Therefore, investors may not be able to sell their Capital Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, if additional and competing products are introduced in the relevant market, this may also result in a decline in the market price and value of the Capital Securities.

Risk level: Low

Market value of the Capital Securities

The market value of the Capital Securities will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the value of EURIBOR after the Reset Date, its volatility, market interest and yield rates and the perpetual nature of the Capital Securities. The value of the Capital Securities depends on a number of interrelated factors, including economic, financial and political events in Sweden or elsewhere, including factors affecting debt markets generally. The price at which a Holder may be able to sell the Capital Securities from time to time may be at a discount, which could be substantial, to the issue price or the purchase price paid by such Holder.

Risk level: Low

The Capital Securities may be redeemed early

The Issuer may, at its option, redeem all, but not some only, of the Capital Securities on the Reset Date and on any Interest Payment Date thereafter, and at any time following the occurrence of a Tax Event, an Accounting Event, a Change of Control, a Withholding Tax Event or a Replacement Capital Event, as well as the result of the Issuer's exercise of its clean-up call option, each as defined and described in Clause 8 (*Redemption and Purchase*) of the Terms and Conditions of the Capital Securities.

In the event of an early redemption of the Capital Securities at the option of the Issuer, such redemption of the Capital Securities will be made at the amount determined in accordance with Clause 9 (*Sustainability Performance Targets*) together with any accrued interest and arrears of interest (including any Deferred Interest), as described in Clause 8. In the event of such early redemption occurring on the Redemption Date, the redemption will be made at a price equal to (i) 100 per cent of the outstanding principal amount of Capital Securities if the Issuer has met all the Sustainability Performance Targets on the Target Observation Date or (ii) if the Issuer has not met all the thresholds defined under the Sustainability Performance Targets on the Target Observation Date, at a price equal to the sum of 100 per cent of the outstanding principal amount of Capital Securities and the Redemption Premium, which is calculated as the outstanding principal amount of Capital Securities multiplied by the aggregate of each Premium Rate for the Sustainability Performance Targets that have not been met by the Issuer on the Target Observation Date. Each Premium Rate is calculated as the product of 1.20 per cent and the applicable SPT Weight, which is (a) 25 per cent for the Sustainability Performance Targets that are expressed as either (i) the reduction by the Issuer of scope 1 GHG emissions by 19.0 per cent by the end of year 2025 from a baseline year 2021 or (ii) the increase of renewable electricity sourcing, accounted for as proportion of renewable electricity purchased within the Issuer's office premises, from 31% to 62% by the end of 2025 compared to 2021, and (b) 50 per cent for the Sustainability Performance Target that is expressed as the Issuer having ensured that 35% of the Issuer's suppliers by emissions covering the upstream scope 3 categories 1, 2, 4, 5 and 6, will have science-based targets by the end of 2025. As per this calculation, if the Issuer has met none of the Sustainability Performance Targets on the Target Observation Date, the optional early redemption occurring on the Redemption Date will be made at a price equal to 101.20 per cent of the outstanding principal amount of Capital Securities. However, even if the Issuer has met one or more of the Sustainability Performance Targets on the Target Observation Date, there can be no assurance that the Issuer has the ability to redeem the Capital Securities on the Redemption Date, whether due to its prevailing financial conditions or for other reasons as determined in its sole discretion.

In the event of an early redemption of the Capital Securities following the occurrence of a Withholding Tax Event or a Change of Control, or following the exercise by the Issuer of its clean-up call option on or after the reset date, in each case at the discretion of the Issuer, such redemption of the Capital Securities will be made at the principal amount of the Capital Securities together with any accrued interest and arrears of interest (including any Deferred Interest), as described in Clause 8. In the event of an early redemption of the Capital Securities at the sole discretion of the Issuer following the occurrence of a Tax Event, an Accounting Event or Replacing Capital Event, or with respect to a clean-up call exercised before the reset date, such redemption of the Capital Securities will be made (i) in the case of a Tax Event or an Accounting

Event, at 100 per cent of the principal amount of the Capital Securities, (ii) in the case of a Replacing Capital Event, at 103 per cent of the principal amount of the Capital Securities, (iii) in the case of a clean-up call before the reset date, at 101 per cent of the principal amount of the Capital Securities, and (iv) in all such cases, at their principal amount together with any accrued interest and any arrears of interest (including any Deferred Interest) where such redemption occurs on or after the Reset Date, as described in Clause 8.

The redemption of the Capital Securities by the Issuer might adversely affect the market value of such Capital Securities. During any period when the Issuer may elect to redeem the Capital Securities, the market value of the Capital Securities generally will not rise substantially above the price at which they can be redeemed. There can be no assurance that, at the relevant time, Holders will be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on such Capital Securities had they not been redeemed. Potential investors should consider reinvestment risk in light of other investments available at that time.

Risk level: Low

No voting rights at the Issuer's General Meetings

The Holders have no voting rights with respect to the general meetings of shareholders of the Issuer. Consequently, at the Issuer's General Meetings of shareholders the Holders cannot influence any decisions by the Issuer to redeem the Capital Securities, the exercise of the discretion of the Issuer to defer interest payments or any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer, which could impact the Issuer's ability to make payments on the Capital Securities.

Risk level: Low

No assurance on change of laws or practices

Changes in laws, regulations or administrative practice, or the interpretation thereof, after the date of this Prospectus may affect the Capital Securities in general, the rights of Holders as well as the market value of the Capital Securities. The Capital Securities are governed by the laws of Sweden, as in force from time to time. Swedish laws (including but not limited to tax laws) and regulations governing the Capital Securities may change during the lifespan of the Capital Securities, and new judicial decisions can be given and administrative practices can change. No assurance can be given as to the impact of any such possible change of laws or regulations, or new judicial decision being given or administrative practice being changed after the date of this Prospectus. Hence, if materialised, such event may have an adverse effect on the Issuer's business, financial condition, results of operations and future prospects and, thereby, the Issuer's ability to fulfil its obligations under the Capital Securities as well as the market price and value of the Capital Securities. Such event could also affect an investor's ability to accurately value the Capital Securities and, therefore, affect the trading price of the Capital Securities given the extent and impact on the Capital Securities that one or more regulatory or legislative changes, including those described above, could have on the Capital Securities.

Risk level: Low

Interest Rate Risk

Interest on the Capital Securities, which is calculated at a fixed rate until the Reset Date, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Capital Securities. While the nominal interest rate of a fixed interest rate security is fixed, in this case, during a certain period of time, the current interest rate on the capital markets (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such security changes in the opposite direction. If the market interest rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate decreases, the price of a fixed rate security typically increases, until the yield of such security is approximately equal to the market interest rate. Holders should be aware that movements of the market interest rate can adversely affect the price of the Capital Securities and can lead to losses for the Holders if they sell Capital Securities during the period in which the market interest rate exceeds the fixed rate of the Capital Securities.

Following the Reset Date, interest on the Capital Securities shall be calculated on the basis of the then-current relevant Screen Rate (which is, subject to a Screen Rate Replacement Event, EURIBOR) with a maturity of three months plus the re-offer spread and the margin. This floating interest rate is not pre-defined for the lifespan of the Capital Securities. Higher interest rates mean a higher interest and lower mid swap rates for euro swap transactions with a maturity of two years mean a lower interest.

Risk level: Low

Risk that EURIBOR may be administered differently or discontinued in the future, which may adversely affect the trading market for, value of and return on the Capital Securities

Rates and indices which are deemed to be "benchmarks" are the subject of ongoing international, national and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently from the past, disappear entirely or declared unrepresentative, or have other consequences that cannot be predicted.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The EU Benchmarks Regulation could have a material impact on the Capital Securities, in particular, if the methodology or other terms of EURIBOR are changed in order to comply with the requirements of the EU Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to such benchmark, (ii) trigger changes in the rules or methodologies used in the benchmarks or (iii) lead to the discontinuance or unavailability of the benchmark.

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk-free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on euro risk-free rates recommended the new euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

If a Screen Rate Replacement Event and its related Screen Rate Replacement Date have occurred, the then-current Screen Rate will be replaced by a Replacement Benchmark (determined in accordance with the Terms and Conditions of the Capital Securities) for all purposes relating to the Capital Securities in respect of all determinations on such date and for all determinations on all subsequent dates. The Issuer will have to exercise its discretion to determine (or to elect not to determine), as the case may be, a Replacement Benchmark and, if applicable, a related Adjustment Spread, in a situation in which it is presented with a conflict of interest. The use of a Replacement Benchmark may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Capital Securities if the relevant benchmark remained available in its current form.

Any of the above changes or any other consequential changes to EURIBOR as a result of EU or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the trading market for, value of and return on the Capital Securities.

Risk level: Low

Modification of terms and conditions of the Capital Securities bind all Holders

The Terms and Conditions of the Capital Securities contain provisions for calling Holders' Meetings to consider matters affecting the interests of Holders generally. Such matters may include, among other things, the variation or amendment of the Terms and Conditions of the Capital Securities, including, for example, with respect to the currency, amount and date for various payments under the Capital Securities, their ranking, any mandatory exchange of Capital Securities and the substitution of the Issuer. These provisions permit defined majorities, subject to certain quorum requirements, to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. There can be no assurances as to whether any of these matters, when decided with binding effect on all Holders, will negatively affect any particular Holder and render such Holder without recourse to any party. At the meeting of Holders, the Holders also have authority to elect and give instructions to a representative to act on their behalf.

Risk level: Low

Exchange rate risk and exchange controls

The Issuer will pay principal and interest on the Capital Securities in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency-equivalent yield on the Capital Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Capital Securities and (iii) the Investor's Currency equivalent market value of the Capital Securities. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Risk level: Low

The sustainability-linked objectives of the Issuer may not meet investor expectations or requirements

It is the Issuer's intention to achieve certain predefined sustainability-linked objectives, which are measured through predefined key performance indicators ("**KPIs**") and assessed against predefined sustainability performance targets ("**SPTs**" and, together with the KPIs, the "**Indicators**") in accordance with the Issuer's Sustainability-Linked Finance Framework (the "**Sustainability-Linked Finance Framework**").

No assurance is given by the Issuer, the Joint Lead Managers or any other person that the Indicators will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Sustainability-Linked Finance Framework. The Joint Lead Managers have not undertaken, nor are they responsible for, any assessment of the Indicators or the Issuer's ability to meet the KPIs or the application, impact or monitoring of the Indicators with respect to the Capital Securities.

No assurance can be given by the Issuer, the Joint Lead Managers or any other person that the Indicators will meet investor expectations or requirements regarding such "green", "sustainability", "social", "sustainability-linked" or similar labels (including pursuant to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so-called "**EU Taxonomy**")).

Morningstar Sustainalytics has issued an independent opinion on the Issuer's Sustainability-Linked Finance Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations and is a statement of opinion, not a statement of fact. No representation or assurance is given by the Issuer, the Joint Lead Managers or any other person as to the suitability or reliability of any opinion or certification of any third party made available in connection with the issue of the Capital Securities. The Second Party Opinion and any other such opinion or certification is not intended to address any credit, market or other aspects of any investment in the Capital Securities, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Capital Securities.

Any such opinion or certification is not a recommendation by the Issuer, the Joint Lead Managers or any other person to buy, sell or hold any Capital Security and is current only as at the date it was issued. As at the date of this Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference in, this Prospectus.

In the event that any Capital Securities are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently labelled segment of a regulated market or other trading venue, no representation or assurance is given by the Issuer, the Joint Lead Managers or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one trading venue to another. No representation or assurance is given or made by the Issuer, the Joint Lead Managers or any other person that any such listing or admission to trading will be obtained in respect of any of the Capital Securities or that any such listing or admission to trading will be maintained during the lifespan of the Capital Securities.

While it is the intention of the Issuer to satisfy the KPIs as assessed pursuant to the SPTs with respect to the Capital Securities, there is no contractual obligation to do so. There can be no assurance that the Issuer will not fail to satisfy its Indicators or that such Indicators will be capable of being implemented in, or substantially in, the manner anticipated and/or within any time frame. Such failure to satisfy one or more of the Indicators will increase the price at which the Issuer may, at its discretion, redeem the Capital Securities on the Redemption Date. Accordingly, there can be no assurance that the Issuer will be sufficiently incentivised by the Indicators to redeem the Capital Securities at such additional premium on the Redemption Date. Any failure to meet the Indicators, and any decision to not redeem the Capital Securities as a result, may have a materially adverse effect on the value of the Capital Securities and adversely affect in a material way the cost and ability of the Issuer to place subsequent funding or capital instruments on the market, which may further negatively affect the value of the Capital Securities and the financial condition of the Issuer.

A failure of the Capital Securities to meet investor expectations or requirements as to their “green”, “sustainable”, “social” or equivalent characteristics, any failure by the Issuer to achieve the KPIs at any time, the failure by the Issuer to report on its progress with respect thereto or any change in the performance of the Indicators (including the loss of any “green”, “sustainable”, “social” or equivalent characteristics), any failure by the Issuer to comply with its general environmental or similar targets (if any), the failure to provide, or the withdrawal of, a third party opinion or certification in connection with an issue of the Capital Securities, the Capital Securities, if listed and admitted to trading, ceasing to be listed or admitted to trading on any dedicated trading venue as aforesaid, may have a material adverse effect on the value of the Capital Securities and/or may have consequences for certain investors with portfolio mandates to invest in sustainable equivalently labelled assets (which consequences may include the need to sell the Capital Securities as a result of the Capital Securities not falling within the investor’s investment criteria or mandate). However, none of these events specified above will (i) give rise to any claim by a Holder against the Issuer or the Joint Lead Managers, (ii) constitute a breach or default under the terms of the Capital Securities or breach of contract with respect to the Capital Securities, (iii) give a right to Holders to request the early redemption or acceleration of the Capital Securities or (iv) lead to an obligation of the Issuer to redeem the Capital Securities.

Risk level: Low

GENERAL INFORMATION

The Issuer and Certain Other Parties

Issuer

Eltel AB (publ)
Adolfsbergsvägen 13
168 66 Bromma, Sweden

Joint Lead Managers of the issue of the Capital Securities

Danske Bank A/S
c/o Danske Bank A/S, Finland Branch
Kasarmikatu 21 B
00130 Helsinki, Finland

Nordea Bank Abp
Satamaradankatu 5
00500 Helsinki, Finland

OP Corporate Bank plc
Gebhardinaukio 1
00510 Helsinki, Finland

Issuing Agent

Nordea Bank Abp, Filial i Sverige
Smålandsgatan 17
105 71 Stockholm, Sweden

Legal Advisor to the Issuer

Hannes Snellman Attorneys Ltd
Kungsträdgårdsgatan 20
111 47 Stockholm, Sweden

Auditor of the Issuer

KPMG AB
Box 3018
169 03 Solna, Sweden

Responsibility Statement

The Board of Directors of the Issuer is responsible for the information contained in this Prospectus. The Board of Directors of the Issuer declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The Board of Directors of the Issuer is responsible for the information contained in this Prospectus only under the conditions and to the extent set forth in Swedish law.

Approval of the Prospectus

This Prospectus has been approved by the Swedish Financial Supervisory Authority (the "**SFSA**") (Sw. *Finansinspektionen*) as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the "**Prospectus Regulation**"). The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus or of the quality of the Capital Securities that are the subject of this Prospectus, and investors should make their own assessment as to the suitability of investing in the Capital Securities. This Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

Auditors

The consolidated financial statements of Eltel for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively, incorporated by reference in this Prospectus, have been audited by KPMG AB with Fredrik Westin, Authorised Public Accountant and member of the Institute for the Accountancy Profession in Sweden (Sw. *Föreningen Auktoriserade Revisorer, FAR*), as auditor in charge. The business address of the auditor in charge and KPMG AB is Box 3018, 169 03 Solna, Sweden. KPMG AB has been the Company's public accounting firm since 2018 and was re-elected at the Annual General Meeting of 2022. Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor.

Arrangements with Advisors

The Joint Lead Managers and other entities within their groups and/or their affiliates may have performed and may in the future perform investment, insurance, banking or other services for Eltel in the ordinary course of business for which they may have received and may continue to receive customary fees and commissions. Existing financial indebtedness to be partly refinanced with the proceeds from the issuance of Capital Securities may include financial indebtedness provided by one or more of the Joint Lead Managers.

In addition, the Joint Lead Managers and other entities within the same group and/or their affiliates have provided, and may provide in the future, the Issuer with investment, insurance, banking and/or other services in the ordinary course of business for which they may have received and may continue to receive customary fees and commissions. The Joint Lead Managers and other entities within the same group and/or their affiliates have also acted in the ordinary course of business as arrangers or lenders under certain loan agreements of the Issuer and its affiliates, for which they have received, and may continue to receive, customary interest, fees and commissions.

Hannes Snellman Attorneys Ltd has acted as legal advisor in connection with the issuance of the Capital Securities and may provide additional legal services to the Company. In connection with the issuance of the Capital Securities, Hannes Snellman Attorneys Ltd will receive customary fees for their legal advice.

No Incorporation of Website Information

The Company's website is www.eltelgroup.com. The contents of Eltel's website or any other website do not form part of this Prospectus (except for the documents incorporated by reference into this Prospectus as set forth in "*Documents Incorporated by Reference*"), and prospective investors should not rely on such information in making their decision to invest in the Capital Securities.

Special Cautionary Notice Regarding Forward Looking Statements

Certain statements in this Prospectus, including but not limited to certain statements set forth under the captions "Risk Factors", "Information about the Issuer" and "Financial Information and Future Outlook", are based on the beliefs of Eltel's management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. When used in this Prospectus, the words "aims," "anticipates," "assumes," "believes," "estimates," "expects," "will," "intends," "may," "plans," "should" and similar expressions as they relate to Eltel or Eltel's management identify certain of these forward-looking statements. The forward-looking statements are not guarantees of the future operational or financial performance of Eltel and they involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Eltel, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

In addition to factors that may be described elsewhere in the Prospectus, such risks, uncertainties and other important factors include, among other things, the risks described in the section "Risk Factors" which could cause Eltel's actual results of operations or its financial condition to differ materially from those expressed in any forward-looking statement. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, Eltel's actual results of operations, its financial condition or its ability to fulfil its obligations under the Capital Securities could differ materially from those described herein as anticipated, believed, estimated or expected. The Issuer does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation.

Market and Industry Information

This Prospectus contains information about Eltel's markets and estimates regarding Eltel's competitive position therein. Such information is prepared by Eltel based on third-party sources and Eltel's own internal estimates. In many cases, there is no publicly available information on such market data. Eltel believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry sectors in which it operates as well as its position within these industry sectors. Although Eltel believes that its internal market observations are fair estimates, they have not been reviewed or verified by any external experts and Eltel cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Credit Ratings

The Issuer and the Capital Securities have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Use of Benchmark

Interest and other amounts payable under the Capital Securities may be calculated by reference to EURIBOR, which constitutes a benchmark for the purposes of Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**"). As at the date of this Prospectus, the administrators of EURIBOR are not included in European Securities and Market Authority's register of administrators under Article 36 of the EU Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply in such a manner that the administrators of EURIBOR are not required to appear in the register of administrators and benchmarks at the date of this Prospectus. The registration status of any administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update this Prospectus or the Terms and Conditions of the Capital Securities to reflect any change in the registration status of the administrators of EURIBOR.

Clearing System Procedures

Investors in Capital Securities will have to rely on the relevant clearing system's procedures for transfer, payment and communication with the Issuer. The Capital Securities are not, and will not be, evidenced by any physical note or document of title other than statements of account made by Euroclear Sweden AB (or any other central securities depository and registrar in which the Capital Securities are cleared and registered from time to time). Ownership of Capital Securities is recorded and transfer is effected only through the book entry system and register maintained by Euroclear Sweden AB (or any other central securities depository and registrar in which the Capital Securities are cleared and registered from time to time).

Legal Investment Considerations

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (i) Capital Securities are legal investments for it, (ii) Capital Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Capital Securities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Capital Securities under any applicable risk-based capital or similar rules.

Taxation

Potential investors should be aware that the tax legislation of a potential investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the Capital Securities.

Potential purchasers and sellers of the Capital Securities should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Capital Securities are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Capital Securities. Potential investors are advised to ask for their own tax advisor's advice on their individual taxation with respect to the acquisition, sale and redemption of the Capital Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor. Each prospective investor should consult its own advisors as to legal, tax and related aspects of an investment in the Capital Securities. A Holder's effective yield on the Capital Securities may be diminished by the tax impact on that Holder of its investment in the Capital Securities.

TERMS AND CONDITIONS OF THE SUSTAINABILITY-LINKED CAPITAL SECURITIES

ELTEL AB (PUBL) EUR 25,000,000 SUSTAINABILITY-LINKED CAPITAL SECURITIES

ISIN SE0019914250

MiFID II product governance / Retail clients, professional clients and eligible counterparties target market

Solely for the purposes of each manufacturer's product governance requirements set forth in Directive 2014/65/EU (as amended, "**MiFID II**"), the target market assessment made by the manufacturers in respect of the Capital Securities has led to the conclusion that: (1) the target market for the Capital Securities is clients that are eligible counterparties, professional clients and retail clients, each as defined in MiFID II, who are (a) informed investors, having (i) average knowledge of the relevant financial products (an informed investor can make an informed investment decision based on the offering documentation, together with knowledge and understanding of the specific risk factors/risks highlighted with them only) or (ii) some financial industry experience, and (b) advanced investors having one, or more, of the following characteristics, (i) good knowledge of relevant financial products and transactions or (ii) financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service, (c) clients that have the ability to tie money up for a perpetual instrument and bear losses of up to 100 per cent of the capital invested in the product, and who have the financial ability and willingness to put the entire capital invested at risk, are willing to take more risk than deposit savings and do not need a fully guaranteed income or return profile and (d) clients whose investment objective is to generate growth of the invested capital and have a medium or long-term investment horizon; (2) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate; and (3) the following channels for distribution of the Capital Securities to retail clients are appropriate: investment advice, portfolio management, and non-advised sales and pure execution services, subject to the distributor's (as defined below) suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Capital Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

Furthermore, the manufacturers have made an assessment as to the negative target market and concluded that the negative target market for the Capital Securities is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance.

