

A wide-angle photograph of a snowy mountain landscape at sunset. The sky is a gradient of orange, yellow, and blue. In the foreground, there are several wooden chalets with snow-covered roofs. The ground is covered in a thick layer of snow. In the background, there are more chalets and a range of mountains. The overall atmosphere is peaceful and serene.

2022-Q4

Year end report

open infra

## Overview January – December 2022<sup>1</sup>

- Network revenue amounted to SEK 263.1m (116.7) which represents an increase of 126% compared to last year and 4% compared to the second quarter.
- Adjusted Network revenue proforma amounted to SEK 266.7m (214.7), which equals a growth of 24% compared to last year proforma and 4% compared to the second quarter.
- Adjusted Network EBITDA amounted to SEK 232.0m (188.8) and a corresponding margin of 87% (88), an increase of 23% since last year and 4% since last quarter.
- The corresponding Network EBITDA Run Rate amounted to SEK 237.3m (209.5), an increase of 13% since last year and 0% since the previous quarter.
- ARPU for the period was SEK 326 (303), an increase of 8% compared last year and 0% compared to last quarter.
- Number of households connected was 77,425 (73,707), representing an increase of 5% compared to last year and 0% compared to last quarter.
- Net Debt / EBITDA was 7.70x, compared to bond terms and conditions incurrence level of 10.00x, and a maintenance level of 12.00x.
- Interest Coverage Ratio was 2.69x, compared to bond terms and conditions incurrence level of 2.00x, and a maintenance level of 1.75x.

Overview, Open Infra AB (publ)	2022 Jan - Mar	2022 Apr - Jun	2022 Jul - Sep	2022 Oct - Dec	2022 Jan - Dec	2021 Jan - Dec	Change
Network revenue	87.6	64.6	65.8	68.7	263.1	116.7	126%
Adjusted network revenue*	64.3	65.0	66.1	68.7	266.7	214.7	24%
<b>Adjusted network EBITDA*</b>	<b>55.4</b>	<b>55.1</b>	<b>57.6</b>	<b>60.2</b>	<b>232.0</b>	<b>188.8</b>	<b>23%</b>
Adjusted network EBITDA-margin	86%	85%	87%	88%	87%	88%	-1 pp
Network EBITDA run rate, yearly	220.4	224.5	236.4	237.3	237.3	209.5	13%
Net debt	1,526.2	1,733.6	1,772.3	1,782.1	1,782.1	1,529.0	17%
Fiber asset value	5,124.2	5,211.9	5,236.8	5,251.4	5,251.4	5,065.1	4%
LTV	30%	33%	34%	34%	34%	30%	4 pp
ARPU (SEK)	307	306	326	326	326	303	8%
Number of households connected, EOP	75,033	76,297	77,400	77,425	77,425	73,707	5%
Net debt / EBITDA	7.04x	7.68x	7.79x	7.70x	7.70x	8.10x	-5%
Interest coverage ratio	2.63x	2.45x	2.61x	2.76x	2.76x	-	-

\* Adjusted according to Terms and Conditions for issued Bond which states:

- Entities acquired by the Group (Open Infra Core AB) to be included proforma.
- An active installation that has been owned by the Group for a period of less than 12 months, the figures for EBITDA shall be adjusted so that such active installation for the entire 12 months contributes with revenue according to the Average Revenue Per User for the relevant period.
- Net Finance Charges adjusted to reflect the assumption of Financial Indebtedness for the entire reference period.

1. All figures presented in this interim financial report are in SEK millions unless otherwise stated.

## Significant events and events after reporting period

There was a positive outcome on the 15<sup>th</sup> of November regarding the written procedure for amending the bond Terms and Conditions to allow for loans outside of the ringfenced structure to the developing companies with respect to the subsidy from PTA (Swedish Post- and Telecom Authority, in Swedish Post- och Telestyrelsen).

On the 8<sup>th</sup> of December the group signed the Ten Principles of UN Global Compact. The Ten Principles have been a foundation since the start and it is now a natural step to formally commit to the Principles which will be implemented in all markets in which we have operations. This will be carried out by increased monitoring of our sub-contractors, which will further increase the group's reach when it comes to targets for diversity etc. We will continuously report on our progress within this area.