Important – EEA retail investors – The Capital Securities are not PRIIPs for the purposes of Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") and, accordingly, no key information document pursuant to the PRIIPs Regulation has been or will be made available in respect of the Capital Securities.

Prohibition of sales to UK Retail Investors – The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Selling Restrictions

Other than the registration of the Capital Securities under Swedish law, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Capital Securities or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Capital Securities in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

Privacy Notice

The Issuer and the Issuing Agent may collect and process personal data relating to the Holders, the Holders' representatives or agents, and other persons nominated to act on behalf of the Holders pursuant to the terms and conditions (name, contact details and, when relevant, holding of Capital Securities). The personal data relating to the Holders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

The personal data collected will be processed by the Issuer and the Issuing Agent for the following purposes:

(a) to exercise their respective rights and fulfil their respective obligations under the terms and conditions;

(b) to manage the administration of the Capital Securities and payments under the Capital Securities;

(c) to enable the Holders' to exercise their rights under the terms and conditions; and

(d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer and the Issuing Agent in relation to items (a) to (c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the terms and conditions. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer or the Issuing Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer and the Issuing Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's and the Issuing Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.eltelgroup.com and www.nordea.com.

1. DEFINITIONS AND INTERPRETATIONS

1.1 *Definitions*

"**Account Operator"** means a bank or other party duly authorised to operate as an account operator pursuant to the Central Securities Depositories and Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Capital Securities.

"**Accounting Event**" means the receipt by the Issuer of an opinion of an authorised accountant (Sw. *auktoriserad revisor*) from a well-reputed accounting firm in Sweden (experienced in such matters) to the effect that, as a result of a change in the Accounting Principles or interpretation thereof (whether or not such interpretation applies generally or specifically to the Issuer or not), the accounting treatment of the Capital Securities as "equity" in full in the Issuer's financial statements (either on a solo or group level) has or will cease.

"**Accounting Principles**" means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

"**Accrued Interest**" means interest (including Deferred Interest) accrued from the immediately preceding Interest Payment Date on which interest (including Deferred Interest) was paid or, if none, the Issue Date, to the Redemption Date.

"**Additional Amounts**" shall have the meaning ascribed to it in Clause 10 (*Taxation*).

"**Adjusted Nominal Amount**" means the total outstanding Nominal Amounts of the Capital Securities not held by the Issuer or any Subsidiary from time to time.

"**Adjustment Spread**" means either a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Advisor and acting in good faith, determines should be applied to the relevant Replacement Benchmark, as a result of the replacement of the relevant Screen Rate by the relevant Replacement Benchmark following a Screen Rate Replacement Event, and is the spread, formula or methodology which (i) is recommended or provided as an option to relevant parties by the Relevant Nominating Body in relation to replacement of the relevant Screen Rate with the Replacement Benchmark or (ii) in the case of a Replacement Benchmark for which no such recommendation has been made, or option provided, the spread, formula or methodology which the Issuer in consultation with the Independent Adviser and acting in good faith, determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Screen Rate with the Replacement Benchmark.

"**Business Day**" means a day (other than a Saturday or Sunday, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year's Eve (Sw. *nyårsafton*)) on which commercial banks and foreign exchange markets are generally open to settle payments in Sweden.

"**Capital Security**" means debt instruments (Sw. *skuldförbindelser*), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer and governed by these Terms and Conditions.

"**Central Securities Depositories and Financial Instruments Accounts Act**" means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

"**Change of Control**" means the occurrence of an event or series of events whereby any Person or a group of Persons acting in concert, directly or indirectly acquires control over the Issuer and where "control" means (a) acquiring ownership of more than 50 per cent of the voting share capital of the Issuer or (b) becoming capable of appointing the majority of the board of directors of the Issuer, and "acting in concert" means that a person or a group of persons pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer or attempting otherwise to obtain or consolidate control of the Issuer.

"**CSD**" means Euroclear Sweden AB reg. no. 556112-8074 (or any of its successor or replacement), in which the Capital Securities are cleared and registered from time to time.

"**CSD Regulations**" means the laws, regulations and operating procedures applicable to and/or issued by the CSD's from time to time.

"**Debt Register**" means the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Capital Securities in which an owner of Capital Securities is directly registered or an owner's holding of Capital Securities is registered in the name of a nominee.

"**Deferred Interest**" shall have the meaning ascribed to it in Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*).

"**Deferred Interest Payment Event**" means, in relation to the Capital Securities, any one or more of the following events:

(a) declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities;

(b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Securities;

(c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any shares of the Issuer or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities; and/or

(d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any Parity Securities,

save for:

(i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;

(ii) in each case, any declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital, which is made by reason of a claim (in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) by shareholder(s) owning not less than ten (10) per cent of the shares in the Issuer; and

(iii) in the case of paragraph (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of:

(1) any reduction of the quota value (Sw. *kvotvärde*) of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer; or

(2) any share buyback programme then in force and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction.

"**EUR**", "**euro**" and "**€**" means the single currency of the member states of the European Union that adopts or has adopted, and in each case continues to adopt, the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**EURIBOR**" means:

(a) the interest rate which, as of approximately 11.00 a.m. (Brussels time) (the "**Relevant Time**") on the applicable Interest Determination Date, is displayed on Thomson Reuter's page EURIBOR01 (or any other system or other page which replaces such system or page); or

(b) if the relevant rate does not temporarily appear, in each case as determined by the Issuing Agent (but no Screen Rate Replacement Event has occurred), the Issuing Agent will request appropriate quotations and will determine the arithmetic mean of the rates at which deposits in EUR are offered by four major European commercial banks' (as determined by the Issuing Agent) in the relevant interbank market at approximately the Relevant Time on the first day of the relevant Interest Period to prime banks in the relevant interbank market in each such case for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time or, if fewer than two rates are so quoted, the Issuing Agent will determine the arithmetic mean of the rates quoted by European commercial banks (as determined by the Issuing Agent) in the relevant interbank market at approximately the Relevant Time on the first day of the relevant Interest Period for loans in EUR to leading European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Extraordinary Resolution**" shall have the meaning ascribed to it in Clause 15 (*Holders' Meeting and Written Procedure*).

"**Fixed Day Count Fraction**" means, in respect of an Interest Period, the number of days in the Interest Period (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

"**Fixed Interest Rate**" means, in relation to each Interest Period from, but excluding, the Issue Date to and including the Reset Date, 13.500 per cent per annum.

"**Floating Day Count Fraction**" means, in relation to a specific Interest Period, the actual number of days in that Interest Period divided by 360.

"**Floating Interest Rate**" means, in relation to each Interest Period commencing on or after the Reset Date, a percentage rate per annum which is the aggregate of 3-month Screen Rate and a margin equal to the aggregate of the Re-Offer Spread and 5.00 per cent per annum, provided that if any applicable Floating Interest Rate is below zero, the Floating Interest Rate will be deemed to be zero.

"**Holder**" means the Person who is registered on a Securities Account as direct registered owner (Sw. *direktregistrerad ägare*) or nominee (Sw. *förvaltare*) with respect to any Capital Securities.

"**Holders' Meeting**" means a meeting of Holders held in accordance with Clause 15 (*Holders' Meeting and Written Procedure*).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense.

"**Interest Determination Date**" means the second Business Day before the commencement of the Interest Period for which the rate will apply.

"**Interest Payment Date**" means, until the Reset Date, 6 July in each year with the first Interest Payment Date being 6 July 2023 and, after the Reset Date, 6 January, 6, April, 6 July and 6 October in each year with the first such Interest Payment Date being 6 October 2026, provided that if any Interest Payment Date should fall on a date which is not a Business Day, it shall be postponed to the next Business Day.

"**Interest Period**" means each period beginning on (but excluding) the Issue Date or any Interest Payment Date and ending on (and including) the next Interest Payment Date or, in respect of the last Interest Period, the Redemption Date (whether or not an Interest Payment Date).

"**Interest Rate**" means the Fixed Interest Rate and/or the Floating Interest Rate (as applicable).

"**Investment Grade Credit Rating**" means the rating assigned to the senior unsecured debt of the Issuer by any Rating Agency that is Baa3, BBB- or its equivalent for the time being or better.

"**Issue Date**" means 6 April 2023.

"**Issue Price**" means 100 per cent.

"**Issuer**" means Eltel AB (publ), a public limited liability company incorporated under the laws of Sweden with reg. no. 556728-6652.

"**Issuer Subordinated Indebtedness**" means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of an Issuer Winding-up to the claims of all unsubordinated creditors of the Issuer, but senior to the Capital Securities or to the obligations of the Issuer in respect of any Parity Securities.

“**Issuer Winding-up**” has the meaning ascribed to it in paragraph (a) of Clause 3.2 (*Status and Subordination*).

“**Issuing Agent**” means Nordea Bank Abp, Filial i Sverige (or any of its successor or assignee), in its capacity as issuer agent with respect to the Capital Securities in relation to the Issuer and, referred to in the CSD Regulations, the CSD.

“**Nominal Amount**” means the nominal amount of each Capital Security, being EUR 20,000.

“**Parity Securities**” means any obligations of:

(a) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Capital Securities; and

(b) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer, the liabilities of the Issuer under which rank or are expressed to rank *pari passu* with the Capital Securities.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

“**Rating Agency**” means any of Moody’s Investors Service Limited (or any of its subsidiaries or any successor in business thereto from time to time), S&P Global Ratings Europe Limited (or any of its subsidiaries or any successor in business thereto from time to time), or Fitch Ratings Limited (or any of its subsidiaries or any successor in business thereto from time to time).

“**Redemption Date**” means the date on which the Capital Securities will be redeemed pursuant to these Terms and Conditions.

“**Relevant Nominating Body**” means in respect of a benchmark or screen rate:

(a) the European Central Bank or any supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the European Central Bank, (ii) any central bank or supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof.

“**Re-Offer Spread**” means 10.290 per cent per annum.

“**Replacement Benchmark**” means the reference rate (and related alternative screen page or source, if available) which is (in the following order):

(a) formally designated, nominated or recommended as the replacement for a Screen Rate by:

(i) the administrator of the Screen Rate in respect of which the Screen Rate Replacement Event has occurred; or

(ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both sub-sections (i) and (ii), the Replacement Benchmark will be the replacement under sub-section (ii) above;

(b) in the opinion of the Issuer in consultation with the Issuing Agent, generally accepted in the international or any relevant domestic bond markets as the appropriate successor to a Screen Rate; or

(c) in the opinion of an Independent Adviser appointed by the Issuer in consultation with the Issuing Agent, an appropriate successor to a Screen Rate.

“**Replacing Capital Event**” means one or more issuances of equity by the Issuer the aggregate proceeds of which (net of commissions) is equal to or greater than the outstanding aggregate amount of the Capital Securities provided that such proceeds have not been used, directly or indirectly, to repurchase or redeem, or make any payments in respect of, any shares or securities of the Issuer which rank *pari passu* with, or junior to, the Capital Securities.

"**Reset Date**" means 6 July 2026.

"**Screen Rate**" means initially EURIBOR, and on, or after any Screen Rate Replacement Date, if any, the Replacement Benchmark plus Adjustment Spread, if applicable.

"**Screen Rate Replacement Date**" means the next Interest Determination Date appearing after:

(a) the occurrence of a Screen Rate Replacement Event: and

(b)

(i) in case of the change in the methodology, formula or other means of determining the Screen Rate, the publishing of the first quotation of the reformed Screen Rate by the administrator;

(ii) in case of discontinuation of publication, or impossibility of use of the Screen Rate, the date on which the quotes in the Screen Rate have ceased to been published by the administrator, or it has become impossible to use the Screen Rate; or

(iii) in case of absence of approval, authorisation or other decision or in respect of the Screen Rate or the administrator of that Screen Rate, the date on which authorisation, registration, recognition, endorsement, equivalent decision, approval or inclusion in any official register is (i) required under any applicable law or regulation or (ii) rejected, refused, suspended or withdrawn, if the applicable law or regulation provides that that Screen Rate is not permitted to be used following rejection, refusal, suspension or withdrawal.

"**Screen Rate Replacement Event**" means, in relation to a Screen Rate:

(a) the methodology, formula or other means of determining that Screen Rate has materially changed; or

(b)

(i)

(A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or

(B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;

(ii) the administrator of that Screen Rate publicly announces that it has ceased or will cease, to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;

(iii) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued;

(iv) the administrator of that Screen Rate or its supervisor announces that that Screen Rate may no longer be used or use of that Screen Rate will be subject to restrictions or adverse consequences to Holders; or

(v) the Issuer determines (in consultation with the Issuing Agent) that any authorisation, registration, recognition, endorsement, equivalent decision, approval or inclusion in any official register in respect of that Screen Rate or the administrator of that Screen Rate has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, with the effect that the Issuer or the Issuing Agent is not, or will not be, permitted under any applicable law or regulation to use that Screen Rate as a benchmark rate.

"**Securities Account**" means the account for dematerialized securities maintained by the CSD pursuant to the Central Securities Depositories and Financial Instruments Accounts Act in which: (a) an owner of such security is directly registered; or (b) an owner's holding of securities is registered in the name of a nominee.

"**Subsidiary**" means, in relation to the Issuer, any Swedish or foreign legal entity (whether incorporated or not), which at any time is a subsidiary (Sw. *dotterföretag*) to the Issuer, directly or indirectly, as defined in the Swedish Companies Act (Sw. *aktiebolagslagen 2005:551*).

"**TARGET Settlement Day**" means any day on which the real time gross settlement system operated by the Eurosystem (T2) is open.

"**Taxes**" shall have the meaning ascribed to it in Clause 10 (*Taxation*).

"**Tax Event**" means the receipt by the Issuer of an opinion of counsel in Sweden (reputable and experienced in such matters) to the effect that, as a result of (a) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of Sweden affecting taxation, (b) any governmental action or (c) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action or any interpretation or pronouncement that provides for a position with respect to such governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulator body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective or such pronouncement or decision is announced on or after the Issue Date, there is a sufficiently certain risk that any interest payments under the Capital Securities that were, but for such events described in (a) to (c) above would no longer be after such event has or would have taken effect, tax deductible (in whole or in part) by the Issuer for Swedish law tax purposes.

"**Withholding Tax Event**" shall have the meaning ascribed to it in Clause 8.4 (*Redemption due to a Withholding Tax Event*).

"**Written Procedure**" means the written or electronic procedure for decision making among the Holders in accordance with Clause 15 (*Holders' Meeting and Written Procedure*).

1.2 ***Interpretations***

1.2.1 Any reference in these Terms and Conditions to principal or principal amount in respect of the Capital Securities shall be deemed to include:

(a) any Additional Amounts which may be payable with respect to principal; and

(b) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Capital Securities.

1.2.2 Any reference in these Terms and Conditions to interest in respect of Capital Securities shall be deemed to include:

(a) any Deferred Interest (including any interest on Deferred Interest as calculated in accordance with Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*)); and

(b) any Additional Amounts which may be payable with respect to interest.

1.2.3 Any reference in these Terms and Conditions to bankruptcy, liquidation and company reorganisation shall mean the Swedish law concepts *konkurs, likvidation* and *företagsrekonstruktion*, respectively, as such concepts are applied from time to time pursuant to Swedish law.

2. THE CAPITAL SECURITIES AND OBLIGATION TO PAY

2.1 The aggregate amount of the Capital Securities (subject to the issue of any further capital securities pursuant to Clause 18 (*Further Issues*)) is EUR 25,000,000 and is represented by the Capital Securities, each in the Nominal Amount. The Capital Securities were offered for subscription in a minimum amount of EUR 100,000. Each Capital Security is freely transferable after it has been registered into the respective Securities Account.

2.2 The Issuer undertakes, pursuant to these Terms and Conditions, to redeem the Capital Securities, to pay interest on the Capital Securities and to otherwise comply with these Terms and Conditions.

3. STATUS AND SUBORDINATION

3.1 The Capital Securities, including the obligation to pay interest thereon, constitute direct, general, unconditional, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities against the Issuer are subordinated as described under Clause 3.2.

3.2 In the event of:

(a) a voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer (each an "**Issuer Winding-up**"), the rights and claims (if any) of Holders to payments of the principal amount and any other amounts in respect of the Capital Securities (including any accrued and unpaid interest amount or damages awarded for breach by the Issuer of any obligations under these Terms and Conditions, if any are payable) will rank:

(i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;

(ii) in priority to all present and future claims in respect of:

the shares of the Issuer; and

any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Capital Securities or any Parity Securities; and

(iii) junior in right of payment to any present or future claims of:

all unsubordinated obligations of the Issuer; and

all Issuer Subordinated Indebtedness; or

(b) a company reorganisation of the Issuer under the Swedish Company Reorganisation Act (Sw. *lag (2022:964) om företagsrekonstruktion*), the rights and claims (if any) of Holders to payments of the principal amount and any other amounts in respect of the Capital Securities (including any accrued and unpaid interest amount or damages awarded for breach by the Issuer of any obligations under these Terms and Conditions, if any are payable) will rank:

(i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities; and

(ii) junior in right of payment to any present or future claims of:

all unsubordinated obligations of the Issuer; and

all Issuer Subordinated Indebtedness.

Claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under a company reorganisation of the Issuer.

3.3 Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Capital Securities and each Holder shall, by virtue of its holding of any Capital Security, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention.

4. REGISTRATION AND ISSUANCE OF CAPITAL SECURITIES

4.1 Capital Securities will be registered for the Holders on their respective Securities Account and no physical notes representing the Capital Securities will be issued. Accordingly, the Capital Securities will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Capital Securities shall be directed to an Account Operator.

4.2 The Debt Register shall constitute conclusive evidence of the Persons who are Holders and their holdings of Capital Securities.

4.3 Any Person who acquires the right to receive payment under a Capital Security through a mandate, assignment, security, regulations in the Code on Parents and Children (Sw. *Föräldrabalken*), conditions in a will or deed of gift or in some other way shall register her or his right in order to receive payment.

5. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Capital Securities, less the costs and expenses incurred by the Issuer in connection with issue of the Capital Securities, for refinancing certain existing indebtedness of the Issuer and general corporate purposes.

6. INTEREST

6.1 *Fixed Interest Rate*

From but excluding the Issue Date to and including the Reset Date, the Capital Securities bear interest on their outstanding Nominal Amount at the Fixed Interest Rate, subject to Clause 8.8 (*Change of Control*). Such interest will be payable (subject to the provisions contained in Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*)) annually in arrears on each Interest Payment Date.

Fixed interest payable shall be calculated by applying the Fixed Interest Rate to the Nominal Amount of such Capital Security, multiplying the product by the Fixed Day Count Fraction and rounding the resulting figure to the nearest euro cent (half a cent being rounded upwards).

6.2 *Floating Interest Rate*

From but excluding the Reset Date to and including the Redemption Date, the Capital Securities bear interest on their outstanding Nominal Amount at the Floating Interest Rate, subject to Clause 8.8 (*Change of Control*). Such interest will be payable (subject to the provisions contained in Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*)) quarterly in arrears on each Interest Payment Date.

Floating interest payable shall be calculated by applying the Floating Interest Rate to the Nominal Amount of such Capital Security, multiplying the product by the Floating Day Count Fraction and rounding the resulting figure to the nearest euro cent (half a cent being rounded upwards).

7. INTEREST PAYMENT AND DEFERRAL

7.1 *Cumulative Optional Interest Deferral and Optional Payment*

7.1.1 The Issuer may, in its sole discretion but subject to Clauses 7.1.2, 7.1.3 and 7.2, elect to defer any interest payment which would otherwise be due on any Interest Payment Date (in whole or in part). Any interest in respect of any Capital Security due but not paid on an Interest Payment Date shall constitute "**Deferred Interest**". If there are several amounts of Deferred Interest they shall accumulate until paid in full.

If the Issuer makes only a partial payment of interest on any Interest Payment Date, such amount shall be applied equally to each Capital Security.

7.1.2 Each amount of Deferred Interest shall bear interest (as if it constitutes a principal amount) at an Interest Rate which equals the current Interest Rate on the Capital Securities. Deferred Interest shall not be capitalised to the principal amount of the Capital Securities.

7.1.3 The Issuer shall:

(a) if it wishes to elect to defer any interest payment, as soon as practicable and in any event not less than fifteen (15) Business Days prior to the relevant Interest Payment Date; or

(b) if it wishes to make any payment of Deferred Interest, no later than fifteen (15) Business Days prior to the relevant Deferred Interest Payment Date (as defined below),

in the case of (a), give notice of such election (which shall be irrevocable) or, in the case of (b), give notice of such election and specify the date (which date shall fall on a TARGET Settlement Day) on which such payment shall be made (the "**Deferred Interest Payment Date**"), which notice shall be irrevocable, in each case to the Issuing Agent and the Holders in accordance with Clause 16 (*Notices*).

7.1.4 Deferred Interest (including any interest thereon) may be paid, in whole or in part, at any time at the option of the Issuer following delivery of a notice given by the Issuer to the Issuing Agent and the Holders in accordance with paragraph (b) in Clause 7.1.3 above and, following such notice, as further set out in Clause 11 (*Payment of principal and interest*).

7.2 ***Compulsory interest payment***

(a) The Issuer shall pay any Deferred Interest (including any interest thereon) in whole but not in part, on:

(i) the twentieth (20^{th}) Business Day following the date on which a Deferred Interest Payment Event occurs (or, if such day is not a TARGET Settlement Day, the next following TARGET Settlement Day);

(ii) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the Interest accrued in respect of the relevant Interest Period; and

(iii) the date on which the Capital Securities are redeemed or repaid in accordance with Clause 8 (*Redemption and Purchase*) or Clause 14 (*Enforcement Events*),

in each case as further set out in Clause 11 (*Payment of principal and interest*).

(b) Notice of any Deferred Interest Payment Event shall be given by the Issuer in accordance with Clause 16 (*Notices*) to the Holders and the Issuing Agent within three (3) Business Days of such event.

8. REDEMPTION AND PURCHASE

8.1 ***No maturity***

The Capital Securities do not have any specified maturity date and may not be called for repayment, repaid or redeemed otherwise than in accordance with these Terms and Conditions.

8.2 ***Redemption due to a Tax Event or an Accounting Event***

Upon the occurrence of a Tax Event or an Accounting Event, the Issuer may, if it gives not less than thirty (30) nor more than sixty (60) days' notice to the Issuing Agent and the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Capital Securities in whole, but not in part, at any time after the occurrence of the relevant event, at (i) where such redemption occurs before the Reset Date, an amount equal to 101 per cent of their Nominal Amount and (ii) where such redemption occurs on or after the Reset Date, an amount equal to 100 per cent of their Nominal Amount, in each case, together with any Accrued Interest to and including the date of redemption. The notice of redemption referred to above shall be accompanied by a certificate signed by two of the Issuer's authorised signatories that the Tax Event or the Accounting Event has occurred or will occur no more than ninety (90) days following the date fixed for redemption, as the case may be.

8.3 ***Redemption due to a Replacing Capital Event***

Upon the occurrence of a Replacing Capital Event, the Issuer may, if it gives not less than thirty (30) nor more than sixty (60) days' notice to the Issuing Agent and the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Capital Securities in whole, but not in part, at any time after the occurrence of such event, at (i) where such redemption occurs before the Reset Date, an amount equal to 103 per cent of their Nominal Amount and (ii) where such redemption occurs on or after the Reset Date, an amount equal to 100 per cent of their Nominal Amount, in each case, together with any Accrued Interest to and including the date of redemption. The notice of redemption referred to above shall be accompanied by a certificate signed by two of the Issuer's authorised signatories that the Replacing Capital Event has occurred.

8.4 ***Redemption due to a Withholding Tax Event***

8.4.1 Unless notice of redemption has been given pursuant to Clause 8.2 (*Redemption due to a Tax Event or an Accounting Event*) above, the Issuer may, if it gives not less than thirty (30) nor more than sixty (60) days' notice to the Issuing Agent and the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Capital Securities in whole, but not in part, at any time, if:

(a) on the occasion of the next or any following payment due under the Capital Securities, the Issuer has or (as evidenced by an opinion of a tax counsel in Sweden (reputable and experienced in such matters) will become obliged to pay Additional Amounts as a result of any change in, or amendment to, the laws or regulations of Sweden or any political subdivision thereof or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

(a "**Withholding Tax Event**") provided that no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts in relation to a payment in respect of the Capital Securities then due. The notice of redemption referred to above shall be accompanied by a certificate signed by two of the Issuer's authorised signatories that the Withholding Tax Event has occurred or will occur no more than ninety (90) days following the date fixed for redemption, as the case may be.

8.4.2 Capital Securities redeemed pursuant to this Clause 8.4 will be redeemed at their Nominal Amount, together with any Accrued Interest to and including the date of redemption

8.5 ***Redemption at the Option of the Issuer***

The Issuer may, by giving not less than thirty (30) nor more than sixty (60) days' notice to the Issuing Agent and the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem all outstanding Capital Securities in whole, but not in part on the Reset Date or on any Interest Payment Date thereafter at the amount determined in accordance with Clause 9 (*Sustainability Performance Targets*), together with any Accrued Interest to and including the date of redemption.

8.6 ***Clean-up call option***

If at any time the Adjusted Nominal Amount of the Capital Securities is twenty-five (25) per cent or less of the aggregate nominal amount of the Capital Securities issued, the Issuer may, at its option, at any time, by giving not less than fifteen (15) nor more than forty-five (45) days' notice to the Issuing Agent and the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem all of the outstanding Capital Securities in whole, but not in part at (i) where such redemption occurs before the Reset Date, an amount equal to 101 per cent of their Nominal Amount and (ii) where such redemption occurs on or after the Reset Date, an amount equal to 100 per cent of their Nominal Amount, in each case, together with any Accrued Interest to and including the date of redemption.

8.7 ***Purchases***

The Issuer or any Subsidiary may at any time purchase Capital Securities in any manner and at any price. If purchases are made by tender, tenders must be available to all Holders alike. The repurchased Capital Securities may be resold or cancelled, subject to Clause 8.10 (*Cancellation of Capital Securities*).

8.8 ***Change of Control***

Upon the occurrence of a Change of Control, the Issuer may, if it gives not less than thirty (30) nor more than sixty (60) days' notice as from the date of such Change of Control to the Issuing Agent and the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption which shall be no later than the date which is six (6) months after the date of the Change of Control), redeem the Capital Securities in whole, but not in part, at an amount equal to 100 per cent of their Nominal Amount, together with any Accrued Interest. Such notice shall also specify the nature of the Change of Control, the circumstances giving rise to it and the date on which it became effective.

If such notice is not published within such sixty (60) days of the Change of Control occurring, the Issuer will notify the Issuing Agent and the Holders, no later than sixty (60) calendar days following the effective Change of Control specifying the nature of the Change of Control, the circumstances giving rise to it and the date on which it became effective.

If, after the occurrence of a Change of Control, the Issuer has not redeemed the Capital Securities within six (6) months after the date of the Change of Control, the Interest Rate applicable to the Capital Securities (including any amount of current or future Deferred Interest) shall, subject to the following paragraph, be increased by an additional margin of 5.00 per cent per annum. This increase shall become effective on the date which is six (6) months after the date of the Change of Control.

The increase in Interest Rate set out in the preceding paragraph shall not be applied if, prior to the date which is six (6) months after the date of the Change of Control, the Issuer has obtained an Investment Grade Credit Rating. The Issuer will notify the Issuing Agent and the Holders not later than ten (10) calendar days after the date which is six (6) months after the date of the Change of Control whether or not it has obtained such an Investment Grade Credit Rating.

8.9 ***Irrevocable Notices and Redemption Process***

Upon the expiry of any notice as referred to in Clauses 8.2 (*Redemption due to a Tax Event or an Accounting Event*), 8.3 (*Redemption due to a Replacing Capital Event*), 8.4 (*Redemption due to a Withholding Tax Event*), 8.5 (*Redemption at the Option of the Issuer*), 8.6 (*Clean-up call option*) and 8.8 (*Change of Control*) above, the Issuer shall be bound to redeem the Capital Securities in accordance with the terms of such Clause.

Upon the redemption of the Capital Securities the Issuer is entitled to have the Capital Securities debited from the relevant Security Accounts without any further consent from the Holders. The Issuer shall be entitled to carry out the redemption in the manner chosen by the Issuer at its sole discretion under the Central Securities Depositories and Financial Instruments Accounts Act and the CSD Regulations.

8.10 ***Cancellation of Capital Securities***

All Capital Securities which are redeemed pursuant to this Clause 8 and all Capital Securities purchased and elected to be cancelled pursuant to Clause 8.7 (*Purchases*) will be cancelled and may not be reissued or sold. The Issuer shall promptly inform the Holders in accordance with Clause 16 (*Notices*) and the Issuing Agent of any such cancellation and for so long as any Capital Securities are admitted to trading on Nasdaq Stockholm and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm of the cancellation of any Capital Securities under this Clause 8.10.

9. SUSTAINABILITY PERFORMANCE TARGETS

If the Capital Securities are redeemed in accordance with Clause 8.5 (*Redemption at the Option of the Issuer*), the Issuer shall on the Redemption Date redeem the Capital Securities at a price equal to:

(a) 100 per cent of the outstanding principal amount of the Capital Securities if the Issuer has met all of the three thresholds defined under the Sustainability Performance Targets on the Target Observation Date; or

(b) 100 per cent of the outstanding principal amount of the Capital Securities plus the Redemption Premium if the Issuer has not met all of the three thresholds defined under the Sustainability Performance Targets on the Target Observation Date,

in each case, such Sustainability Performance Targets shall be evidenced by the publication of the relevant reports and Verification. In the event the Issuer does not provide and make public such information in its Sustainability Report or by way of a separate Sustainability-Linked Progress Report together with the applicable Verification within 120 days from the Target Observation Date, the price for redemption on the Redemption Date shall be 100 per cent of the outstanding principal amount of the Capital Securities plus the Redemption Premium.

During the validity of the Capital Securities the Issuer shall within 120 days from the beginning of each year publish on its website:

(a) a Sustainability Report which describes the Issuer's performance in relation to the Sustainability Performance Targets, or alternatively, the Issuer may choose to publish such information under a separate Sustainability-Linked Progress Report; and

(b) a Verification confirming the Group's performance in relation to the Sustainability Performance Targets.

For the purposes of this Clause 9

"**Redemption Premium**" means the amount calculated by applying the sum of the Premium Rates for the Sustainability Performance Targets not reported or verified by the Issuer within 120 days from the Target Observation Date in accordance with the reporting obligation described above or not met by the Issuer by the Target Observation Date, the aggregate of the Premium Rates being at the maximum 1.20 per cent, to the outstanding principal amount of the Capital Securities, where a "**Premium Rate**" (jointly, the "**Premium Rates**") is calculated as follows:

the applicable SPT Weight x 1.20 per cent

"**SPT Weight**" means (i) 25 per cent in case of SPT 1, (ii) 25 per cent in case of SPT 2 and (iii) 50 per cent in case of SPT 3.

"**Sustainability Performance Targets**" mean (i) the reduction by the Issuer of scope 1 GHG emissions by 19.0 per cent by the end of year 2025 from a baseline year 2021 (the "**SPT 1**"), (ii) the increase of renewable electricity sourcing by the Issuer, accounted for as proportion of renewable electricity purchased within the Issuer's office premises, from 31% to 62% by the end of 2025 compared to 2021(the "**SPT 2**") and (iii) ensure that 35% of the Issuer's suppliers by emissions covering the upstream scope 3 categories 1, 2, 4, 5 and 6, will have science-based targets by the end of 2025 (the "**SPT 3**"), in each case as further specified in the Sustainability-Linked Finance Framework.

"**Sustainability-Linked Finance Framework**" means the Issuer's sustainability-linked finance framework adopted by the Issuer in February 2023, establishing the Issuer's key performance indicators and Sustainability Performance Target(s) in line with the ICMA Sustainability-Linked Bond Principles published in June 2020.

"**Sustainability-Linked Progress Report**" means the Issuer's status report on an annual basis during the validity of the Capital Securities and for the Target Observation Date and all relevant information needed to assess whether the performance of the Issuer is meeting the applicable levels set out in the Sustainability-Linked Finance Framework.

"**Sustainability Report**" means the annual report by the Issuer on its general sustainability performance and measures, including inter alia, information needed to assess whether the performance of the Issuer is meeting the applicable levels set out in the Sustainability-Linked Finance Framework for the Target Observation Date unless the Issuer reports such information separately by way of a Sustainability-Linked Progress Report.

"**Target Observation Date**" means 31 December 2025.

"**Verification**" means, a verification by a qualified external reviewer with relevant expertise (such as an auditor or an environmental consultant) appointed by the Issuer, of the performance of the Issuer in relation to the Sustainability Performance Targets.

10. TAXATION

All payments payable in respect of the Capital Securities (whether in respect of interest or principal, redemption amount or otherwise) by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Sweden or any political subdivision of, or any authority in, or of, Sweden having power to tax, unless the withholding or deduction of the Taxes is required by Swedish law.

In that event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Capital Securities in the absence of such withholding or deduction (such amounts being "**Additional Amounts**"), except that no Additional Amounts shall be payable in relation to any payment in respect of any Capital Security:

(a) in Sweden;

(b) to, or to a third party on behalf of, a Holder who is liable to Taxes in respect of the Capital Security by reason of it having some connection with Sweden other than the holding of the Capital Security;

(c) presented for payment more than 30 days after the date on which such payment first becomes due and payable, provided that if the full amount of the moneys payable has not been received from the Issuer on or prior to such due date, the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders in accordance with Clause 16 (*Notices*), except to the extent that the relevant Holder would have been entitled to such Additional Amounts on presenting the same for payment on the expiry of such period of 30 days; or

(d) to, or to a third party on behalf of, a Holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

11. PAYMENTS OF PRINCIPAL AND INTEREST

11.1 Any payment of principal, interest and/or other amounts in respect of Capital Securities shall be made to the Holders appearing registered in the book-entry system and register maintained by the CSD on the fifth (5^{th}) business day (as defined by the then-applicable CSD Regulations) before the due date for such payment, such date being a Business Day, or such other business day falling closer to the due date as then may be stipulated in the CSD Regulation and will be made in accordance with such CSD Regulation, such day being the "**Record Date**" in repect of the Capital Securities in accordance with the CSD Regulation.

11.1.1 Additionally, in respect of any payment of Deferred Interest (which term shall include any interest thereon for the purposes of this provision) in accordane with Clause 7 (*Interest payment and deferral*), the Deferred Interest shall be calculated on the second TARGET Settlement Day before the relevant Deferred Interest Payment Date. The payment of Deferred Interest on a Deferred Interest Payment Date shall constitute an "other payment" (Sw. *annan utbetalning*) for the purposes of the CSD Regulation. When making payment of the Deferred Interest, the relevant payment order shall specify the amount of such payment, rounded to five decimal places.

11.2 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed.

11.3 If both the principal amount and interest are due and payable and the available funds are insufficient to discharge all the amounts due and payable, the available funds shall first be applied towards payment of interest and secondly, towards payment of the principal amount and shall be applied pro rata among the Holders.

11.4 Payments will, but without prejudice to the provisions of Clause 10 (*Taxation*), be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof), or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) (collectively, "**FATCA**").

11.5 Notwithstanding anything to the contrary in Clause 11.4 above, the CSD shall have no other obligation in respect of the Code or FATCA than as set out in the CSD Regulation.

12. DEFAULT INTEREST

12.1 If the Issuer fails to pay any amount due in accordance with these Terms and Conditions, the Issuer shall, for the period commencing on the date such payment was due and ending on the date of actual payment, pay default interest on the overdue amount at a rate corresponding to the average of one (1) week Screen Rate during the delay plus two (2) percentage units. The Screen Rate shall be determined on the first Business Day of each week during the delay. Default interest shall however, subject to Clause 12.2 below, never be less than the Interest Rate plus two (2) percentage units or if Clause 8.8 (*Change of Control*) applies not less than the Interest Rate plus seven (7) percentage units. Accrued default interest shall not be capitalised.

12.2 If the delay is due to an existence of an obstacle for any one of the Issuing Agent or the CSD, respectively, referred to in Clause 22 (*Limitation of Liability*) the default interest shall not accrue nor become payable.

13. TIME-BAR

13.1 The right to receive repayment of the principal of Capital Securities shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest (excluding any capitalised Interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been time-barred and has become void.

13.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar period of ten (10) years with respect to the right to receive repayment of the principal of the Capital Securities, and of three (3) years with respect to the right to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

14. ENFORCEMENT EVENTS

14.1 Without prejudice to the Issuer's right to defer the payment of interest under Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*), if a default is outstanding for a period of fourteen (14) days or more in relation to the Issuer's payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, then the Issuer shall be deemed to be in default under the Capital Securities and any Holder may institute proceedings for an Issuer Winding-up provided that such default is still continuing.

14.2 In the event of an Issuer Winding-up, a Holder may, provided such Holder does not contravene a previously adopted resolution (if any), prove and/or claim in such Issuer Winding-up in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Clause 3.2.

14.3 No remedy against the Issuer, other than as referred to in this Clause 14, shall be available to the Holders, whether for the recovery of any amount of principal, interest or otherwise owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities.

15. HOLDERS' MEETING AND WRITTEN PROCEDURE

15.1 The Issuer may convene a Holders' Meeting or arrange a Written Procedure to decide on amendments of these Terms and Conditions or other matters as specified below. Further, the Issuer shall upon the written request of Holders holding not less than ten (10) per cent of the Adjusted Nominal Amount at the time of the request, convene a Holders' Meeting or arrange a Written Procedure. The person requesting the decision may suggest the method for decision-making (being either Holders' Meeting or Written Procedure), but if it is in the Issuer's opinion more appropriate that a matter is dealt with at a Holders' Meeting or by way of a Written Procedure, the Issuer shall have the right to decide the method of decision-making. The Holders' Meeting shall be held at a venue determined by the Issuer provided that the venue shall be in Stockholm, Sweden. At the Issuer's discretion, a Holders' Meeting may also be held (or participation to a physical meeting enabled) by telecommunications or other electronical or technical means.

15.2 The Issuer, the Holders, the CSD and the Issuing Agent shall be given notice to attend a Holders' Meeting at least ten (10) Business Days before such meeting. The notice to attend shall be given in accordance with Clause 16 (*Notices*) and it shall contain (i) the time and venue for the meeting and (ii) an agenda of the matters to be addressed and, as the case may be, resolved, at the meeting as well as (iii) any action required on the part of a Holder to attend the Holders' Meeting. No other matters than those referred to in the notice to attend may be resolved upon. The notice to attend shall specifically address that in the case of Capital Securities registered with a nominee, the underlying beneficiaries shall register their right to vote separately in order to be capable of casting votes at the meeting, in which case the nominee shall hold no voting rights in respect of such Capital Securities.

15.3 The Issuer shall instigate a Written Procedure no later than ten (10) Business Days after receipt of a valid request from the Holder(s) (or such later date as may be necessary for technical or administrative reasons). The Issuer shall instigate a Written Procedure requested to be arranged by the Issuer pursuant to Clause 15.1 above or by the Holders pursuant to this Clause 15.3 by sending a communication to those who, according to the register kept by the CSD in respect of the Capital Securities, were Holders at the end of the fifth (5th) Business Day prior to the date on which the communication is sent. The notice to attend shall be given in accordance with Clause 16 (*Notices*) and it shall contain (i) each request for a decision by the Holders or the Issuer, (ii) a description of the reasons for each request, (iii) a specification of the Business Day at the end of which a person must be registered as a Holder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to this Clause 15.3). If the voting is to be made electronically, instructions for such voting shall be included in the communication.

15.4 Representatives of the Holders, the Issuing Agent and the Issuer and their respective proxies and advisers, and, in the case of the Issuer, directors, the chief executive officer and other senior officers and external auditors of the Issuer, may attend a Holders' Meeting.

15.5 The Issuer shall appoint the chairman of the meeting, unless otherwise decided by the Holders' Meeting. The chairman shall prepare a list of present Holders setting out the proportion of the Adjusted Nominal Amount each Holder represents ("**Voting Register**"). The Voting Register shall be approved by the Holders' Meeting. Only those who, according to the register kept by the CSD in respect of the Capital Securities, were Holders on the fifth (5th) Business Day prior to the Holders' Meeting, or proxies authorised by such Holders, shall, if holding any Adjusted Nominal Amount at the time of the meeting, be entitled to vote at the meeting and shall be registered in the Voting Register.

15.6 The chairman shall ensure that minutes are kept at the Holders' Meeting. The chairman shall record the date and place of the Holders' Meeting as well as resolutions adopted by the Holders' Meeting and results of voting. The Voting Register shall be incorporated in, or be attached to, the minutes. The minutes shall be signed by the keeper of the minutes. The minutes shall be attested by the chairman of the meeting, where the chairman has not kept the minutes, and by at least one Holder appointed by the meeting to attest the minutes. The minutes shall thereafter be provided to the Holders no later than seven (7) Business Days after the meeting. Should the Holders' Meeting resolve to amend these Terms and Conditions, the Terms and Conditions as so amended shall be attached to the minutes and be provided by the Issuer to the CSD and the Issuing Agent. The minutes shall be safely kept by the Issuer.

15.7 The Holders' Meeting or the Written Procedure is quorate if Holders representing not less than twenty (20) per cent of the Adjusted Nominal Amount are present or reply to the request in accordance with the instructions given pursuant to Clause 15.3 (as applicable). However, in relation to resolutions in the following matters (an "**Extraordinary Resolution**"), the Holders' Meeting or Written Procedure is quorate only if Holders representing not less than fifty (50) per cent of the Adjusted Nominal Amount are present or reply to the request in accordance with the instructions given pursuant to Clause 15.3 (as applicable):

(a) approving a change of a Reset Date, Interest Payment Date, Redemption Date or any term triggering the right of such redemption or any other terms relating to interest, reduction or cancellation of the amount payable and change of the currency in which payments under the Capital Securities are to be made;

(b) a mandatory exchange of Capital Securities for other securities;

(c) approving a substitution of the Issuer; and

(d) amendments to Clause 3 (*Status and Subordination*) or this Clause 15.

Notwithstanding the foregoing, any amendment to these Terms and Conditions (including substitution of the Issuer) shall be made in accordance with the Clause 17 (*Amendments*). For the sake of clarity, any resolution at a Holders' Meeting or in the Written Procedure, which extends or increases the obligations of the Issuer, or limits, reduces or extinguishes the rights or benefits of the Issuer (other than in accordance with these Terms and Conditions), shall be subject to the consent of the Issuer.

15.8 If quorum does not exist at the Holders' Meeting or in respect of a Written Procedure, the Issuer shall convene a second Holders' Meeting (in accordance with Clause 15.2) or initiate a second Written Procedure (in accordance with Clause 15.3), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Holders' consent. When an adjourned Holders' Meeting or Written Procedure resumes, the Holders' Meeting or the Written Procedure shall, if Holders representing not less than ten (10) per cent of the Adjusted Nominal Amount are present at such Holders' Meeting or reply in such Written Procedure (in accordance with the instructions given pursuant to Clause 15.3), be deemed quorate and resolutions may, also in respect of Extraordinary Resolutions, be adopted by a simple majority of the votes cast.

15.9 Resolutions at Holders' Meetings or in a Written Procedure shall be adopted by way of voting. Each Holder entitled to vote shall have one (1) vote for each Nominal Amount of the Capital Security held by it and Holders holding more than one Capital Security need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only. The Issuer and any Subsidiary shall not hold voting rights at the Holders' Meeting nor in the Written Procedure. In the event of a tied vote, the chairman shall have the casting vote. An Extraordinary Resolution shall, subject to Clause 15.7, be valid only where supported by Holders representing not less than seventy-five (75) per cent of the votes cast at the Holders' Meeting or in the Written Procedure. In all other matters (including but not limited to actions to be taken upon an enforcement event), resolutions by the Holders' Meeting or Written Procedure by shall be adopted by a simple majority of the votes cast.

15.10 Resolutions adopted at a duly convened and held Holders' Meeting or by way of a Written Procedure shall be binding on all Holders, whether or not present at the Holders' Meeting or replying to the Written Procedure and whether or not supporting the resolutions. No Holder shall be held responsible for any damage any resolution of a Holders' Meeting or by way of a Written Procedure may cause to another Holder.

15.11 The Issuer shall reimburse all actual out-of-pocket costs and expenses incurred by the Issuing Agent and the CSD in connection with a Holders' Meeting or a Written Procedure, regardless of who requested the meeting or procedure.