On the 23<sup>rd</sup> of January, we announced our intention to make a SEK 400m tap issue to part finance the acquisition of Open Infra Core 2022 AB containing the 5,675 HCs built during 2022. The offering closed successfully on the 26<sup>th</sup> of January. The acquisition will add a run rate EBITDA of SEK 20.6m and closed on 2<sup>nd</sup> of February at a total purchase price of SEK 411m.

On the 9<sup>th</sup> of February the Patent and Market Court (Sw. Patent och marknadsdomstolen) published its judgment following the legal action initiated by the Consumer Ombudsman (Konsumentombudsmannen, "KO") against Open Infra Core AB requesting that certain old terms and conditions with respect to the customers possibility to cancel the agreement were prohibited. These terms and conditions are since December 2021 no longer in use and have been replaced.

The judgment was in line with our expectations and included that the old cancellation terms were prohibited from being used with a possible fine of SEK 500,000 if used. Open Infra Core AB was further ordered to cover KO's legal fees of SEK 64,000. We assess the financial risk is in line with previous communication, ca SEK 500,000.

## CEO's comment

Dear reader,

More than one year has now passed since the initial bond issue was carried out and on the 26<sup>th</sup> of January a tap issue of SEK 400m was successfully closed with the purpose of acquiring the newly built fiber networks during 2022 owned by Open Infra Core 2022. I am pleased with the financial results for 2022, being in line with what we had initially forecasted.



Although, market conditions have changed substantially since November 2021, the investors interest in a solid assets with stable and recurring cash flows is noticeable, and especially the search for alternative assets to real estate. During 2022 we have proven that our fiber asset copes well with increased inflation by our strong pricing power allowing us to mitigate the inflationary effects with price adjustments. On top of this, we have hedged the full outstanding bond amount's interest risk which will ensure stable cash flows until the maturity of the bond in November 2025.

### Sustainability

The sustainability report released in May describes our main ESG risks within the areas of deployment of new infrastructure, customer satisfaction and stability of service. An updated version will be released during the spring. We signed the Ten Principles of UN Global Compact in December which we will incorporate in the wider group in all countries in which we are present.

Lastly, I am content with the outcome on 9th of February in the Patent and Market Court regarding the legal action taken by KO in April 2022. The judgment was as we expected, and the old cancellation terms are no longer in use as we have communicated earlier.

Best regards,

Open Infra AB (publ)

A handwritten signature in blue ink, appearing to read "Erik Stiernstedt".

**Erik Stiernstedt**

CEO

## Financial Development January - December

### Income statement

Net sales amounted to SEK 276.3m (289.9) whereof SEK 263.1m (214.7) is related to network revenue (proforma for 2021). The increase in network revenue is due to an increased number of Households Connected (“HC”) while the restructuring made in connection with the bond issue which separated the installation business from the group, explains the decrease in total revenue. Please see note 4 for a proforma bridge.

EBITDA amounted to SEK 238.0m (235.4). Net financial cost amounted to SEK 143,9m (28.9) whereof SEK 91,8m (0) pertained to interest paid to bondholders. Remaining financial costs relate to accrued costs from the refinancing and commitment fee for the super senior RCF. Please see note 5 regarding Net financial costs.

### Balance sheet

Fair value of fiber assets amounted to SEK 5,288m (5,104) due to an increased number of HCs. The going parameters for fair valuation have not been revised during 2022.

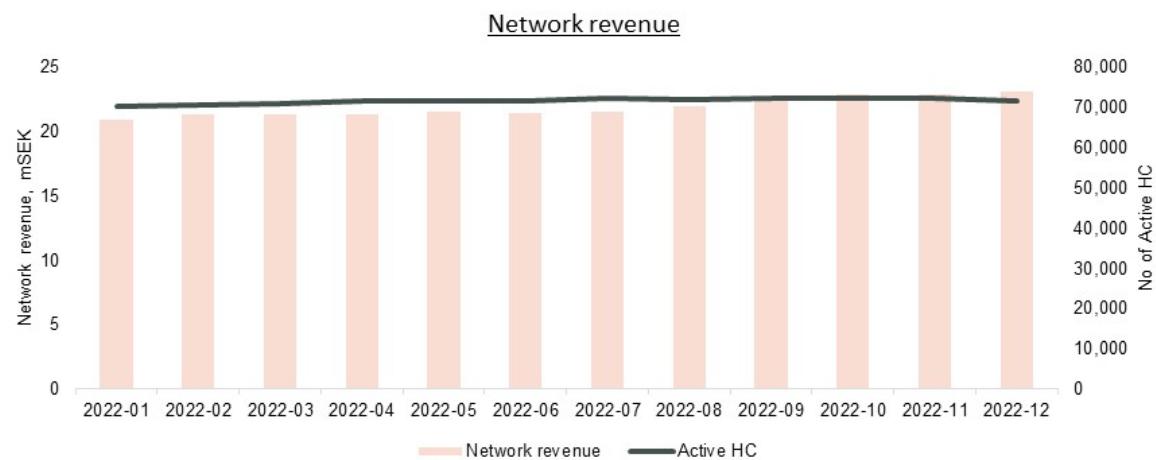
Intra group liabilities have been repaid with SEK 236.4m since December 2021 with proceeds from escrow accounts relating to anticipated and vacant HCs. Repayments on the vendor loan note have been made of SEK 181m. Intra group receivables relate to subsidies from PTA which are lent to Open Infra Midco AB amounting to SEK 31.5m.