16. NOTICES

16.1 Notice in respect of Capital Securities will be in writing, addressed to such Holders at the address appearing in the book-entry system and register maintained by the CSD, and will be deemed to have been validly given on the fourth Business Day after such mailing. The Issuer is responsible for sending any Notices to the Holders.

16.2 Alternatively to, or in addition to, the procedure described in Clause 16.1 above, and at the sole discretion of the Issuer, the Issuer may publish notices in respect of Capital Securities (i) on the official website of the Issuer and/or (ii) by a press release.

16.3 Notices (including requests for Holders' Meetings and Written Procedures) shall be given to the Issuer at the following address, or any substitute address notified to the Holders:

Eltel AB (publ)
Attention: Henrik Sundell
Adolfsbergsvägen 13
168 66 Bromma

16.4 Notices shall be given to the Issuing Agent at the following address, or any substitute address notified to the Holders:

Nordea Bank Abp, Filial i Sverige
Attention: Capital Markets and Treasury Operations
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

16.5 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

17. AMENDMENTS

17.1 All amendments to these Terms and Conditions (including without limitation to those set forth in Clause 15 (*Holders' Meeting and Written Procedure*)) with binding effect for all Holders, the Issuing Agent and the Issuer are possible only provided that such amendment has been duly approved by the Issuer and a Holders' Meeting or a Written Procedure in accordance with Clause 15 (*Holders' Meeting and Written Procedure*) or all Holders and the Issuer otherwise agree to such amendment.

17.2 Notwithstanding the foregoing, the Issuing Agent and the Issuer may, however, without the consent of the Holders, agree on (i) the replacement of the Issuing Agent or (ii) any amendment of these Terms and Conditions which is of a formal, minor or technical nature or which is made to correct a clear and manifest error.

17.3 The Issuer shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 15 (*Holders' Meeting and Written Procedure*), setting out the date from which the amendment or waiver will be effective. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

17.4 An amendment to these Terms and Conditions shall, in the case of amendments resolved upon by a Holders' Meeting or by way of a Written Procedure, take effect on the date determined by the Holders Meeting or in the Written Procedure, or, in the case of amendments made by the Issuing Agent and the Issuer pursuant to Clause 17.2, on the date determined by the Issuing Agent and the Issuer.

18. FURTHER ISSUES

The Issuer shall, from time to time and without the consent of the Holders, have the right to create and issue further capital securities ranking *pari passu* in all respects and having the same terms and conditions as the Capital Securities, other than the amount and date of the first payment of interest thereon, and so that the same shall be consolidated and form a single series with the outstanding Capital Securities. For the avoidance of doubt, this Clause 18 shall not limit the Issuer's right to issue any other capital securities.

19. NOMINEE REGISTRATION AND RIGHT TO INFORMATION

19.1 Each of the Issuer and, when permitted under the CSD Regulation, the Issuing Agent shall be entitled to obtain information from the Debt Register and each Holder agrees and gives consent to the CSD to provide such information to the Issuer and the Issuing Agent, in each case upon request. In respect of the Issuing Agent, any such information may include information registered with the CSD relating to the Capital Securities and the Holders to enable the Issuing Agent to provide any relevant Swedish authorities, including the Financial Supervisory Authority of Sweden (Sw. *Finansinspektionen*) and the Swedish tax authorities with any information required under applicable Swedish laws, such as, but not limited to, the identity of the Holder of the Capital Securities, the residency of the Holder of the Capital Securities, the number of Capital Securities registered with the relevant Holder, the address of the relevant Holder, the Account Operator in respect of the relevant CSD account (Sw. *Kontoförande*) and whether or not the Capital Securities are registered in the name of a nominee and the identity of any such nominee.

20. APPOINTMENT AND REPLACEMENT OF THE CSD

20.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD regulations and the other regulations applicable to the Capital Securities.

20.2 The CSD may retire from its assignment or be dismissed by the Issuer provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder. The replacing CSD must be authorized to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) or Regulation (EU) no. 909/2014 and be authorized as a central securities depository in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.

21. THE ISSUING AGENT

21.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Capital Securities.

21.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

21.3 The Issuing Agent's duties under these Terms and Conditions are solely mechanical and administrative in nature and the Issuing Agent only acts in accordance with the Terms and Conditions, unless otherwise set out in the Terms and Conditions. In particular, the Issuing Agent is not acting as an advisor (whether legal, financial or otherwise) to the Holders or any other Person.

21.4 The Issuing Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the Terms and Conditions unless to the extent expressly set out in the Terms and Conditions, or to take any steps to ascertain whether any default (or any event that may lead to a default) has occurred.

21.5 Unless it has actual knowledge to the contrary, the Issuing Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.

21.6 The Issuing Agent is not liable for information provided to the Holders by or on behalf of the Issuer or any other Person.

22. LIMITATION OF LIABILITY

22.1 None of the Issuer, the Issuing Agent and the CSD (each a "**Protected Party**") shall be held responsible for any damage arising out of any Swedish or foreign legal enactment, or any measure undertaken by a Swedish or foreign public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance. The reservation in respect of strikes, lockouts, boycotts and blockades applies even if a Protected Party takes such measures, or is subject to such measures.

22.2 Any damage that may arise in other cases shall not be compensated by any Protected Party if it has observed customary care. No Protected Party shall in any case be held responsible for any indirect damage, consequential damage and/or loss of profit.

22.3 Should there be an obstacle as described above for a Protected Party to take any action in compliance with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

22.4 The provisions in this Clause 22 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act and the CSD Regulations, which provisions shall prevail.

23. LISTING AND SECONDARY MARKET

The Issuer has the intention to and shall use its best efforts to ensure that the Capital Securities are listed on the sustainable bond list of Nasdaq Stockholm within three (3) months from the Issue Date and continue to being listed thereon as long as any Capital Securities are outstanding.

24. GOVERNING LAW AND JURISDICTION

24.1 The Capital Securities and these Terms and Conditions shall be governed by and construed in accordance with Swedish law.

24.2 Any dispute or claim arising in relation to these Terms and Conditions shall, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.

25. ISIN

The ISIN code of the Capital Securities is SE0019914250.

ADDITIONAL INFORMATION ON THE ISSUE OF THE CAPITAL SECURITIES

Type, amount etc. of the Capital Securities:	The Capital Securities constitute unsecured subordinated sustainability-linked hybrid debt instruments. Each Capital Security is freely transferable. The currency of the Capital Securities is EUR. The Capital Securities have a denomination of EUR 20,000 and have been offered for subscription in a minimum amount of EUR 100,000. The number of issued Capital Securities is 1,250.
ISIN code of the Capital Securities:	SE0019914250
Interest rate of the Capital Securities:	From but excluding 6 April 2023 (the "**Issue Date**") to and including an interest reset date on 6 July 2026 (the "**Reset Date**"), the Capital Securities bear interest on their outstanding nominal amount at a fixed interest rate of 13.50 per cent per annum, subject to Clause 8.8 (*Change of Control*) of the Terms and Conditions. Such interest is payable (subject to the provisions contained in Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*)) annually in arrears on each interest payment date. From but excluding the Reset Date to and including the date on which the Capital Securities will be redeemed pursuant to the Terms and Conditions (the "**Redemption Date**"), the Capital Securities bear interest on their outstanding nominal amount at a floating interest rate corresponding to 3-month EURIBOR plus a spread of 10.29 per cent and a margin of 5.00 per cent per annum, subject to Clause 8.8 (*Change of Control*). Such interest will be payable (subject to the provisions contained in Clause 7.1 (*Cumulative Optional Interest Deferral and Optional Payment*)) quarterly in arrears on each interest payment date.
Indication of yield of the Capital Securities:	At the issue price of 100 per cent, the effective yield of the Capital Securities is 13.50 per cent per annum (to and including the Reset Date).
Redemption of the Capital Securities:	The Capital Securities have no maturity date, and the Issuer is not under an obligation to repay, repurchase or redeem the Capital Securities at any specified date. However, the Issuer may, at its option, redeem all of the outstanding Capital Securities in whole, but not in part, on the Reset Date or any interest payment date thereafter or upon the occurrence of certain events, including a Tax Event or an Accounting Event, a Replacing Capital Event, a Withholding Tax Event or a Change of Control each as defined and further described in Clause 8 (*Redemption and Purchase*) of the Terms and Conditions. The repayment of the capital and the payment of interest will depend on, among other things, the Issuer's repayment ability, the Issuer's obligations under any senior financing arrangement and on the decision to make the payments in relation to capital or interest in accordance with the Terms and Conditions. The invested capital and profit may be lost partially or completely.
Subordination of the Capital Securities:	The Capital Securities are subordinated obligations of the Issuer and are the most junior debt instruments of the Issuer as at the date of this Prospectus, ranking behind all present and future claims in respect of all unsubordinated obligations of the Issuer. The Holders would be unsecured creditors in the event of the Issuer's voluntary or involuntary liquidation, bankruptcy or reorganisation, they would not be entitled to demand that any collateral or guarantee be given for the Capital Securities, and the Holders could lose their entire investment.
Estimated net amount of the proceeds:	Approximately EUR 24.1 million.
Reasons for issuance and use of proceeds:	The Issuer shall use the proceeds from the issue of the Capital Securities, less the costs and expenses incurred by the Issuer in connection with issue of the Capital Securities, for partially refinancing certain existing indebtedness of the Issuer and to support Eltel's expansion within renewable energy infrastructure and efforts to improve profitability.
Decisions and authorisations:	Board resolution of 6 March 2023.

Form of the Capital Securities:	Dematerialised securities issued in book-entry form in the book-entry system maintained by Euroclear Sweden AB, with address Klarabergsviadukten 63, 111 64 Stockholm, Sweden.
Intended listing of the Capital Securities:	Eltel will apply for the Capital Securities to be admitted to trading on Nasdaq Stockholm Sustainable Debt Market. No securities of the same class as the Capital Securities are currently admitted to trading on a regulated market, equivalent third country market or SME Growth Market.
Interests of the Joint Lead Managers:	Business interest customary in the financial markets. The Joint Lead Managers will be paid a fee by the Issuer in respect of the offering and issue of the Capital Securities. The Joint Lead Managers and other entities within their groups and/or their affiliates may have performed and may in the future perform investment, insurance, banking or other services for Eltel in the ordinary course of business for which they may have received and may continue to receive customary fees and commissions. Existing financial indebtedness to be partly refinanced with the proceeds from the issuance of Capital Securities may include financial indebtedness provided by one or more of the Joint Lead Managers. In addition, the Joint Lead Managers and other entities within the same group and/or their affiliates have provided, and may provide in the future, the Issuer with investment, insurance, banking and/or other services in the ordinary course of business for which they may have received and may continue to receive customary fees and commissions. The Joint Lead Managers and other entities within the same group and/or their affiliates have also acted in the ordinary course of business as arrangers or lenders under certain loan agreements of the Issuer and its affiliates, for which they have received, and may continue to receive, customary interest, fees and commissions.
Taxation:	All payments in respect of the Capital Securities have been, and will be, made without withholding or deduction for or on account of Swedish withholding taxes unless required by law. If such withholdings are required by Swedish law the Issuer will in certain circumstances pay certain additional amounts as described in, and subject to exceptions set out in, Clause 10 (*Taxation*).

INFORMATION ABOUT THE ISSUER

General

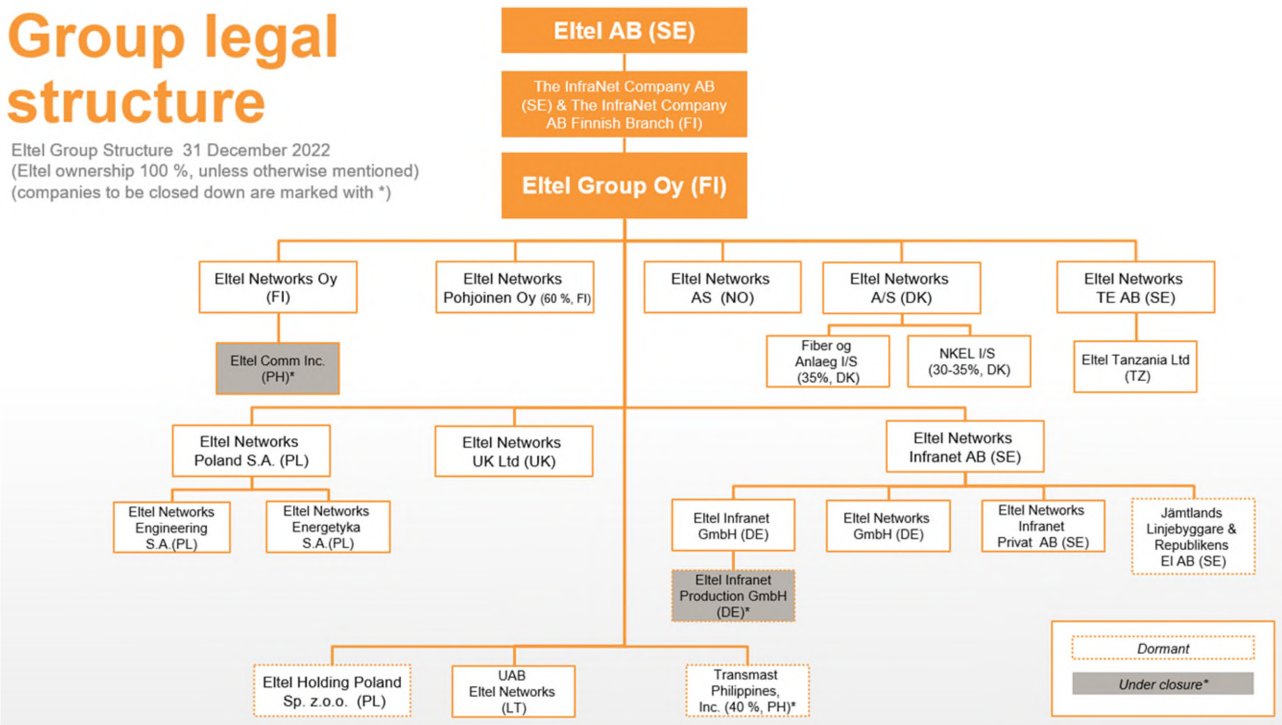
Eltel is a leading service provider for communication and power networks. Operations are conducted in the Nordic countries, Poland, Germany and Lithuania within country-based organisations that have full responsibility for their financial results. Within Power, Eltel provides maintenance of power grids, upgrades and project work to national transmission system operators and distribution network owners. Within Communication, Eltel provides similar services to telecom operators and other owners of communication networks.

Eltel AB (publ) is a Swedish public limited liability company domiciled in Bromma, Sweden. Eltel was established under the laws of Sweden on 5 March 2007 and registered with the Swedish Companies Registration Office on 20 April 2007 under registration number is 556728-6652. The Company's legal and commercial name is Eltel AB (publ) and its Legal Entity Identifier (LEI) code is 549300QPTTHTI8KCH937. The Company's registered address is Adolfsbergsvägen 13, 168 66 Bromma, Sweden and the Company may be reached at the telephone number +46 8 585 376 00. Eltel's operations are regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). Eltel's ordinary shares have been listed on Nasdaq Stockholm since 2015. Eltel AB (publ) is the parent company of Eltel Group.

According to §3 of Eltel's Articles of Association: "The company's objectives are to directly or through wholly-owned or part-owned subsidiaries provide services in the form of maintenance, upgrades and project deliveries in the fields of energy, communications, infrastructure and defence and, within the scope of such business acquire, own, manage or sell shares, interests, securities, securities-related instruments, companies or parts thereof and to manage and sell properties on its own behalf together with any other activities compatible therewith."

Group Structure

As at 31 December 2022, Eltel AB (publ) was the parent company of 25 directly or indirectly owned subsidiaries as set out in the below group structure chart. Since Eltel's operations are mainly carried out through its subsidiaries, Eltel is dependent on its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions of the Capital Securities.



Key Events in the History and Development of Eltel

2001–2007: Growth phase – introduction of the Infranet concept and outsourcing

- Eltel was founded in 2001 (with a different parent company; Eltel AB (publ) was established in 2007).
- During this period, the Company underwent its most intensive acquisition phase with 33 completed bolt-on acquisitions and outsourcing transactions in several product segments and countries, including Sweden, Denmark, Norway, Finland, Poland, Estonia and Lithuania;
- In 2005, the Company merged with Swedia Networks AB, a subsidiary to Telefos Group, which strengthened Eltel's range in the telecom segment;
- Eltel's main shareholders changed in 2005 (December 2004) when Industri Kapital acquired Eltel from CapMan; and
- In 2007 the Company was acquired by 3i.

2008–2010: Consolidation, integration and focus on operational efficiency and margins

- The business service model, the Eltel Way, was introduced and implemented in the Company;
- An operational streamlining program was launched and the business was rationalised; and
- In 2010, a refinancing was carried out and BNP entered as minority shareholder while 3i remained majority shareholder of Eltel.

2011–2014: Establishment of an international organisation with international specialisation

- In 2011, the previously geography-oriented business was converted into an international organisation;
- Continued focus on margin discipline and capital efficiency;
- Entered the UK market in 2012 via a contract for National Grid in a joint venture with Carillion plc;
- Entered the rail service markets in Denmark, Norway and Finland in 2013 and 2014;
- Achieved the target of 3.5 million installed smart meters in the Nordic region;
- In 2014, entered a joint venture with Sønnico to create lasting conditions for communications services in Norway;
- Continued expansion of power transmission services in Germany by hiring a project team for substations (from ABB); and
- Was awarded a project delivery contract in transmission valued at EUR 110 million in Zambia in 2014.

2015–2017: Listing, new management and focus on core business

- Eltel was listed on Nasdaq Stockholm in February 2015;
- Eltel's German business expanded in 2015, particularly in the power transmission business through the acquisition of Edi.Son;
- On 1 September 2015, Eltel acquired the remaining 50% of the shares in Eltel Sønnico AS in Norway;
- In May 2016, Eltel acquired U-Serv to establish itself on the German metering market;
- In June 2016, it was announced that Axel Hjärne would step down as President and CEO;

- Håkan Kirstein was appointed new President and CEO of Eltel on 26 August 2016;
- In November 2016, Ulf Lundahl took over as Chairman of the Board of Directors in conjunction with Chairman Gerard Mohr's resignation from his position on the Board;
- In February 2017, Eltel decided to merge its fixed and mobile telecom businesses in one business area, Communication. Peter Uddfors was appointed President of the business area;
- In 2017, Eltel decided to merge its power transmission and power distribution businesses in one business area, Power. Juha Luusua was appointed President of the business area;
- On 21 February 2017, Eltel announced a new strategy and action plan focusing on the Power and Communication business in the Nordic region, Poland and Germany (the "**Transformation Strategy**"). It was announced that other business was to be divested or ramped down in order to reduce the level of risk in the business and relocate resources for the Company's core business;
- On 2 May 2017, Eltel's Board of Directors decided on a preferential rights issue of approximately EUR 150 million, which was approved at the annual general meeting on 1 June 2017;
- In the auditor's report, Eltel's auditors stated that they advise against discharge from liability for former Chairman of the Board of Directors Gérard Mohr and former President and CEO Axel Hjärne for the 2016 financial year;
- On 2 May 2017, Eltel's Board of Directors decided to file a police report against the Company's former President and CEO Axel Hjärne regarding suspicions of accounting violation and/ or fraud on the basis of investigations carried out by PwC and Calissendorff Swarting Advokatbyrå;
- Triton became Eltel's largest shareholder in July 2017;
- Eltel's business in Latvia and Estonia were divested during 2017 as a part of the Transformation Strategy;
- As a part of the Transformation Strategy, Eltel changed its corporate governance structure during 2018 by implementing a country-based organisation. This change also entailed amendments to the Group Management team;
- Casimir Lindholm was appointed new President and CEO of Eltel on 16 April 2018;
- The discontinuation and ramp-down of Power Transmission International was initiated during 2018;
- On 4 May 2018, Eltel's Board of Directors announced its conclusion that it would not be justified to initiate a damages claim against former President and CEO Axel Hjärne and/or former Chairman of the Board Gérard Mohr for the preceding accounting period due to the legal circumstances and the significant costs and consumption of resources that would be associated with such claim;
- Rail operations in Sweden, Finland and Norway were divested during 2018 as a part of the Transformation Strategy;
- The Polish Communication business was divested in August 2019 as a part of the Transformation Strategy;
- The German Communication business and Swedish Aviation & Security business were divested in early 2020 as a part of the Transformation Strategy;
- A fine in the amount of approximately EUR 100,000 was imposed on Eltel by Nasdaq Stockholm on 8 December 2021 for alleged deficiencies in Eltel's disclosure of inside information during the years 2016 and 2017;
- The fine in the amount of approximately EUR 35 million proposed by the Finnish Competition and Consumer Authority in 2014 for alleged participation by Eltel in a competition law violation, was ultimately dismissed by the Finnish Supreme Administrative Court on 20 August 2021;
- On 22 March 2021, Eltel divested its High Voltage business in Germany as a part of the Transformation Strategy;

- Håkan Dahlström was appointed new President and CEO of Eltel on 16 February 2022; and

- In recent years, the market in the Communication business has inter alia been driven by the rollout of fibre and 5G, which has offered and continues to offer good business opportunities in the Nordics. The power market has been driven by the ongoing need to upgrade outdated power grids, as well as smart meter installations.

- In 2022/2023, the Group has entered a new strategic period, pursuing sustainable profitable growth. This entails seeking better profitability and growth in its existing business areas, but also growing in areas involved in the green transition, such as wind and solar power, e-mobility and battery storage solutions.

Summary of Information Disclosed under the Market Abuse Regulation (EU) No 596/2014

Apart from announcements regarding publishing of interim reports, the following is a summary of information disclosed by the Company in accordance with the Market Abuse Regulation (EU) No 596/2014 ("**MAR**") during the last twelve months and that is relevant as of the date of this Prospectus.

- On 16 February 2022, Eltel announced that Håkan Dahlström had been appointed new President and CEO and would succeed Casimir Lindholm effective as of 1 September 2022. On 8 June 2022 it was announced that the effective date had been changed to 1 August 2022.

- On 15 December 2022, Eltel announced estimated negative operative EBITA for the fourth quarter 2022. It was inter alia stated in the press release that Eltel's market position is strong and that there is high demand for Eltel's services, but that, due to recently postponed customer investments, high inflation impact and cost overruns, Eltel expects slightly reduced net sales and significantly reduced operative EBITA in the fourth quarter, compared to the same period previous year. It was further stated that the estimated negative operative EBITA in the fourth quarter risks resulting in the full year operative EBITA not being positive.

- On 24 March 2023, Eltel announced that it had established a sustainability-linked finance framework designed to support the future issuance of sustainability-linked securities by Eltel. Furthermore, Eltel announced that it had mandated Danske Bank A/S, Nordea Bank Abp and OP Corporate Bank plc to act as 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 framework.

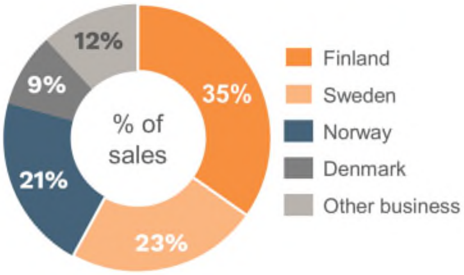
- On 30 March 2023, Eltel announced that it had successfully issued subordinated sustainability-linked hybrid capital securities in the aggregate principal amount of EUR 25 million, and that some of Eltel's existing major shareholders had been allocated approximately EUR 10 million of Capital Securities in the aggregate and that Eltel's President and CEO Håkan Dahlström had been allocated EUR 400,000 of Capital Securities.

Principal Activities

Eltel is a leading service provider for critical infrastructure enabling renewable energy and high-performing communication networks. Eltel builds, maintains and upgrades the essential lifelines of modern society for national network operators and owners. Eltel has a comprehensive offering in Communication and Power, with a focus on an increasingly service-oriented business model. Sustainability is at the core of Eltel's operations, and Eltel promotes a more sustainable tomorrow by enabling the transition to a robust, resilient and carbon-neutral society. Eltel's home markets are Finland, Sweden, Norway and Denmark, but Eltel also has activities in Germany, Poland and Lithuania.

Eltel reports its communication and power businesses in four country segments: Finland, Sweden, Norway and Denmark. Additionally, Eltel has certain other business not reported under any of these segments. Pursuant to Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2022 and as presented in the below chart, the net sales for the financial year ended 31 December 2022 amounted to EUR 290.1 million (approximately 35% of total net sales) for Eltel Finland, EUR 193.8 million (approximately 23% of total net sales) for Eltel Sweden, EUR 176.8 million (approximately 21% of total net sales) for Eltel Norway, EUR 74.3 million (approximately 9% of total net sales) for Eltel Denmark and EUR 99.4 million (approximately 12% of total net sales) for other business.

Nordic focused operations



Finland

Eltel Finland offers all of Eltel's services – including power, communication and smart grids. The country unit installs power transmission lines, substations, fibre, 5G and streetlighting, and manages fault repair and maintenance contracts.

Eltel Finland serves a diverse market of network owners and system operators. The country unit is a leading infranet service provider in Finland and is a trusted partner with 52 offices offering a nationwide presence. It can take on complex projects and quickly mobilise hundreds of repair technicians in the event of a storm or other type of emergency.

Sweden

The communication business accounts for 86% of Eltel's net sales in Sweden. Eltel installs and maintains 5G and fibre networks and is a major player in the fibre to the home (FTTH) market. The country unit works with indoor, fixed and Wi-Fi networks, as well as radio communications and public infrastructure. Customers include national operators, network and infrastructure owners and municipalities.

Eltel Sweden's power business focuses on the low to medium voltage distribution segment and substation cabling. Smart meter installation is a significant part of the business with large ongoing roll out projects. The country unit has a national presence and the capability to deliver complex frame agreements with a skilled workforce.

Norway

Eltel Norway is a market leader in the communication market, offering everything from installing to maintaining fixed and mobile communication networks. This includes design, planning, project management, testing and documentation. The country unit serves operators, utility companies, regional fibre operators and private companies.

Eltel Norway is a leading service provider with the competence and capacity to deliver throughout the entire value chain, including turnkey projects and innovative solutions for ensuring cost efficiency and quality. The country unit also draws on Eltel's cross-border workforce to meet demand during typical peak business periods and ensure cost effectiveness.

Denmark

The communication market accounts for around 75% of Eltel's revenue in Denmark. Eltel is a market leader in the country's peaking fibre market and operates in the mobile network market, such as 5G. Eltel Denmark also works on communication projects for the national rail network and the emergency services.

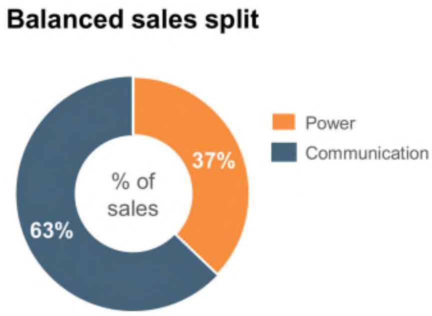
In the power market, Eltel Denmark primarily deals with medium and low voltage systems – such as modernising the Danish power network for renewable energy and electric bus charging systems in Copenhagen.

Other business

Eltel has a project-based high voltage business that operates mainly in Poland and a smart grids business in Germany. Eltel also has a communication business in Lithuania that provides the Nordic countries with highly skilled technicians – the cross-border workforce. For Power Transmission International and Rail business, closing activities are ongoing.

Business Areas

Pursuant to Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2022 and as presented in the below chart, the net sales for the financial year ended 31 December 2022 amounted to EUR 517.9 million (approximately 63% of total net sales) for the Communication business, EUR 305.6 million (approximately 37% of total net sales) for the Power business and EUR 0.3 million (less than 1% of total net sales) for other operations.



Communication

Eltel optimises communication networks and helps meet societal needs for greater digitalisation, which is revolutionising how we live, work and play. Modern and high-capacity communication networks support the digitalisation of society and enable people to interact in new ways. This reduces the need to travel and creates new opportunities for people and businesses.

Eltel's communication offering provides a broad range of services from designing and planning to the building, installing, upgrading, operating and servicing of mobile and fixed communication networks. Communication constitutes around two thirds of Group revenue.

Eltel's main customers are large telecom operators and communication network owners. Eltel's business generally involves long-term relationships with a steady inflow of work orders generated by framework agreements, which are typically valid for 2–4 years at a time. Long-term business relationships with some of Eltel's key customers have been in place for over 10 years.

Eltel capitalises on market growth in 5G, which Eltel expects will continue in the next few years along with Fixed Wireless Access (FWA), and both public and private indoor communication infrastructure solutions such as Distributed Antenna Systems (DAS). There are also ongoing opportunities for Eltel in the fibre market.

Eltel continues to develop and provide services for both new and existing customers that complement Eltel's core business offering. This includes services related to indoor coverage, private 5G networks, Network Operations Centres (NOCs) and OTIT (Operation Technology IT) solutions. Eltel also enjoys increased opportunities relating to IoT sensors as more devices are connected to the internet and as customers become increasingly interested in smart solutions.

Offering: Mobile telecom services (5G)

• Mobile network rollouts, modernisations and maintenance

• Site infrastructure management, upgrades and maintenance

Fixed telecom services (Fibre)

• Fibre, copper, coaxial and hybrid fibre-coaxial network construction and maintenance

• Transmission network implementation and maintenance

• Fibre-to-the-home (FTTH) turnkey projects

Public infrastructure

• Building and maintenance of a broad range of public infrastructure – from digital signage and railway signalling systems to smart level crossings and hospital

communication infrastructure

Markets: • A market leader in the Nordic region, and active in Lithuania

Customers: • Telecom operators and network owners
• Local industrial customers and the public sector

Power

Eltel's power services enable the electrification of society, which is essential for more sustainable energy systems and national carbon-neutrality objectives. A resilient and robust power infrastructure allows renewable energy generation, electric vehicle charging and the smarter use of electricity. These are all building blocks for a carbon-neutral society.

The power market can be roughly divided into three areas: maintenance, projects and turnkey projects, in which Eltel is responsible for design as well as planning and construction of the projects. Eltel has recently increased its focus on a service type business model. Eltel's main customers in the Power segment are power companies and large network owners. Power constitutes around one third of Group revenue.

The demand for increased network capacity and capabilities is a major driver in the power market that Eltel deems will continue in the coming years. Eltel is also tapping into the ongoing need to upgrade outdated power grids and install smart meters. Renewable energy, particularly wind power investments, is also driving the market. Areas such as charging infrastructure for electric vehicles and solar panel installation are growing, although from a low level.

Eltel continues to increasingly sign long-term partnership contracts. Such contracts not only provide long-term stability, they also help Eltel expand its share of the value chain.

Offering: <u>Power transmission</u>
• Full turnkey high voltage projects and maintenance
• High voltage solutions for industrials and data centres
<u>Renewable energy</u>
• Wind and solar power solutions and substations
• Management and implementation of energy storage projects
<u>Power distribution</u>
• Network construction, upgrades and maintenance
<u>Smart grids</u>
• Rollout services for next-generation power meters and gas and water meters
<u>e-Mobility</u>
• EV charging infrastructure
• Resale of public charging stations
• Network expansion and connections

Markets: • A key player in the Nordic region and Poland with a market leading position in Finland, and a niche player in smart metering in Germany

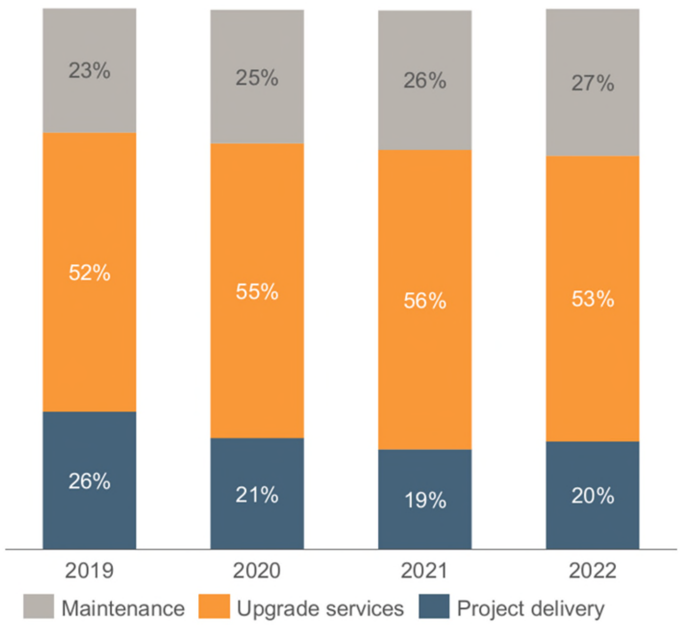
Customers: • Network operators
• Local industrial customers and the public sector
• Utility companies

Service Types

Within its communication and power businesses, Eltel provides three different types of services: Maintenance*,* Upgrade services and Project delivery.

Pursuant to Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2022, the net sales for the twelve-month period ended 31 December 2022 amounted to EUR 164.9 million (approximately 20% of total net sales) for project delivery, EUR 437.4 million (approximately 53% of total net sales) for upgrade services and EUR 221.3 (approximately 27% of total net sales) million for maintenance services.

Net sales development per service type



Source: The Company's audited consolidated financial statements as at and for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020 including audited consolidated comparative financial information as at and for the financial year ended 31 December 2019.

Maintenance

Eltel's maintenance services include scheduled and corrective care services and connect services where the customer contracts are usually multi-year frame agreements. Work is performed based on continuous flow of small orders that are typically unit priced, but certain fixed fee-based contracts also exist. Services are not highly customised to a particular customer.

Upgrade services

Eltel's upgrade services include services to recover and upgrade the condition or technology of an existing infrastructure network where Eltel typically dismantles, builds and/or installs pursuant to the customer specifications. These projects are typically based on multi-year frame agreements where the services are ordered based on individual purchase orders but also on separately tendered projects. The sizes of the projects vary from EUR 10,000 to over EUR 1 million and pricing is typically based on units.

Project delivery

Eltel's project delivery services include engineering and delivering customer specific network infrastructure projects. Contracts include projects with estimated scope of works and variation orders as well as turnkey projects. Activities within this service type typically include tasks relating to design, construction, installation and project management. The size of a contract is typically large (EUR 1–40 million) with a project execution time frame from months to years.

Strategy

Towards Sustainable Profitable Growth

Eltel's strategy describes how the Company will reach its long-term targets by the end of 2025. Through the strategy, Eltel builds the foundation for investing in sustainable profitable growth. This involves:

- Improve efficiency and profitability of the current business, including price increases
- Grow in new and adjacent markets, such as renewable energy and public infrastructure
- Integrate sustainability as part of operations and offerings
- Develop commercial capabilities and concepts
- Implement new business models and expand position in the value chain

The strategy will enable Eltel to continue to develop, grow and invest in order to ensure long-term value creation for the Company, its shareholders and society at large.

Eltel's financial targets, which it aims to fulfil by the end of 2025, include:

- Group operative EBITA margin of 5%
- Annual growth of 2–4%
- Leverage of 1.5–2.5x net debt/EBITDA
- Dividend payout (subject to leverage target)

Why Clients Choose Eltel

Broad presence across the relevant markets:

- Broad geographical presence to reach remote locations quickly
- 24/7 service model ensures functioning critical infrastructure at all times
- Ability to provide a holistic client offering in power & communication

High service quality and client satisfaction:

- High client satisfaction
- Long standing client relationships deliver recurring business
- Leveraging existing relationships to expand in adjacent markets

Agile operations and flexible workforce:

- Competent and experienced international workforce
- Cross-border workforce ensures a flexible and efficient resource utilisation by enabling Eltel to meet customer demand during peak business periods to ensure cost effectiveness

Sustainability integrated in Eltel's way of working:

- Collaboration with suppliers and clients to reduce emissions across the value chain
- High employee engagement to attract, train and retain a skilled team of professionals
- Responsible business practices and governance model securing regulatory compliance and ethical behaviour in relation to employees, customers, and suppliers

Trends

Market trends present both challenges and opportunities and shape the outlook for players in the infranet sector. Overarching megatrends such as digitalisation, electrification, hybrid working and climate change drive the demand to install, upgrade, maintain and secure communication and power networks. Infranets are therefore increasingly essential lifelines for modern society that meet the day-to-day needs of businesses and individuals.

Infranets enable a more sustainable and low-carbon society. They provide the infrastructure for electric vehicles and renewable energy, and build communication networks that support the digitalisation of society.

The infranet sector is constantly changing. The table below summarises what the Company has identified as key market trends, as well as the Company's views on how these trends impact the infranet sector and how the sector is responding.

Market trends	*Impact on the sector*	*Sector response*
Power under pressure	• Power networks are under pressure to deliver reliable and affordable energy	• Network and capacity upgrades
Ageing power infrastructure	• Current power networks are approaching the end of their technical life • Growing need to upgrade public infrastructure	• Upgrades of infrastructure/load management/smart grids • Network investments
Changing consumption behaviour	• Increased digitisation, hybrid working, and data usage • Societal shift to electrification, including industry and road transport	• Infrastructure upgrades – including 3G dismantling and HetNet/LAN/access rollouts (ahead of 5G/IoT rollout) • Investments in power networks and infrastructure
Increased use of renewable energy	• Demand for Renewable Energy Sources (RES)• Mandatory automated meter management	• Investments in wind and solar energy • Network investments in load management operations and service levels to meet stringent requirements
Transition to smart energy solutions	• Demand for energy-efficient solutions • Growing need for electric vehicle charging	• Major national smart meter rollouts and other energy-efficient solutions (e.g. LED lighting) • Installation of electric vehicle charging infrastructure
Increased demand for delivery reliability	• The EU is driving harmonisation and setting targets for minimum broadband capacity and availability • Governments across Europe are demanding reliable power networks and RES • Mandatory automated meter management	• Fibre rollout • Network investments in improved operations and service levels to meet stringent requirements

Eltel deems that its home markets in the Nordics are stable with good opportunities for growth in the coming years. Eltel continuously monitors market trends and the surrounding environment to identify and adapt to potential threats and opportunities. Sustainability continues to be increasingly important in Eltel's markets for both customers and end users. In summary, Eltel has identified the following trends affecting the Communication business:

- Fixed telecom services – Fibre penetration is high in Sweden and Norway, but remains an important growth area for Eltel's businesses in Denmark and Finland. There will be increasing opportunities to renew existing fibre networks in the Nordics.

- Mobile telecom services – Eltel is a frontrunner in the large 5G mobile communication market in the Nordics. Eltel expects the 5G market to be a growth market in the coming years as deployment continues, along with the need to densify and further enhance the network.

- Fixed wireless access – Eltel deems that fixed wireless access will continue to grow, and Eltel is also increasingly delivering services related to private networks. These local networks can ensure good 5G coverage throughout buildings.

Furthermore, Eltel has identified the following trends affecting the Power business:

- Power transmission and distribution – Eltel's assessment is that the demand to upgrade outdated power grids remains strong. A significant driver for upgrading regional networks is the need to integrate renewable energy sources and electric vehicle charging stations into the electricity grid.

- Smart grids – The rollout of smart meters continues in various phases in Eltel's markets. This includes major ongoing rollouts and a pipeline of future projects.

- Renewable energy and electric vehicle mobility – The infrastructure demand is strong for renewable energy and electric vehicle charging in all of Eltel's geographic markets. Eltel deems that these areas, along with energy storage, will be important growth drivers for Eltel in the coming years.

Megatrend	*Outlook for potential growth*	*Relevance for Eltel*
Wind energy	5% CAGR 2023-2027[1] Driven by industry electrification and demand for green hydrogen.	• High levels of planned new capacity in Sweden and Finland • Long history in Eltel Finland building turn-key projects • Offshore not expected to take off until end of the decade
Solar energy	14% CAGR 2023-2027[2] Driven by reduced hardware cost, increased energy prices, ESG ambitions and a desire for companies to become "prosumers".	• Strong growth in Finland whereas Eltel deems that Denmark is likely to have a more moderate growth from already high levels
E-mobility	22% CAGR 2023-2027[3] Driven by electric vehicles, governmental subsidies and electrification of heavy transports.	• Eltel sees greater gross margins in e-Mobility than in Eltel's traditional services • Eltel in negotiations to become a Nordic re-seller of hardware with a leading supplier to strengthen Eltel's e-Mobility offering
Energy storage	15% CAGR 2023-2027[4] Driven by the increased need of frequency balancing, effect balancing and large fluctuation in electricity prices. These effects increase with growth of non-plannable production (solar and wind).	• One of Eltel's key target segments is battery energy storage systems solutions to telecom operators

Sources: (1) Eltel estimates based on data from national energy agencies; (2) Eltel estimates based on data from national energy agencies; (3) Eltel estimates based on forecast of future sales of light and heavy electric vehicles; (4) Estimation based on Mordor Intelligence forecast.

Sustainability

Eltel aims to minimise its negative impact and maximise its positive impact on people and the environment through five sustainability priority areas: Environment and climate, Health and safety, People and society, Supply chain and Business ethics. For Eltel, sustainability is about building a strong profitable company for the future, and delivering lasting financial, social and environmental value to Eltel's stakeholders and society at large.

In its sustainability efforts, Eltel focuses on the United Nations' sustainable development goals (SDGs). As a sustainability leader in the infranet industry, Eltel believes that the Company can make the biggest contribution to:

- SDG 7: Affordable and clean energy – Eltel's power services enable access to reliable electricity and the incorporation of renewable energy into the power grid.

- SDG 8: Decent work and economic growth – Eltel provides decent work for its employees and contributes to economic growth in the countries where it operates.

- SDG 9: Industry innovation and infrastructure – Eltel secures resilient communication and power networks, and work in partnership with customers to pilot innovative solutions.

- SDG 13: Climate action – The infranet solutions that Eltel provides enable the transition to a robust, resilient and carbon neutral society. Eltel works actively to reduce the climate impact of its operations.

Environment and climate

Eltel is active in an industry that plays a key role in the transformation to a low-carbon society. By supporting its customers to develop innovative infranet solutions, Eltel helps society to mitigate, adapt and become more resilient to the effects of climate change. Eltel strives to minimise the environmental impacts of its operations.

Since 2022, Eltel is committed to the Science Based Targets initiative (SBTi) in order to significantly reduce its greenhouse gas emissions by 2030. On 20 December 2022, Eltel announced through a press release that its emission reduction 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.

Furthermore, since 2016 Eltel reports to the Climate Change Program (CDP) with the aim of increasing transparency for Eltel's stakeholders and driving positive change throughout the organisation. In 2021, Eltel received an improved score of B- on the CDP Climate questionnaire for taking coordinated action on climate issues. Eltel also collects, validates and calculates environmental data in alignment with the Greenhouse Gas Protocol (GHG).

Eltel divides its emissions into three scopes: (1) direct emissions resulting from fuel use within Eltel's car fleet and onsite energy use (heating), (2) indirect emissions resulting from the generation of purchased energy used within Eltel office premises and (3) all other indirect emissions that occur in Eltel's supply chain and are not already included within scope 2.

The most significant environmental impact from Eltel's own operations are the emissions from its vehicle fleet (scope 1). Thus, Eltel's main focus is to minimise the average CO_2 emissions from its cars and vans, inter alia through an annual decrease of the share of purchased fossil energy. Eltel continues to establish a roadmap to become fossil free by gradually switching to vehicles that are electric, hybrid or that run on renewable fuel.

Collaboration with suppliers and customers is an important part of reducing Eltel's emissions. Together with its customers, Eltel works actively to pilot low-carbon solutions, such as electrical excavators and microtrenching, in order to reduce the impact during excavation work. Eltel also works to promote the positive impact of Eltel's customer solutions.

Other important and prioritised environmental topics include waste management and the responsible sourcing of materials. Eltel works to minimise the Company's physical environmental impact, disruption and noise from work sites.

Health and safety

Ensuring that employees return home safely every day is a top priority for Eltel. Therefore, Eltel focuses on reaching zero fatalities and disability cases. High-risk activities related to day-to-day operations include electrical safety, working at height, managing ageing infrastructure and road safety. Road safety is a particularly important area for Eltel as teams spend a lot of time on the road driving from site to site. Eltel is constantly seeking to identify and implement more modern and safer solutions and processes to reduce risk and to reduce Lost Time Injury Frequency Rate (LTIFR) including with regard to subcontractor employees. In 2022, Eltel had a Lost Time Injury Frequency Rate of 3.8.