The subsidy from PTA can be found within prepaid income on the debt-side of the balance sheet. The corresponding amount is held separate from other cash, see note 6.

### Households Connected

The demand for densification has remained strong during the year. However, our installation resources have focused on the delivery of new projects and particular in the PTA-areas. During 2023, we will appoint a specific team to only work with densification with the aim at deploying 1,000 – 2,000 such installations. These installations come with no capex for the company and contribute with full EBITDA from day one.

Total connected HC per 30 June 2022 were 77,425 (73,707). Out of the households connected 72,837 (69,542) are owned by the Company. The residual, 4,588 (4,165) households, is owned by Uddevalla Energi but operated by the group and generating full revenue.

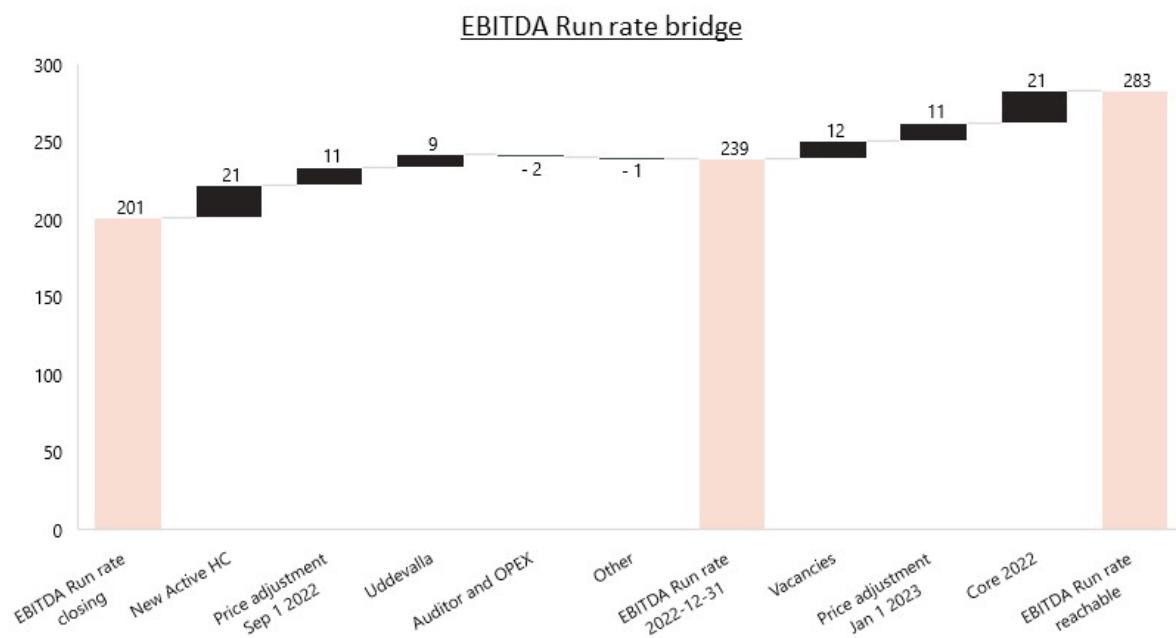


As shown in the chart above the monthly recurring revenue is very stable and is a function of the total connected households, as well as the price increase in September 2022.