Given the reduced Lost Time Injury Frequency Rate in recent years, Eltel has continued to monitor the Total Recordable Injury Frequency Rate (TRIFR), which includes all lost time injuries, medical treatment cases and occupational illnesses. Eltel strives to prevent the most serious injuries from occurring by investigating the root causes of minor injuries and serious near misses. Eltel actively mitigates risk by training managers to analyse the root causes of incidents by promoting more proactive reporting and executing on-site risk assessments.

People and society

Eltel's goal is to be the most attractive employer in the industry. A clear focus on leadership, talent management, employee development and business ethics is an essential part of Eltel's strategy for achieving this goal. Eltel contributes to sustainable development and social welfare by ensuring that communication and power networks function as they should.

Eltel's managers have a great responsibility for the people in their team. Therefore, Eltel is actively working with a leadership framework with clearly defined roles, responsibilities and expectations in order to support employees in leadership roles. All employees have regular performance and development dialogues with their managers. This helps Eltel to stay focused on its strategy and to more accurately identify further learning needs, development opportunities and potential workplace improvements.

Eltel is dependent on the engagement of its employees for delivering value to its customers. In September 2022, Eltel conducted an Employee Engagement Survey comprising 3,547 participants, equivalent to a 75% employee response rate. The score range was 1–5, with 5 being the best score. The highest engagement drivers were "Relationship with Colleagues" 4.0, "Health and Safety" 4.0 and "Meaningfulness and Participation" 4.0 and the overall engagement score went up by 0.1 points to 3.8. In no area did Eltel decrease in the score compared to 2021, i.e., all changes were positive.

Supply chain

Eltel takes overall responsibility for its subcontractors. This includes their work environment, employees and the ultimate delivery to the customer. Eltel's partners are included in Eltel's systematic work on health and safety, and the Company has clear processes in place that ensure they sign up to the Eltel Code of Conduct and commit to other key policies and principles.

Eltel recommends that its suppliers and partners have valid ISO certifications. If they do not hold such certifications, they are required to demonstrate their compliance by signing an agreement and participating in Eltel's e-learning courses. In addition, Eltel's country units engage with their suppliers and contractors on climate change. This involves investigating whether they could set science-based climate targets as Eltel focuses on reducing its scope 3 emissions in the coming years.

Eltel also carries out both planned and unannounced supply chain audits. In cases of potential non-compliance, an action plan is implemented to ensure that the subcontractor in question meet Eltel's standards.

Business ethics

As a people company, maintaining an awareness and understanding of governing policies is critical to ensuring business compliance. Working with business ethics involves complying with all applicable laws and regulations as a minimum, as well as Eltel's internal policies and agreements with shareholders, customers and subcontractors. It also involves mandatory Code of Conduct training as part of the onboarding process for new employees.

Since 2014, Eltel has been a signatory of the United Nations Global Compact and its ten principles on human rights, labour rights, environment and anti-corruption. The principles are embedded into Eltel's strategy, policies and procedures, and related processes. Eltel reports annually on its sustainability performance in line with the Communication on Progress process as defined by the United Nations Global Compact.

Employees

Pursuant to Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2022, Eltel had an average of 5,053 employees during January to December 2022, which was a decrease of 123 from an average of 5,176 employees during January to December 2021. Out of these employees, 1,498 worked in the Finland segment, 919 in the Sweden segment, 937 in the Norway segment, 484 in the Denmark segment and 1,071 in the other business and Group functions. With the growing challenge to recruit skilled employees throughout the entire industry, Eltel stepped up its efforts to attract, recruit and retain employees in 2022. This included stepping up incentives for ‘refer a friend’ initiatives, improving recruitment processes and training recruitment managers.

However, due to recent shifts in customers’ order volumes and subsequent imbalance of resources in certain districts and business areas, Eltel has commenced a savings programme that impacts more than 200 positions plus subcontractors, mainly in Norway and Finland. The estimated cost of the employment terminations along with closure of selected offices and reductions in vehicle fleets will be recognised as a restructuring provision which is expected to amount to approximately EUR 5 million in Q1 2023.

The Eltel Group’s employees in their respective home markets are normally represented by labour unions with which there are several collective bargaining agreements. The Swedish trade unions SEKO and Unionen also have representatives in the Company’s board of directors.

Contracts

As at 31 December 2022, Eltel had approximately 2,000 customers in total, and more than 50,000 assignments were delivered during the year.

Eltel typically enters into long-term framework agreements (with a 2–4-year term) with a relatively small number of large customers. Long-term business relationships with some of Eltel’s key clients have been in place for over 10 years. Many sizeable contracts were renewed in 2022, with the total value of signed contracts (renewals and new contracts combined) reaching approximately EUR 825 million (EUR 393 million in 2021). Eltel has experienced a steady inflow of work orders generated by framework agreements and continues to increasingly sign long-term partnership contracts which provide long-term stability and help expand in the value chain. Furthermore, Eltel is actively seeking to expand its customer base and to implement new business models, including expanding scope of services. Eltel is also pursuing price increases both in its existing and new contract base.

For evaluating new potential projects, Eltel uses a tender process with a thorough review of the project’s operational, legal and financial characteristics and risks. The tender process and decision-making take place on country unit level, Group management team level or Group board of directors level depending on the value of the potential project. The largest contracts are mostly frame agreements rather than individual projects.

In order to reduce risk levels, Eltel has to some extent chosen to move away from large projects, especially where fixed-price contracts are employed. Whereas the service type Project delivery represented approximately 26% of total net sales in 2019, it only accounted for approximately 20% in 2022. This shift is especially true for Eltel’s home markets, whereas fixed-price contracts or other contracts with inflexible cost compensation mechanisms are more commonly used in Eltel’s High Voltage business in Poland. The use of these inflexible contract structures combined with the inflation, which is even higher in Poland than in Eltel’s home markets, and the proximity to the war in Ukraine have impacted Eltel’s Polish operations significantly. In light of this, as well as the more general profitability issues in the Polish business and Eltel’s continued focus on the Nordic market, Eltel is re-evaluating strategic alternatives for the Polish operations.

Other ways in which Eltel seeks to partly mitigate the risks associated the increased inflation throughout Eltel’s markets include the application of price indexes and mechanisms for direct cost compensation for, e.g., fuel by the customer.

Several of the Company’s maintenance and upgrade service contracts are non-exclusive, such that the Company’s customers may effectively terminate the contract at will or engage a service provider other than the Company. In some of the Company’s contracts, the Company is an exclusive service provider to a customer, but there is no fixed minimum volume commitment, which means that the customer can easily reduce the Company’s volume of work under that agreement without the Company’s consent. Several of the Company’s contracts are both non-exclusive and do not provide for a fixed minimum volume. In addition, the Company’s customers may reduce the value of existing contracts through partial termination, delay or withholding of the payment of invoices, or audit the Company’s contract-related costs and fees. The Company is consistently working with reducing the exposure by gradually replacing a commoditised type of sale of services with a more individualised business model with an enhanced offering adding individual value to the customer; this means developing the scope and specification of the services as well as the price model as such. In addition, the Company is seeking to enter into adjacent and/or new business areas (e.g., green energy) or engaging into new business models (e.g., solutions as-a-service). Furthermore, doing business partly with public sector entities provides stability through public funding as well as publicly tendered contracts.

Competitive Environment

Eltel is primarily a Nordic company with an extensive network of services/locations covering Finland, Sweden, Norway and Denmark. The extensive and flexible network of operations offers Eltel a clear competitive advantage in an otherwise competitive and commoditised industry with low barriers to entry and low margins. The competition faced by Eltel is primarily local, as there is no clear competitor with similar Nordic presence. The main competitors Eltel faces include Transtema, Netel, Enersense, OneCo and a large number of small private companies offering their services locally in various parts of the Nordic countries.

Financing Agreements

The Group has entered into a facilities agreement originally dated 12 January 2022 (as amended by amendment request letters dated 21 June 2022, 29 September 2022, 22 December 2022 and 13 February 2023, as amended by an amendment agreement dated 8 November 2022 and as further amended and restated by an amendment and restatement agreement dated 28 February 2023), inter alia consisting of a EUR 35 million term loan facility and a EUR 105 million revolving facility (including the ancillary overdraft facilities of EUR 15 million) for refinancing existing indebtedness, general corporate purposes and financing of acquisitions. The drawn amount under the term loan facility was EUR 35 million and under the revolving credit facility EUR 56 million as of 31 December 2022. The Issuer is not the borrower under the facilities agreement, but has provided security and guarantees under the facilities agreement and thereto connected finance documents in favour of the finance parties. The coordinating mandated lead arranger and bookrunner for the facilities is Danske Bank A/S. Nordea Bank Abp., Danske Bank A/S and OP Corporate Bank Plc act as bookrunners and mandated lead arrangers in relation to the facilities. The term loan and revolving credit facilities mature in January 2025, but the revolving facility can be extended until January 2027. The term loan have partial repayments of EUR 11 million during 2023 and EUR 3 million during 2024.

The Group has agreed on 28 February 2023 certain amendments to the facilities agreement, inter alia, including the covenant level for net gearing (net debt to consolidated equity) and the leverage ratio (net debt to adjusted EBITDA). A rise in leverage level may increase the interest payable under the facilities agreement.

The Group has also entered into bilateral guarantee facility agreements with various lenders and insurance companies. Total amount of the guarantee facilities is EUR 121 million. Guarantees issued under the facilities are mainly performance and warranty period guarantees for commercial contracts. Total utilisation of the facilities was EUR 80 million as of 31 Dec 2022.

The Issuer has entered into a EUR 150,000,000 Finnish domestic commercial paper program dated 10 September 2015 (as amended on 4 January 2018) whereof EUR 33,500,000 was utilised as per 31 December 2022.

Agreements outside the Ordinary Course of Business

There are no material contracts that are not entered into in the ordinary course of the Eltel's business, which could result in any Eltel Group company being under an obligation or entitlement that is material to the Company's ability to meet its obligation to holders of the Capital Securities.

Legal Proceedings

In Tanzania, Gati Masero Buiter t/a Botech Project Management ("**Botech**") has filed a statement of claim against Eltel Tanzania Ltd amounting to EUR 4.7 million and a corresponding claim against Eltel Group Oy and Eltel Networks TE AB in the Tanzanian High Court. The basis of the claim is a subcontractor agreement entered into between Eltel Tanzania and Botech in 2013. Botech did not fulfil its obligations under the subcontractor agreement and therefore Eltel Tanzania terminated the subcontractor agreement. Botech claims that the termination was unfounded and claims damages.

Eltel's legal advisor's view is that the claim has no substantial merits. Moreover, Eltel has moved for dismissal of the claim in whole due to that any claims under or in connection with the subcontractor agreement are subject to dispute resolution in London under the ICC arbitration rules. Finally, Eltel Group Oy and Eltel Networks TE AB are not signatories or active parties in the subcontractor agreement. In September 2017, the Tanzanian High Court issued an order striking out Eltel Group Oy and Eltel Networks TE AB from the suit. Hearings in the case have been held during 2022 and both parties have concluded their pleadings. A court ruling is expected during the first half-year 2023.

The closing down of the Power Transmission International ("**PTI**") business operations continues according to plan. As part of the closing activities some of the local Eltel entities forming part of PTI are involved in tax proceedings and/or disputes incidental to their business.

Eltel Group Oy has raised claims against Georgian State Electrosystem on behalf of a consortium consisting of itself and the Indian company EMC Ltd (EMC Ltd is currently in insolvency proceedings). The claims arise under a FIDIC contract concluded on 17 June 2015 between the consortium, as Contractor, and Georgian State Electrosystem, as Employer, concerning works on the Ksani-Stepantsminda Transmission Line. The contract is governed by Georgian substantive law and contains a customary FIDIC dispute resolution clause whereby disputes, as a rule, first are to be adjudicated by a Dispute Adjudication Board and only thereafter can be submitted to ICC arbitration in Paris.

The Dispute Adjudication Board has to date satisfied claims brought by the consortium against Georgian State Electrosystem. Georgian State Electrosystem has disputed the consortium's claims, including those confirmed by decisions of the Dispute Adjudication Board, and indicated that it will raise (currently unspecified) counterclaims.

On 28 February 2022, Eltel Group Oy initiated arbitration proceedings by filing a Request for Arbitration with the ICC. On 21 October 2022, Eltel Group Oy filed its Statement of Claim. It is Eltel Group Oy's position that Georgian State Electrosystem failed to adhere to well-reasoned decisions by the Dispute Adjudication Board and thus must be ordered to pay the total amount of EUR 7,077,648.44 and GEL 1,328,055.04, which are either directly awarded by or derived from the Dispute Adjudication Board's decisions, as well as late payment interest on the amounts.

Georgian State Electrosystem's Statement of Defence was filed on 20 January 2023. Georgian State Electrosystem rejects Eltel Group Oy's claims in their entirety and asks that they be dismissed fully.

In Eltel's management's opinion, the outcome of this case and the tax proceedings and other disputes incidental to PTI's business is difficult to predict but they are not likely to have any material effect on the Group's financial position.

Apart from the above, during the last twelve months, Eltel has not been involved in any governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

FINANCIAL INFORMATION

Historical Financial Information

The financial information presented below has, other than where specifically indicated otherwise, been derived from Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2022, Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2021 and Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2020 including audited consolidated comparative financial information as at and for the financial year ended 31 December 2019.

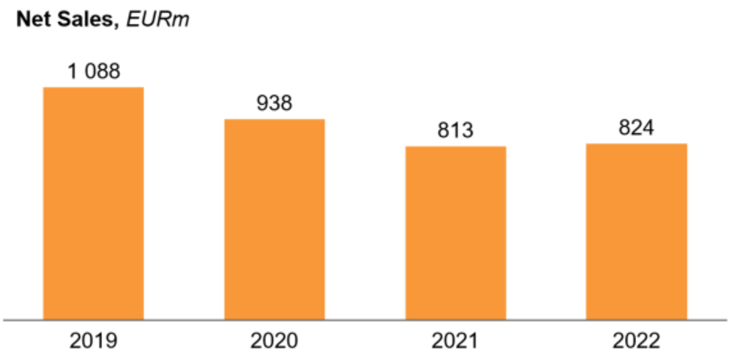
Eltel's audited consolidated financial statements as at and for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively, have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the European Union and accounting principles described in the financial statements and have been audited by the Company's auditor.

The selected financial information provided herein should be read in conjunction with Eltel's audited consolidated financial statements as at and for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively, incorporated by reference into this Prospectus.

Financial Development

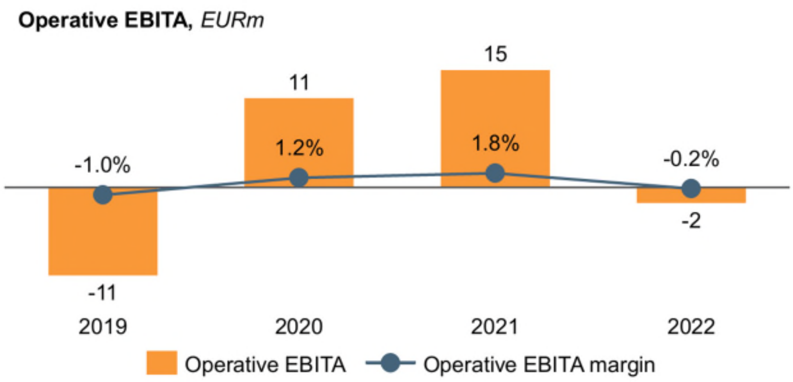
Net sales

The following graph describes Eltel's net sales over the years indicated. The decrease in net sales over the past years has largely been explained by disposals and the Company's concentration of the business in the Nordic region. Net sales increased by 1.4% to EUR 823.6 million (812.6) during 2022. In the segments (i.e., Finland, Sweden, Norway, Denmark and Other business) net sales increased by EUR 4.9 million. Organic net sales in segments, adjusted for currency effects, increased by 1.8%. In Other business net sales increased by EUR 7.5 million.



Operative EBITA

The following graph describes Eltel's operative EBITA over the years indicated. Profitability improvements yielded results from 2019 to 2021. Full-year 2022 profitability was impacted by inflation, increased sick-leave rates and high employee turnover. Full-year 2022 operative EBITA decreased to EUR -1.9 million.

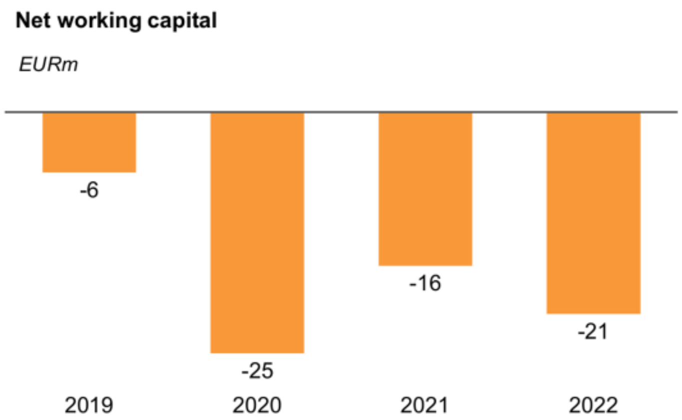


Profitability and cash flow

Having suffered from realisation of risks in its project business in 2016–2018 and subsequent losses, Eltel has improved its balance sheet and financial performance by divesting non-core operations in 2019–2021. The Company's strategy also focused on operational excellence and thereby improved profitability during said years. As a result, Eltel's profitability improved and reached operative EBITA of EUR 14.8 million in 2021, with cash flow from operating activities of EUR 22.3 million. In 2022, however, inflation, high sick-leave rates and certain operational challenges severely affected the Company's profitability, resulting in operative EBITA falling down to EUR -1.9 million; cash flow from operating activities was EUR 16.4 million. In 2023, the Company aims to again improve its profitability through price increases, savings programmes targeting more than EUR 10 million on annual basis, continued focus on operational efficiency and expansion of business to adjacent areas (green energy, e-mobility etc.).

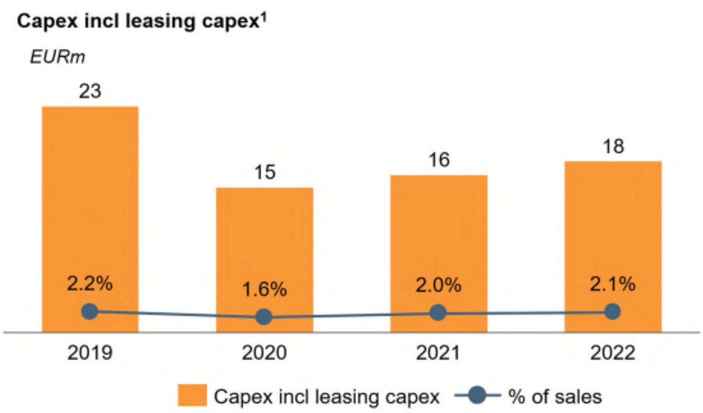
Net working capital

The following graph describes Eltel's net working capital over the years indicated. The Company has a negative working capital profile, with net working capital amounting to EUR -21 million at the end of 2022. Change in net working capital had a positive impact of EUR 48.7 million on cash flow during the last quarter of 2022, reflecting the strong seasonal pattern towards year-end. Net working capital levels continue to be impacted by remaining working capital-intensive projects in High Voltage Poland, which are expected to create volatility in net working capital for the next 1-2 years while they are being completed. The recent and future additions to the project portfolio are reduced in scope and duration and as such present also a smaller risk for working capital accumulation and volatility.



Capex including leasing capex

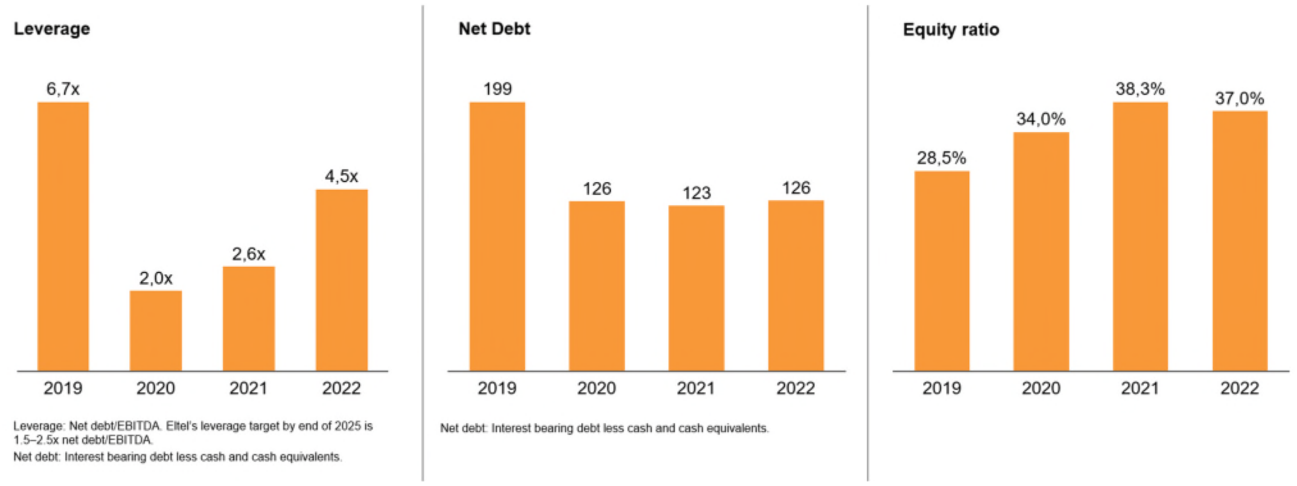
The following graph describes Eltel's capital expenditure (capex) including leasing capex over the years indicated. The capital expenditure profile for the Company's operations is light and has historically varied around 2 per cent of net sales. The below capital expenditure figures also include the Company's leasing payments related to machinery and equipment which are vital to Eltel's operations.