## Open Infra AB (publ) 2022-Q4 Report

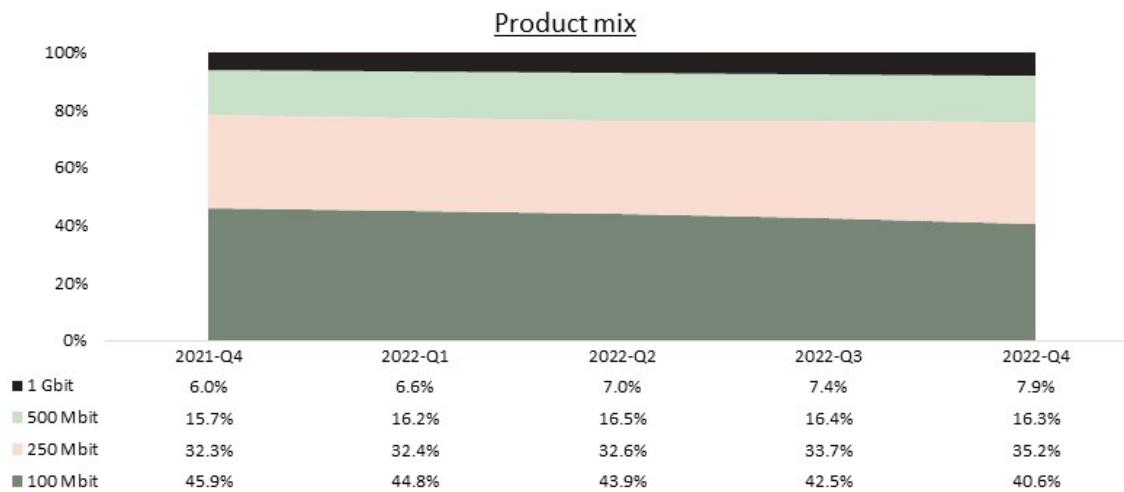
Below is a bridge-chart showing the development of EBITDA run rate since closing of the bond in November 2021 to Q3 2022 plus an assumption on future run rate after January 1<sup>st</sup>, 2023. The majority of EBITDA increase is derived from the deployment of anticipated HC from closing and the mentioned price increase in September. A further price adjustment has been confirmed and will be effective on 1<sup>st</sup> of January 2023. We are yet to see any negative effects (downgrades or churn) on demand due to the price increase. The price adjustment is weighted towards lower speeds in order to make it more attractive to upgrade to a higher speed, or on the other hand make it less attractive to downgrade to lower speeds.

The acquisition of Open Infra Core 2022 AB will further increase the EBITDA run rate with SEK 20.6m.



## ARPU

The ARPU for the quarter amounted to SEK 326, which is an increase by 8% compared to same period last year, mainly due to a price adjustment effective in September. The product mix has shifted towards higher speeds during the last twelve months, with the lowest speed (100 Mbit/s) decreasing with 4,2 pp. Instead, the customers are migrating to 250 Mbit/s or higher which has a positive impact on ARPU. We do not see any signs that the customers structural demand for higher speeds is in decline.



## Sustainability

To track our main risks within the sustainability area we continuously monitor three KPIs as described in our sustainability report.

The outcome for these KPIs for 2022 has been positive particularly within customer satisfaction where the positive trend with a significant decrease in remarks with ARN and KO continues. We take this as a proof that our revised terms and conditions and upgraded information plan has helped our customers understand the deployment process and aligned their expectations on delivery accordingly.

Further, the stability of services has increased from the beginning of 2022 when some geographic areas experienced problems with ice in the cabling. This has since been solved and we expect to limit similar issues in the future.

Lastly, the CO2 emissions from the deployment department outperform the set target which is expected. The project mix has shifted towards more rural projects which are the kind of projects where we excel, both financially and from a sustainability perspective.



## Governance

We have launched several initiatives in the governance area during 2022 such as increased control functions for our sub-contractors with KYC procedures, that social benefit charges are reported and paid to the Swedish Tax Agency (in Swedish "Arbetsgivardeklaration").

Further, we signed and committed to the Ten Principles of UN Global Compact in December 2022. We have also started the recruitment process of a full-time employee to put even more focus on ESG-issues for the group. This person will be a member of the Group Management and have a far-reaching mandate to implement actions in the ESG-area. During 2023 we will start the process to measure green-house gas emissions according to Scope 1 and 2.

Consolidated income statement

		2022 Jan - Dec	2021 Jan - Dec
<b>Open Infra, consolidated</b>			
Net sales	3,4	276.1	259.9
Other Revenue		0.2	30.1
<b>Total Revenue</b>		<b>276.3</b>	<b>289.9</b>
Cost of goods sold		-35.1	-24.4
Operational expenditure		-3.2	-30.2
Personnel		0.0	0.0
<b>EBITDA</b>		<b>238.0</b>	<b>235.4</b>
Depreciation and amortization		-60.6	-41.8
<b>EBIT</b>		<b>177.4</b>	<b>193.6</b>
Net financial cost	5	-143.9	-28.9
<b>Earnings before tax</b>		<b>33.5</b>	<b>164.7</b>
Appropriations		0.0	2.0
Tax		-1.7	-35.2
<b>Result for the period</b>		<b>31.7</b>	<b>131.6</b>
Revaluation of fiber assets, net of tax		168.1	1,487.0
Revaluation of financial assets, net of tax		40.7	0.0
<b>Total comprehensive income for the period</b>		<b>240.5</b>	<b>1,618.6</b>

The above income statement does not give the correct picture of the current business since all installation-related activities were separated and the full Network Revenue was added during the restructuring in conjunction with the bond issue. Please see Note 4 for proforma figures following the restructuring, i.e. excluding the Installation business.

Consolidated balance sheet

		2022 31 Dec	2021 31 Dec
<b>Open Infra, consolidated</b>			
Fiber assets	6	5,251.4	5,065.1
Leasing assets		36.8	38.8
<b>Tangible assets</b>		<b>5,288.2</b>	<b>5,103.9</b>
Financial assets		115.4	3.9
Intangible assets		0.7	1.1
<b>Total fixed assets</b>		<b>5,404.3</b>	<b>5,108.9</b>
Account receivable		27.4	18.1
Intra group receivables		31.5	1,372.3
Other short term receivables		1.7	9.9
Prepaid expenses and accrued income		23.4	44.2
Cash and equivalents	7	957.5	1,313.9
<b>Total current assets</b>		<b>1,041.5</b>	<b>2,758.4</b>
<b>Total assets</b>		<b>6,445.8</b>	<b>7,867.3</b>
<b>Total shareholders equity attributable to the parent company's shareholders</b>		<b>770.6</b>	<b>765.9</b>
Long term interest bearing liabilities		1,900.0	1,900.0
Deferred tax liabilities		995.8	940.0
Leasing long term debt		36.0	38.1
Intra group liabilities		1,830.5	3,298.3
<b>Total long term liabilities</b>		<b>4,762.3</b>	<b>6,176.4</b>
Overdraft		0.0	0.0
Leasing short term debt		2.2	2.2
Accounts payable		5.2	2.0
Current tax liabilities		0.0	0.0
Other liabilities		8.5	3.2
Accrued expenses and prepaid income		896.9	917.6
<b>Total short term liabilities</b>		<b>912.9</b>	<b>925.0</b>
<b>Total equity and liabilities</b>		<b>6,445.8</b>	<b>7,867.3</b>

## Consolidated cash flow statement

	2022 Jan - Dec	2021 Jan - Dec
<b>Open Infra, consolidated</b>		
EBITDA	238.0	235.4
Adjustment for non cash items	4.8	
Net interest paid	-83.9	-28.9
Tax paid	-1.7	-3.3
<b>Cashflow from operating activities</b>	<b>157.2</b>	<b>203.2</b>
Change in accounts receivable	-10.2	4.4
Change in other current receivables	7.0	143.1
Change in accounts payable	13.0	0.0
Change in other current liabilities	18.1	717.4
<b>Changes in working capital</b>	<b>27.9</b>	<b>864.9</b>
<b>Cashflow from operating activities after changes in net working capital</b>	<b>185.1</b>	<b>1,068.1</b>
Investments in fiber assets	-33.4	-403.4
Investments in other tangible and intangible assets	0.0	-1.0
Investments in other financial assets	-59.0	4.3
<b>Cashflow from investing activities</b>	<b>-92.4</b>	<b>-400.1</b>
Net change interest bearing debt	0.0	1,389.4
Net change intra group debt	-268.1	-747.8
Permitted repayment vendor loan note	-181.0	0.0
<b>Cashflow from financing activities</b>	<b>-449.1</b>	<b>641.6</b>
<b>Cashflow for the period</b>	<b>-356.4</b>	<b>1,309.6</b>
Whereof released from escrow	-236.6	0.0
Opening cash and equivalents	1,313.9	4.3
<b>Closing cash and equivalents</b>	<b>957.5</b>	<b>1,313.9</b>

The cash flow for the period is negative amounting to SEK -356.4m whereof released escrow amounts to SEK -236.4m, repaid PTA-subsidies amount to SEK -46m and granted PTA-loans to Development companies amounting to SEK 31.5m. The remaining SEK 42m is surplus cash generated by the business per December 31, 2021.