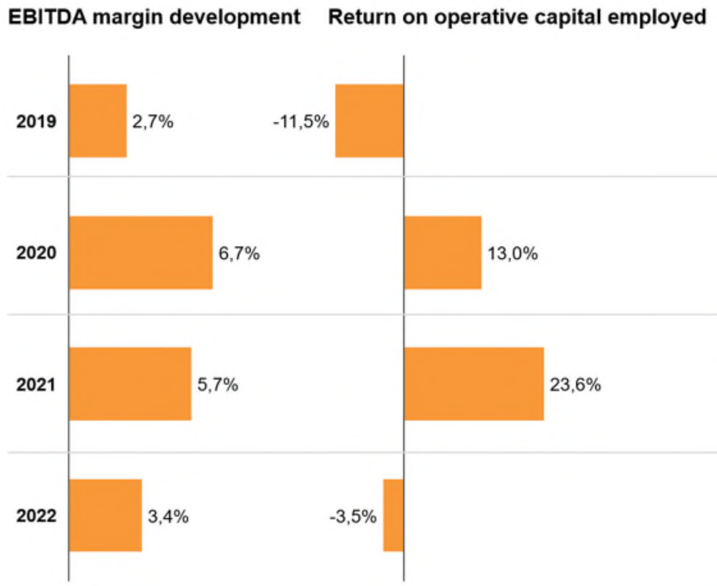
Note: (1) Total Capex calculated as additions to machinery and equipment + Leasing capex additions to machinery and equipment. The figures are based on information collected from the Company's internal accounting and reporting system.

Group balance sheet

The following graphs describe Eltel's balance sheet over the years indicated.



Actions Taken to Improve Operational Excellence



Actions taken

2019

- Focus on Nordic strategy - Polish communication business divested
- Renewal of organisation and leaner management structure
- Increased efficiency and digitalisation in production planning

2020

- German communications, Swedish Aviation & Security businesses divested
- New strategy in High Voltage Poland
- Operational efficiency improvements implemented in all Nordic operations
- Optimised NWC profile and reduced net debt

2021

- German High Voltage business divested, several non-core operations closed
- Operational excellence initiatives accelerated in Sweden
- Improved productivity increased Operative EBITA –margin

2022

- Start of new strategy period focusing on sustainable profitable growth
- New President and CEO of Eltel Group appointed
- New Managing Director of Eltel Sweden appointed
- Largest ever fibre agreement worth EUR 200 million signed in Finland
- New Business Development function established

Profitability Driver Focus Areas

Expansion in the value chain:

- Monitoring services
- Resale of equipment/machinery
- Extended offerings covering planning/design-installation-operation-maintenance

New business models such "as a service" and "recurring revenues" are in place:

- Partnering e.g. with equipment manufacturers and financing parties to offer solutions as a service

Efficiency improvements resulting in improved profit margins:

- Processes to optimise usage and monitor technician hours in projects

- Digital tools for work order and route optimisation

Prudent pricing of projects:

- Pricing negotiations with all major customers in 2022; improved pricing being implemented in 2023
- Increased profitability targets in tendering since August 2022

Inflation and cost control:

- Cost compensation for fuel since spring 2022
- Indexes introduced to essentially all new long-term contracts and added to many existing agreements
- Restructuring and savings programmes in 2023

Selected Financial Information

The following tables present selected consolidated financial information for Eltel as at and for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020.

CONSOLIDATED INCOME STATEMENT

	As at and for the year ended 31 December (audited)		
EUR million	**2022**	**2021**	**2020**
Net sales	823.6	812.6	938.0
Cost of sales	-748.9	-724.5	-838.6
Gross profit	**74.7**	**88.1**	**99.4**
Other income	0.9	5.5	22.5
Selling and administrative expenses	-77.2	-78.1	-89.2
Other expenses	-0.4	-1.0	-7.7
Share of profit/loss of joint ventures	–	–	-0.2
Operating result (EBIT)	**-2.0**	**14.5**	**24.8**
Financial income	0.2	0.1	0.5
Financial expenses	-9.6	-5.8	-10.3
Net financial expenses	-9.5	-5.8	-9.8
Result before taxes	**-11.4**	**8.7**	**14.9**
Taxes	-3.5	-3.8	-9.7
Net result	**-14.9**	**4.9**	**5.3**
Attributable to:			
Equity holders of the parent	-15.0	4.3	4.7
Non-controlling interest	0.1	0.6	0.6
Earnings per share (EPS)			
Basic, EUR	-0.10	0.03	0.03
Diluted, EUR	-0.10	0.03	0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	As at and for the year ended 31 December (audited) 2022	2021	2020
Net result for the period	-14.9	4.9	5.3
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Revaluation of defined benefit plans, net of tax	7.8	2.6	-4.8
Items that may be subsequently reclassified to profit and loss			
Cash flow hedges, net of tax	–	–	0.1
Net investment hedges, net of tax	-0.0	0.3	-0.9
Currency translation differences	-9.1	1.3	-0.6
Total	**-9.1**	**1.6**	**-1.4**
Other comprehensive income/loss for the period, net of tax	-1.3	4.2	-6.2
Total comprehensive income/loss for the period	**-16.2**	**9.1**	**-0.9**
Total comprehensive income/loss attributable to:			
Equity holders of the parent	-16.2	8.5	-1.5
Non-controlling interest	0.1	0.6	0.6

CONSOLIDATED BALANCE SHEET

EUR million	As at and for the year ended 31 December (audited) 2022	2021	2020
ASSETS			
Non-current assets			
Goodwill	256.0	265.0	264.9
Intangible assets	35.3	39.6	38.3
Property, plant and equipment	10.7	11.6	20.0
Right-of-use assets	46.5	53.3	59.2
Deferred tax assets	16.3	18.4	19.1
Financial assets	7.1	1.1	0.9
Total non-current assets	**371.9**	**389.1**	**402.5**
Current assets			
Inventories	24.8	17.2	12.1
Other financial assets	–	–	35.0
Trade and other receivables	177.1	192.3	201.7
Cash and cash equivalents	47.9	32.3	26.0
Total current assets	**249.8**	**241.8**	**274.8**
Assets held for sale	–	–	0.0
TOTAL ASSETS	**621.7**	**630.8**	**677.3**
EQUITY AND LIABILITIES			
Equity			
Share capital	159.6	158.8	158.8

Other equity	44.4	61.4	52.8
Equity attributable to shareholders of the parent	204.0	220.2	211.7
Non-controlling interest	7.4	7.7	7.5
Total equity	**211.3**	**227.9**	**219.2**
Non-current liabilities			
Interest-bearing debt	34.7	25.5	27.7
Leasing liabilities	31.0	35.8	39.0
Retirement benefit obligations	6.0	14.4	17.4
Deferred tax liabilities	10.3	10.7	11.0
Provisions	2.6	2.7	2.7
Other non-current liabilities	0.6	0.7	0.5
Total non-current liabilities	**85.2**	**89.8**	**98.4**
Current liabilities			
Interest-bearing debt	90.4	74.2	62.1
Leasing liabilities	16.8	18.6	21.8
Liabilities to shareholders	–	–	35.0
Provisions	3.3	6.0	7.5
Advances received	50.6	35.8	32.2
Trade and other payables	164.1	178.5	197.4
Total current liabilities	**325.2**	**313.1**	**356.0**
Liabilities associated with assets held for sale	–	–	3.8
Total liabilities	**410.4**	**402.9**	**458.1**
TOTAL EQUITY AND LIABILITIES	**621.7**	**630.8**	**677.3**

CONSOLIDATED STATEMENT OF CASH FLOWS

	As at and for the year ended 31 December (audited)		
EUR million	**2022**	**2021**	**2020**
Cash flow from operating activities			
Operating result (EBIT)	-2.0	14.5	24.8
Adjustments:			
Depreciation and amortisation	29.8	32.1	38.2
Gain/loss on sales of assets and business	-0.1	-2.6	-14.7
Defined benefit pension plans	-3.3	-3.3	-3.0
Other non-cash adjustments	-0.1	-1.5	1.4
Cash flow from operations before interests, taxes and changes in working capital	24.2	39.1	46.7
Interest and other financial expenses paid, net	-7.8	-4.0	-10.4
Income taxes received/paid	-4.7	-2.7	-3.5
Total financial expenses and taxes	-12.5	32.4	32.8
Changes in working capital:			
Trade and other receivables	8.7	9.4	24.9
Trade and other payables	3.8	-14.4	-10.4
Inventories	-7.9	-5.0	2.1
Changes in working capital	4.6	-10.1	16.6

Net cash from operating activities	**16.4**	**22.3**	**49.4**
Cash flow from investing activities			
Purchases of property, plant and equipment (PPE)	-4.1	-4.4	-6.4
Proceeds from sale of property, plant and equipment (PPE)	0.2	5.3	2.1
Divestment of business, net of cash disposed of	–	-3.8	37.9
Net cash from investing activities	**-3.9**	**-2.9**	**33.5**
Cash flow from financing activities			
Proceeds from issuance of share capital	1.0	–	–
Acquisition of own shares	-1.0	–	–
Proceeds from long-term financial liabilities	35.0	–	–
Proceeds from short-term financial liabilities	76.5	31.2	38.4
Payments of short-term financial liabilities	-60.0	-11.0	-87.4
Payments of financial liabilities, term loans	-27.0	-10.0	-46.1
Proceeds from other financial assets	–	35.0	–
Payments of liabilities to shareholders	–	-35.0	–
Payments of lease liabilities	-21.6	-23.8	-26.2
Dividends to non-controlling interest	-0.4	-0.4	-0.6
Change in non-liquid financial assets	0.6	0.2	0.2
Net cash from financing activities	**3.1**	**-13.7**	**-121.6**
Net change in cash and cash equivalents	**15.5**	**5.7**	**-38.7**
Cash and cash equivalents at beginning of period	32.3	26.0	65.2
Foreign exchange rate effect	0.1	0.6	-0.6
Cash and cash equivalents at end of period	47.9	32.3	26.0

Alternative Performance Measures

This Prospectus includes certain financial measures, which, in accordance with the "Alternative Performance Measures" guidance issued by ESMA, are not accounting measures of historical financial performance, financial position and cash flows, defined or specified in IFRS and are, therefore, considered alternative performance measures ("**Alternative Performance Measures**"). Calculation formulas and reasons for using the Alternative Performance Measures are specified in the following table and are also presented in further detail, together with information enabling reconciliation to IFRS measures, on page 100 in Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2022, pages 106–107 in Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2021 and page 100 in Eltel's audited consolidated financial statements as at and for the financial year ended 31 December 2020 incorporated by reference into this Prospectus. Alternative Performance Measures should not be viewed in isolation or as a substitute to the IFRS financial measures.

Companies do not calculate alternative performance measures in a uniform way and, therefore, the Alternative Performance Measures presented in this Prospectus may not be comparable with similarly named measures presented by other companies. Furthermore, these Alternative Performance Measures may not be indicative of Eltel's historical results of operations and are not meant to be predictive of potential future results. The alternative performance measures presented in this Prospectus are unaudited unless otherwise stated. Accordingly, undue reliance should not be placed on the Alternative Performance Measures presented in this Prospectus.

CALCULATION OF KEY FIGURES

Key figure	Definition	Reason for use
Operative EBITA and margin	*Operative EBITA* Operating result before acquisition-related amortisations and items affecting comparability	Operative EBITA and -margin, % are used to measure business and segment profitability. Income statement

	Operative EBITA margin, % (Operative EBITA x 100) / Net sales Operative EBITA and -margin, % for segments represent the sum of segments: Finland, Sweden, Norway and Denmark.	items below operative EBITA are not allocated to segments.
EBITDA	EBITDA is operating result (EBIT) before depreciations and amortisations.	Used in calculating the leverage ratio.
Operative Capital Employed and ROCE	*Operative capital employed* Net working capital + Intangible assets excluding goodwill and acquisition-related allocations + Property, plant and equipment and Right-of-use assets *Return on operative capital employed (ROCE), %*[1] (EBITA x 100) / Operative capital employed (average over the reporting period)	Operative capital employed is the amount of net operating assets the business uses in its operations. Return on operative capital employed (ROCE), % represents how effectively total net operating assets are used in order to generate return in the operating business.
Net Debt and Leverage Ratio	*Net debt* Interest-bearing debt (excluding shareholder loans) – cash and cash equivalents *Leverage ratio*[1] Net debt / EBITDA	Net debt represents Eltel's indebtedness. It is used to monitor capital structure and financial capacity. It is also used in calculating the leverage ratio. The leverage ratio is defined as covenant in Eltel's financing agreement.
Net Working Capital	Net of inventories, trade and other receivables, provisions, advances received and trade and other payables, excluding items in these balance sheet items that are not considered to form part of operative working capital: derivative valuations and income tax liabilities.	Net working capital is used to follow the amount of short-term running capital needed for the business to operate. Used also as a factor to calculate operative capital employed.

Note: (1) Calculated on a rolling 12-month basis.

Material Adverse Change in Prospects or Significant Change in Financial Performance or Position

Other than as described above and in the Company's press releases and interim reports, there has been no material adverse change in the prospects of the Company since 31 December 2022 (which was the last day of the financial period in respect of which the most recently audited financial statements of the Company have been prepared).

Other than the issuance of the Capital Securities on 6 April 2023 and as described above, there has been no significant change in the Group's financial performance or financial position since 31 December 2022 (which was the last day of the financial period in respect of which the most recently unaudited interim report of the Company has been prepared).

DIRECTORS, MANAGEMENT AND SIGNIFICANT SHAREHOLDERS OF THE ISSUER

Board of Directors

The below table presents the members of the Board of Directors. Eltel's Board of Directors currently consists of six (6) Board members elected by the Annual General Meeting as well as two (2) employee representatives and one (1) deputy employee representative. The Board members elected by the Annual General Meeting are elected for one year until the end of the next Annual General Meeting. There is no limit to how long a member can sit on the board. According to the Company's Articles of Association, the Board of Directors shall comprise not less than three (3) and not more than ten (10) members, with not more than three (3) deputy directors. The Board of Directors has established an Audit Committee and a Remuneration Committee within itself.

Name	Year born	Position	Year elected	Other assignments significant to Eltel
Ulf Mattsson	1964	Chairman	2017	Chairman of the Board of Directors at VaccinDirekt i Sverige AB. Chairman of the Board of Directors at Prima Vård AB. Chairman of the Board of Directors at Attendo. Member of the Board of Directors at Addtech AB. Member of the Board of Directors at Oras Invest Oy. Member of the Board of Directors at Priveq V AB. Advisor at EQT. Advisor at PJT Partners.
Ann Emilson	1965	Member	2022	EVP, Global Sales & Marketing at Tobii AB.
Gunilla Fransson	1960	Member	2016	Chairman of the Board of Directors at NetInsight AB. Member of the Board of Directors at Dunker Foundation. Member of the Board of Directors at Trelleborg AB. Member of the Board of Directors at Nederman AB. Member of the Board of Directors at Securitas AB.
Joakim Olsson	1965	Member	2018	Operating Partner at Triton. Chairman of the Board of Directors at Seves Group S.á r.l. Chairman of the Board of Directors at Arvos Group. Chairman of the Board of Directors at Dywidag.
Erja Sankari	1973	Member	2022	EVP and Chief Operating Officer at iLOQ. Chairman of the Board at Oulu Chamber of Commerce. Member of the Board at Nurminen Logistics. Member of the Board at Partnera Oyj.
Roland Sundén	1953	Member	2018	MD at PrimeValue Consult AB.
Stefan Söderholm	1960	Employee representative	2021	Member of the Board of SEKO at Eltel Sweden since 2008.
Björn Tallberg	1976	Employee representative	2015	Chairman of the trade union Unionen at Eltel Sweden since 2010.
Andreas Nilsson	1976	Deputy employee representative	2022	Board member of the trade union Unionen at Eltel Sweden since 2008.

Group Management

The below table presents the member of the Group Management team.

Name	Year born	Position	Year appointed	Other assignments significant to Eltel
Håkan Dahlström	1962	President and CEO	2022	N/A
Saila Miettinen-Lähde	1962	CFO	2020	Senior Advisor to Tekir Oy. Member of the Board of Directors at Kamrock Oy. Member of the Board of Directors at Lemonsoft Oyj.
Elin Otter	1978	Director, Communications and Investor Relations	2019	N/A
Henrik Sundell	1964	General Counsel	2016	N/A
Pamela Lundin	1970	Director of Business Development	2023	Member of the Chamber of Commerce and Industry of Southern Sweden
Juha Luusua	1965	Managing Director, Eltel Finland	2018	Member of the Board of Directors at Voimatalouspooli (part of the Finnish National Emergency Supply Agency). Member of the Board of Directors at Football Association of Finland.
Lars Nilsson	1967	Managing Director, Eltel Sweden	2023	N/A.
Thor-Egel Bråthen	1965	Managing Director, Eltel Norway	2018	N/A
Claus Metzsch Jensen	1968	Managing Director, Eltel Denmark	2018	Member of the Board of Directors at NKEL I/S.

Business Address

The business address of the members of the Board of Directors and the Group Management team is Eltel AB (publ), Adolfsbergsvägen 13, 168 66 Bromma, Sweden.

Conflicts of Interest

All members of the Board of Directors are independent in relation to the Company. The employee representatives, the deputy employee representative and the members of the Group Management team are not independent in relation to the Company. Except for Joakim Olsson who represents the Company's largest shareholder Triton in the Company's Board of Directors, all members of the Board of Directors, including the employee representatives and deputy employee representative, and all members of the Group Management team are independent in relation to the Company's shareholders. Furthermore, several of the members of the Board of Directors and Group Management team have financial interests in the Company as a result of their shareholding in the Company.

Apart from the foregoing, there are no conflicts of interest between any duties to the Company, of the members of the Board of Directors and the Group Management team, and their private interests and/or other duties.

Share Capital and Major Shareholders

On 1 March 2023, Eltel's registered share capital amounted to EUR 159,575,694.559719 divided on 158,231,081 shares, of which 156,736,781 were common shares and 1,494,300 were class C shares. The quotient value was approximately EUR 1.008497784. Pursuant to the Company's Articles of Association adopted by the Annual General Meeting held on 5 May 2021, the Company's share capital shall be a minimum of EUR 63,161,238 and a maximum of EUR 252,644,952, and the number of shares in the Company shall be a minimum of 63,161,238 and a maximum of 252,644,952. Each common share represents one (1) vote at General Meetings and each class C shares represents one tenth (1/10) of a vote at General Meetings. Class C shares do not entitle to dividends. On the date of this Prospectus, all class C shares were held by the Company.

The Company's common shares have ISIN code SE0006509949 and are admitted to trading on Nasdaq Stockholm. The Company's shares are registered with Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden. No share certificates have been issued for the Company's shares.

On 1 March 2023, the Issuer had 3,540 shareholders known to the Issuer. The following table sets forth the 15 largest shareholders of the Issuer that appear on the shareholder register maintained by Euroclear Sweden AB as at 1 March 2023. As far as Eltel is aware, there are no shareholders' agreements or other arrangements which could result in a change of control of Eltel.

Various entities controlled by Herlin family members are among the largest individual shareholders of Eltel. The individual Herlin family controlled entities have declared that they make decisions independently and are not acting in concert. The shareholder structure has remained fairly stable in recent years.

Shareholder	**Number of shares**	**Capital**	**Votes**
The Herlin family holdings			
Wipunen varainhallinta Oy	*22,500,000*	*14.22%*	*14.35%*
Heikintorppa Oy	*12,400,000*	*7.84%*	*7.91%*
Mariatorp Oy	*10,000,000*	*6.32%*	*6.38%*
Triton Funds (Solero Luxco S.á r.l.)	25,683,845	16.23%	16.37%
Fourth Swedish National Pension Fund	15,027,060	9.50%	9.58%
Mandatum Life Insurance Company	9,414,863	5.95%	6.00%
Fidelity International (FIL)	7,104,292	4.49%	4.53%
Etola Group	6,005,000	3.80%	3.83%
Mandatum Fund Management	2,789,819	1.76%	1.78%
Ambergate Invest Sverige AB	2,382,231	1.51%	1.52%
SEB Funds	2,299,705	1.45%	1.47%
Fidelity Investments (FMR)	1,831,723	1.16%	1.17%
Eltel AB	1,497,800	0.95%	0.10%
Nordea Funds	1,170,937	0.74%	0.75%
Handelsbanken Funds	756,005	0.48%	0.48%
Total 15	**120,863,280**	**76.38%**	**76.20%**
Others	**37,367,801**	**23.62%**	**23.80%**
Total	**158,231,081**	**100.00%**	**100.00%**

SUMMARY OF THE ELTEL SUSTAINABILITY-LINKED FINANCE FRAMEWORK

The following is a summary of Eltel's sustainability-linked finance framework dated February 2023 and available in its entirety on Eltel's website, https://www.eltelgroup.com/sustainable-financing.

Sustainable Financing

By setting up the sustainability-linked finance framework (the "**Sustainability-Linked Finance Framework**" or the "**Framework**"), Eltel intends to link its funding with key objectives that are material for its long-term sustainability performance. The objectives will be achieved through timelines, key performance indicators ("**KPIs**"), and sustainability performance targets ("**SPTs**").

The Framework will apply to sustainability-linked finance instruments issued by Eltel ("**Sustainability-Linked Finance Instruments**" or "**Finance Instruments**") such as sustainability-linked bonds, sustainability-linked hybrid bonds and sustainability-linked loans.

The terms and conditions of the underlying documentation for each Sustainability-Linked Finance Instrument issued by Eltel shall provide a reference to the Framework. The purpose of the Framework is to define the KPIs, SPTs, financial characteristics, disclosure and verification related to Eltel's sustainability-linked financing.

The Sustainability-Linked Finance Framework has been developed to align with the Sustainability-Linked Bond Principles established by the International Capital Markets Association ("**ICMA**") in June 2020 and the Sustainability Linked Loan Principles established by the Loan Markets Association ("**LMA**"), the Asia Pacific Loan Market Association ("**APLMA**") and the Loan Syndication and Trading Association ("**LSTA**") in March 2022.

Eltel has worked with Danske Bank to develop the Framework. A pre issuance external review has been completed by Morningstar Sustainalytics. Eltel will assign an independent party to seek annual verification of the KPIs performance. All relevant documentation will be publicly available on Eltel's website.