## Consolidated change in equity

	Equity attributable to the parent company's shareholders		
	Share capital	Reserves	Accumulated profit including result for the period
<b>2021-01-01</b>	<b>0.5</b>	<b>1,526.3</b>	<b>365.4</b>
Result for the period	0.0	0.0	131.6
Net investment in subsidiaries	0.0	0.0	-3,624.0
Other contributed capital	0.0	0.0	969.5
Recalculation variance	0.0	0.0	-0.4
Dividend	0.0	0.0	-90.0
Revaluation of fiber assets, net of tax	0.0	1,487.0	0.0
<b>Total change in equity for the period</b>	<b>0.0</b>	<b>1,487.0</b>	<b>-2,613.3</b>
<b>2021-12-31</b>	<b>0.5</b>	<b>3,013.3</b>	<b>-2,247.9</b>
<b>2022-01-01</b>	<b>0.5</b>	<b>3,013.3</b>	<b>-2,247.9</b>
Result for the period	0.0	0.0	31.7
Net investment in subsidiaries	0.0	0.0	-235.8
Revaluation of fiber assets, net of tax	0.0	168.1	0.0
Revaluation of financial assets, net of tax	0.0	40.7	0.0
<b>Total change in equity for the period</b>	<b>0.0</b>	<b>208.8</b>	<b>-204.1</b>
<b>2022-12-31</b>	<b>0.5</b>	<b>3,222.1</b>	<b>-2,452.0</b>

Parent company income statement

	2022 Jan - Dec	2021 Jan - Dec
<b>Open Infra AB</b>		
Net sales	0.0	0.0
Other Revenue	0.0	0.0
<b>Total Revenue</b>	<b>0.0</b>	<b>0.0</b>
Cost of goods sold	0.0	0.0
Operational expenditure	-4.3	0.0
Personnel	0.0	0.0
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>-4.3</b>	<b>0.0</b>
Depreciation and amortization	0.0	0.0
<b>Operating profit</b>	<b>-4.3</b>	<b>0.0</b>
Net financial cost	-149.0	0.0
<b>Earnings before tax</b>	<b>-153.3</b>	<b>0.0</b>
Appropriations	0.0	0.0
Tax	0.0	0.0
<b>Result for the period</b>	<b>-153.3</b>	<b>0.0</b>

Parent company balance sheet

	2022 31 Dec	2021 31 Dec
<b>Open Infra AB</b>		
Tangible assets	0.0	0.0
Financial assets	3,990.3	3,754.0
Intangible assets	0.0	0.0
<b>Total fixed assets</b>	<b>3,990.3</b>	<b>3,754.0</b>
Account receivable	0.0	0.0
Intra group receivables	400.7	2,008.6
Other short term receivables	0.0	0.0
Prepaid expenses and accrued income	32.7	40.4
Cash and equivalents	126.2	365.4
<b>Total current assets</b>	<b>559.6</b>	<b>2,414.4</b>
<b>Total assets</b>	<b>4,549.9</b>	<b>6,168.4</b>
<b>Total shareholders equity attributable to the parent company's shareholders</b>	<b>816.7</b>	<b>970.0</b>
Long term interest bearing liabilities	1,900.0	1,900.0
Deferred tax liabilities	0.0	0.0
Leasing long term debt	0.0	0.0
Intra group liabilities	1,832.8	3,298.0
<b>Total long term liabilities</b>	<b>3,732.8</b>	<b>5,198.0</b>
Overdraft	0.0	0.0
Leasing short term debt	0.0	0.0
Accounts payable	0.0	0.1
Current tax liabilities	0.0	0.0
Other liabilities	0.0	0.0
Accrued expenses and prepaid income	0.4	0.4
<b>Total short term liabilities</b>	<b>0.4</b>	<b>0.4</b>
<b>Total equity and liabilities</b>	<b>4,549.9</b>	<b>6,168.4</b>