Selection of Key Performance Indicators

The selection of KPIs has been made after consideration of which topics are relevant, core and material to Eltel's business and to society. Based on the materiality analysis, greenhouse gas ("**GHG**") emissions are of high strategic relevance for Eltel's current and future operations. They are measurable on a consistent methodical basis and can be benchmarked using the Science Based Target initiative ("**SBTi**") criteria to ensure alignment with the 1.5°C Paris climate agreement. The three KPIs are intended to cover almost all Eltel's GHG emissions.

The KPIs refer to the EU environmental objective *Climate Change Mitigation* and the United Nations Sustainable Development Goal 13 *Climate Action* and Goal 7 *Affordable and Clean Energy*.

In 2022, Eltel's scope 1, 2 and 3 targets were all validated by the SBTi, which confirms they are grounded in the latest climate science and in line with the Paris climate agreement target of 1.5°C.

The below table presents the KPIs selected by Eltel as a basis for the Framework.

KPI 1	**Eltel GHG scope 1**	**Calculation methodology**
Scope 1 – Reduce absolute emissions.	Direct emissions resulting from fuel use within Eltel's car fleet and onsite energy use (heating).	GHG Protocol reporting standard.

KPI 2	**Eltel GHG scope 2**	**Calculation methodology**

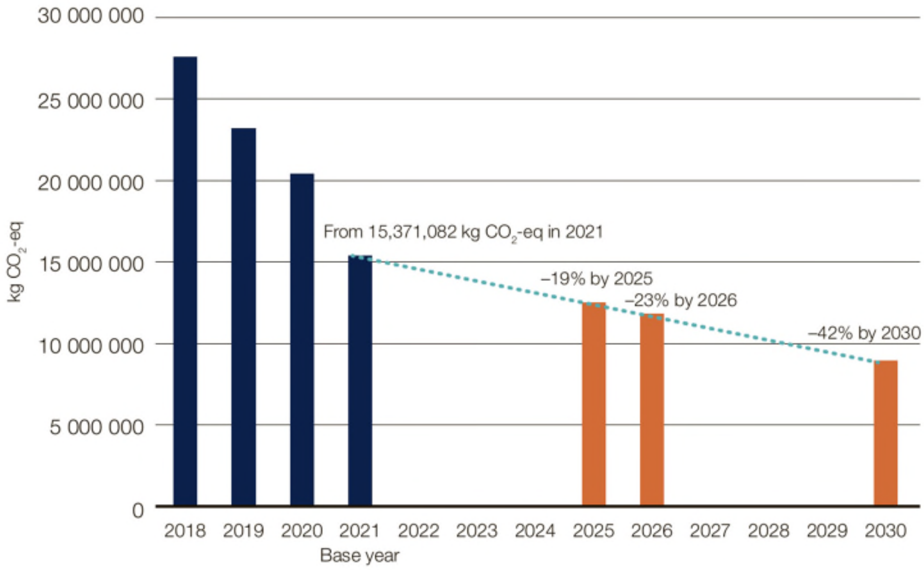
Scope 2 – Share of renewable electricity sourcing within Eltel's office premises.	Indirect emissions resulting from the generation of purchased electricity used within Eltel office premises.	Calculated share of renewable electricity out of all purchased scope 2 electricity.

KPI 3	**Eltel GHG scope 3**	**Calculation methodology**
Scope 3 – Share of suppliers by emission covering scope 3 have set science-based targets.	All other indirect emissions that occur in Eltel's supply chain and are not already included in Scope 2.	Calculated according to the SBTi criteria.

Sustainability Performance Target 1 (SPT 1)

- SPT1a: Reduce direct GHG emissions (scope 1) by 19% by the end of 2025 compared to 2021 base year.
- SPT1b: Reduce direct GHG emissions (scope 1) by 23% by the end of 2026 compared to 2021 base year.

SPT1 is an SBTi absolute reduction target. The fleet of vehicles almost exclusively constitutes Eltel's scope 1 emissions, the onsite energy use (heating) only constitutes a very small part of scope 1.



Strategy to achieve SPT 1

The main operational risks and cause of negative environmental impact from Eltel's own operations (scope 1) are related to Eltel's fleet of 2,895 vehicles (as of the end of 2021). This has shaped Eltel's strategy and targets for Eltel's vehicle fleet and it continues to be at the heart of Eltel's financial planning. By maintaining a modern, fuel-efficient fleet, Eltel reduces emissions per kilometre. Every time a lease contract is to be renewed, Eltel aims to switch to a more fuel efficient, hybrid or electric vehicle. Eltel's ambition is to electrify the fleet as technology develops. Since Eltel's vehicles are typically leased over five years, the update of the fleet is an ongoing and long-term project.

Eltel's R&D centre has a particular expertise and focus on sustainability and energy efficiency. The centre is part of Eltel's strategic investment in sustainability and climate related issues. An exciting R&D area trialled in Finland and Poland is drone mapping. Drones have been tested to map sites and infrastructure remotely. The trials have shown that drones can reduce the number of times an Eltel engineer must travel to a site, which saves time and reduces vehicle fuel emissions. Besides maintaining a modern low-emission fleet, Eltel plans jobs in order to ensure that Eltel's employees do not drive more than necessary. Eltel uses GPS systems for route planning and technicians that can perform a range of tasks to optimise Eltel's fleet usage. The use of digital tools is one example of how Eltel can plan orders better. Preliminary results show that the digital planning of production has reduced Eltel's CO_2 emissions by 7%.

Benchmark SPT 1

The scope 1 reduction target is a linear target to achieve Eltel's 2030 emission reduction ambition of 42% from the base year of 2021. The target has been validated by the SBTi and is aligned with the reductions required to keep global warming to within 1.5°C.

Key factors that could affect the ability to meet the SPT 1

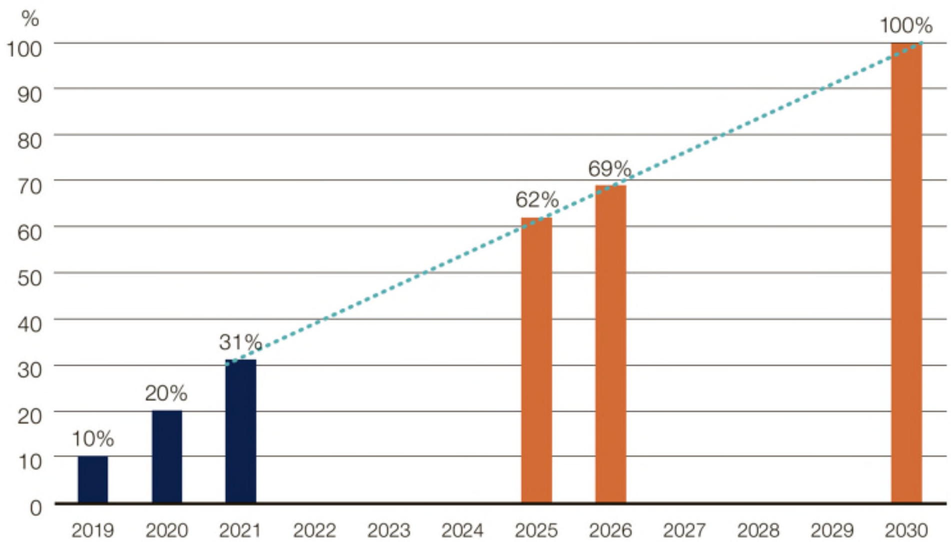
The risks to achieve the target varies between Eltel's country units, but the main risks are defined as:

- Limited or no market access to suitable electrified heavy vehicles.
- Prolonged time of electrical vehicle delivery.
- The lack of access to and the additional cost of biofuels.
- Limited charging infrastructure access, especially when operating in rural areas.
- Security critical network maintenance works, where combustion powered vehicles and generators are required.

Sustainability Performance Target 2 (SPT 2)

- SPT2a: Increase renewable electricity sourcing from 31% to 62% by the end of 2025 compared to 2021 base year.
- SPT2b: Increase renewable electricity sourcing from 31% to 69% by the end of 2026 compared to 2021 base year.

SPT 2 is an SBTi absolute reduction target, accounted for as proportion of renewable electricity purchased within Eltel's office premises.



Strategy to achieve SPT 2

Eltel's new and renewed electricity contracts will reflect Eltel's renewable electricity ambition. As contracts have various durations, new contracts will be phased in over the next few years. In some countries, each of Eltel's premises has a separate supplier, and Eltel will work to centralise the contracts.

Even if not accounted for as purchased electricity, Eltel has also made low-carbon investments. For example, by installing solar panels on Eltel's R&D facility in Poland, Eltel has reduced its energy consumption by 61% and avoids producing over 38 tonnes of CO_2 per year through the electricity Eltel uses on the site. This is part of Eltel's operational excellence approach, but it also aims to reinforce Eltel's green branding to ensure that Eltel remains a green leader in the eyes of its customers.

Benchmark SPT 2

The scope 2 reduction target is a linear target to achieve Eltel's 2030 emission reduction ambition through 100% renewable electricity use. The target has been validated by the SBTi and is aligned with reductions required to keep global warming to within 1.5°C.

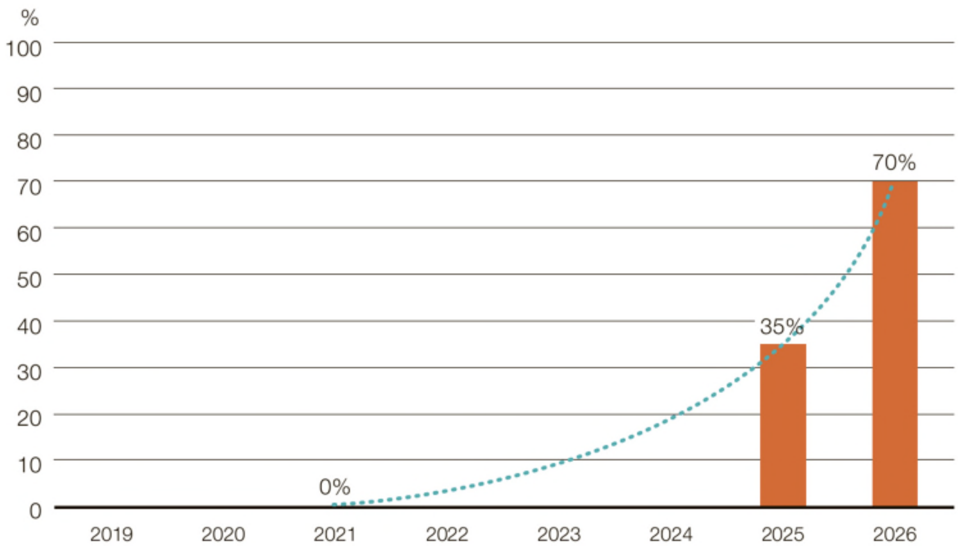
Key factors that could affect the ability to meet the SPT 2

- Eltel sees no major risks in its Nordic operations other than, e.g., in Eltel's Finnish operations, where some electricity contracts are part of the office lease. Eltel will continue to work toward its renewable electricity target but there is a risk that it cannot be met due to Eltel's existing lease agreements.
- In Poland, Lithuania and Germany Eltel is gradually increasing the proportion of renewable electricity it sources. However, supply is limited and there is a risk that Eltel will not be able to source the renewable electricity to meet its target.

Sustainability Performance Target 3 (SPT 3)

- SPT3a: Ensure that 35% of its suppliers by emissions covering the upstream scope 3 categories 1, 2, 4, 5 and 6, will have science-based targets by the end of 2025.
- SPT3b: Ensure that 70% of its suppliers by emissions covering the upstream scope 3 categories 1, 2, 4, 5 and 6, will have science-based targets by the end of 2026.

Eltel's SPT 3 is an SBTi supplier engagement target. Eltel commits that 70% of its suppliers by emissions covering the upstream scope 3 categories (1) *Purchased goods and services*, (2) *Capital goods*, (4) *Upstream transportation and distribution*, (5) *Waste generated within operations*, and (6) *Business Travel*, will have targets that are science-based by 2026 – meeting the SBTi criteria, using the latest guidelines. An official SBTi validation is not a requirement, though suppliers are encouraged to have the targets formally validated.



Strategy to achieve SPT 3

To drive the supplier adoption of targets that are science-based, Eltel will engage with current suppliers and select future suppliers according to this criterion.

Standard contracts will include an SBTi clause, and Eltel needs to engage with small and medium-sized enterprises ("**SMEs**") on vehicle and machinery fuel. As contracts vary in duration, this will take time to implement. The main reason to why Eltel's Scope 3 trajectory is not linear is that Eltel acknowledges its suppliers' need to see the development and achieve some successes in reducing CO_2 before being comfortable setting targets themselves. This applies especially to SME suppliers as the additional cost of alternative energy needs to be covered.

Many of Eltel's larger suppliers have some in-house knowledge, while this is not always the case with Eltel's SME suppliers. Scope 3 emissions are the major source of Eltel's total GHG emissions, which means it is important for Eltel to collaborate, engage with and help Eltel's suppliers, and customers, to reduce their emissions and thereby Eltel's scope 3 emissions. This could be done through knowledge sharing, but also by collaborating with Eltel's suppliers to pilot low-carbon solutions, such as electrical excavators and micro-trenching, in order to minimise Eltel's physical environmental impact, disruption and noise from work sites. Clients' procurement strategies and favouring more environmental suppliers play an important role in Eltel's transition.

Benchmark SPT 3

Eltel's scope 3 target is intended to cover all other indirect emissions that occur in Eltel's supply chain and are not already included within scope 2. The target has been validated by the SBTi and is aligned with reductions required to keep global warming within 1.5°C.

Key factors that could affect the ability to meet the SPT 3

- Sustainable materials and fuels are often more expensive, due to the limited availability and high demand for greener options. In other cases, Eltel must make sure that it competes on the same terms even if some costs are higher due to a more sustainable process.
- As some large suppliers are contractually bound to major clients, Eltel may need to engage and come to terms with the client.
- As fuel is the SME service subcontractors' major cost component, increased fuel cost will in most cases impact on service prices which will need to be compensated by Eltel negotiating higher price levels with clients.
- As not all suppliers are willing to set targets that are science based, long-term relationships might come to an end, which may impact Eltel's business opportunities.

Financial Characteristics

The financial characteristics of any Sustainability-Linked Finance Instrument issued under the Framework will be specified in its related Finance Instrument documentation. Eltel will incorporate all KPIs for all Finance Instruments issued under the Framework.

For any Finance Instrument issued under the Framework, the characteristics may change and lead to a financial impact in the form of either a premium payment, coupon step-up or margin adjustment in the event that a Trigger Event (as defined below) occurs. The premium payment will be paid at maturity, unless otherwise stated in the relevant Finance Instrument documentation. The coupon step-up or margin adjustment will apply to the relevant Finance Instrument from the first day of the next interest period immediately following a reporting end date specified in the related Finance Instrument documentation (the "**Reporting End Date**") and until maturity. Unless otherwise specified in the related Finance Instrument documentation, the target observation date fall on the year-end of the SPTs (the "**Target Observation Date**").

A "**Trigger Event**" occurs if:

- any of the KPIs have not achieved the respective SPT on the Target Observation Date,
- the reporting does not meet the requirements as set out in the related Finance Instrument documentation, or

- the verification has not been provided and made publicly available as set out in the related Finance Instrument documentation.

The financial characteristics selected for each Sustainability-Linked Finance Instrument including specification of financial impact, Target Observation Date and Reporting End Date will be stated in the relevant Finance Instrument documentation. Fallback mechanisms applicable to any Sustainability-Linked Finance Instrument issued under the Framework include a potential recalculation of the baseline figures if there is a significant change of at least five per cent to the baseline due to changes in Eltel's organisational structure, the calculation methodology or data quality. Any recalculation of the baseline will be reported in the immediately following Sustainability-Linked Progress Report (as defined below), as stipulated in the *Reporting* section below, and verified by a qualified external reviewer as outlined in the *Verification* section below.

For the avoidance of doubt, the KPIs and SPTs set out in the Framework will remain applicable throughout the tenor of any Finance Instrument issued under the Framework, regardless of any changes to the baseline, overarching sustainability strategy or potential Framework updates. This includes any changes relating to the Company's general sustainability targets and ambitions.

Calibration of Sustainability Performance Targets

Eltel can use any and/or a combination of the Target Observation Dates in Finance Instruments referencing the Framework. As set out above, failure to reach an SPT at the selected Target Observation Date will result in a Trigger Event. Additionally, should Eltel fail to provide relevant reporting or verification, in line with the Framework, this will also result in a Trigger Event. If a Trigger Event occurs, it will result in an increased redemption price, step-up coupon or adjusted margin, as applicable. The variation in premium payable and other structural characteristics related to the achievement of the SPT, will be specified in the specific Sustainability-Linked Finance Instrument documentation.

Reporting

Eltel will annually publish a sustainability-linked finance progress report (the "**Sustainability-Linked Progress Report**") to ensure that investors and other stakeholders have updated and adequate information about Eltel's sustainability strategy and the performance of the KPIs against the SPTs.

The reporting can be in the form of either a stand-alone report or integrated into the annual report, annually published on Eltel's website until the final Reporting End Date.

Specifically, reports concerning the Reporting End Date will be published as a stand-alone document to ensure transparency regarding the Target Observation Date.

The annual reporting will form the basis for evaluating potential financial impact as outlined in financial characteristics and the respective Financial Instrument documentation.

The performance level of the KPIs against the respective SPT shall be verified by a qualified external reviewer with relevant expertise as described in the next section.

In the case Eltel would have other Sustainability-Linked Finance Instruments than bonds outstanding, the Company may choose to report, in relation to these other financial instruments, directly and non-publicly, to the lenders or counterparts.

The Sustainability-Linked Progress Report will include the following reporting points:

- The performance of the KPIs against the respective SPT, as per the relevant reporting period.
- Calculation methodology, information about baseline and potential recalculations, when applicable.
- Information on any relevant updates to Eltel's sustainability strategy and/or governance with a potential impact on the KPIs.
- A list of Sustainability-Linked Finance Instruments outstanding.

Where feasible and relevant the reporting will also include:

- Qualitative and/or quantitative explanations of the contribution of the main factors, including M&A activities, behind the development of the performance on the KPI on an annual basis.
- Updates on new or proposed regulations from regulatory bodies relevant to the KPIs and the SPTs.

Verification

Second party opinion

Morningstar Sustainalytics has provided a second party opinion to the Framework assessing the relevance, robustness, reliability and ambition level of the selected KPIs and SPTs, and confirming its alignment with the five core components of:

- ICMA's Sustainability-Linked Bond Principles June 2020, and
- LMA/APLMA/LSTA Sustainability-Linked Loan Principles March 2022.

Post issuance verification

Eltel will annually seek external and independent verification of its performance level of the KPIs against the SPTs by one or more qualified external reviewer(s) with relevant expertise. The external reviewer(s) will be chosen by Eltel in accordance with the Voluntary Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds established by ICMA in June 2022 and may, at the discretion of Eltel, be changed subject to fulfilling the requirements set out in the Framework. The verification will be made publicly available together with Eltel's Sustainability-Linked Progress Report, up to and including the final Reporting End Date as set out in section *Financial Characteristics* above and specified in the related Finance Instrument documentation.

Publicly Available Documents

The Framework and the second party opinion will be publicly available on Eltel's website together with the Sustainability-Linked Progress Report and verification, once published.

DOCUMENTS INCORPORATED BY REFERENCE

The documents in the below table have been incorporated in this Prospectus by reference and should be read as part of the Prospectus. The documents have been made public prior to the publication of this Prospectus and are available in electronic format on the Company's website, www.eltelgroup.com, during the period of validity of this Prospectus.

Investors should read all information which is incorporated in the Prospectus by reference. Information in the below documents that have not been incorporated by reference is either deemed by the Company not to be relevant for the investors of the Capital Securities or is covered elsewhere in the Prospectus.

Eltel's audited consolidated financial statements as at and for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and accounting principles described in the financial statements and have been audited by the Company's auditor.

Document	**Information incorporated by reference**
Eltel's audited consolidated financial statements, including the auditor's report, as at and for the financial year ended 31 December 2022 (can be found through the following link)	The consolidated income statement and consolidated statement of comprehensive income can be found on page 54, the consolidated balance sheet can be found on page 55, the consolidated statement of cash flow can be found on page 56, the consolidated statement of changes in equity can be found on page 57, the notes to the consolidated financial statements and information on accounting policies can be found on pages 58–83, the auditor's report can be found on pages 91–93 and information on alternative performance measures (including calculation formulas, reasons for use and information enabling reconciliation to IFRS measures) can be found on page 100 (page numbers as set out in the document footer).
Eltel's audited consolidated financial statements, including the auditor's report, as at and for the financial year ended 31 December 2021 (can be found through the following link)	The consolidated income statement and consolidated statement of comprehensive income can be found on page 51, the consolidated balance sheet can be found on page 52, the consolidated statement of cash flow can be found on page 53, the consolidated statement of changes in equity can be found on page 54, the notes to the consolidated financial statements and information on accounting policies can be found on pages 55–87, the auditor's report can be found on pages 97–100 and information on alternative performance measures (including calculation formulas, reasons for use and information enabling reconciliation to IFRS measures) can be found on pages 106–107 (page numbers as set out in the document footer).
Eltel's audited consolidated financial statements, including the auditor's report, as at and for the financial year ended 31 December 2020 (can be found through the following link)	The consolidated income statement and consolidated statement of comprehensive income can be found on page 47, the consolidated balance sheet can be found on page 48, the consolidated statement of cash flow can be found on page 49, the consolidated statement of changes in equity can be found on page 50, the notes to the consolidated financial statements and information on accounting policies can be found on pages 51–83, the auditor's report can be found on pages 93–95 and information on alternative performance measures (including calculation formulas, reasons for use and information enabling reconciliation to IFRS measures) can be found on page 100 (page numbers as set out in the document footer).

DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION

In addition to the documents incorporated by reference, the Issuer's Certificate of Registration and Articles of Association may be inspected during the loan period at the head office of the Issuer, Adolfsbergsvägen 13, 168 66 Bromma, Sweden on weekdays during ordinary business hours. In order to ensure the best possible service, persons wishing to examine the documents referred to in this section are kindly requested to notify the Issuer of their visit in advance at the telephone number +46 8 585 376 00. The Certificate of Registration and Articles of Association are also available at the Issuer's website, www.eltelgroup.com.