## Parent company cash flow statement

	2022 Jan - Dec	2021 Jan - Dec
<b>Open Infra AB</b>		
EBITDA	-4.3	0.0
Adjustment for non cash items	0.0	0.0
Interest paid	-83.9	0.0
Tax paid	0.0	0.0
<b>Cashflow from operating acitivities</b>	<b>-88.2</b>	<b>0.0</b>
Change in accounts receivable	0.0	0.0
Change in other current receivables	0.0	0.0
Change in accounts payable	0.2	0.0
Change in other current liabilities	3.5	0.0
<b>Changes in working capital</b>	<b>3.6</b>	<b>0.0</b>
<b>Cashflow from operating activities</b>	<b>-84.6</b>	<b>0.0</b>
Investments in fiber assets	0.0	0.0
Investments in other tangible and intangible assets	0.0	0.0
Investments in other financial assets	-59.0	-818.7
<b>Cashflow from investing activities</b>	<b>-59.0</b>	<b>-818.7</b>
Net change interest bearing debt	0.0	1,900.0
Net change intra group debt	85.4	-715.9
Permitted repayment vendor loan note	-181.0	0.0
<b>Cashflow from financing activities</b>	<b>-95.6</b>	<b>1,184.1</b>
<b>Cashflow for the period</b>	<b>-239.2</b>	<b>365.4</b>
Whereof released from escrow	-236.6	0.0
<b>Opening cash and equivalents</b>	<b>365.4</b>	<b>0.0</b>
<b>Closing cash and equivalents</b>	<b>126.2</b>	<b>365.4</b>

## Parent company change in equity

Equity attributable to the parent company's shareholders				
	Share capital	Reserves	Accumulated profit including result for the period	Total equity
<b>2021-01-01</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>
Result for the period	0.0	0.0	0.0	0.0
Other contributed capital	0.0	0.0	969.5	969.5
<b>Total change in equity for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>969.5</b>	<b>969.5</b>
<b>2021-12-31</b>	<b>0.5</b>	<b>0.0</b>	<b>969.5</b>	<b>970.0</b>
<b>2022-01-01</b>	<b>0.5</b>	<b>0.0</b>	<b>969.5</b>	<b>970.0</b>
Result for the period	0.0	0.0	-153.3	-153.3
Other contributed capital	0.0	0.0	-153.3	-153.3
<b>Total change in equity for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>-153.3</b>	<b>-153.3</b>
<b>2022-12-31</b>	<b>0.5</b>	<b>0.0</b>	<b>816.2</b>	<b>816.7</b>

## Definition of key figures

Key figure	Definition	Purpose
Net sales	Total net revenue less other revenue.	Net sales shows the revenue attributable to the core business.
EBITDA	Earnings before interest, tax, depreciation and amortization.	EBITDA is used to visualize the underlying cash flow generated from the core business.
Operating profit	Earnings before interest and tax.	Operating profit is used to visualize the business operations profitability.
Adjusted Network EBITDA	Adjustments made to reported figures according to the restructuring following the establishment of Open Infra AB (publ)-group and according terms and conditions for issued bonds.	Proforma figures visualizes the current core business after Installation operations has been excluded. Revenue from installations made the last twelve months are annualised.
Network EBITDA run rate	End of period, monthly Adjusted Network EBITDA * 12	Visualize the current cash flow generated from the core business as a forward looking measure.
Net debt	External financial debt (bank and bond) less cash (less cash attributable to PTS subsidy and campaign escrow amount).	Visualizes the current financial debt exposure.
Adjusted net finance charges	Proforma net finance charges for last twelve months to correspond with actual finance charges with respect to change in debt.	Visualize the running finance charges following the bond issue.
Interest coverage ratio	EBITDA / Adjusted net finance charges	Visualize the ability to cover net finance charges with cash flow generated by the core business.
Fiber asset value	Fair value measurement of fiber assets according to IFRS 14	Visualize the fair value of cash flow-generating fiber assets.
Loan to value (LTV)	Net Debt / Fair value measurement of fiber assets	Visualize the amount of financial indebtedness compared to cash flow generating assets.
ARPU	Average monthly revenue per user	Visualizes the average revenue generated per active user.

Key figures	2022 Jan - Dec
Net sales	276.1
EBITDA	238.0
Depreciation	-60.6
Operating profit	177.4
Network revenue, last twelve months	263.1
Operational fee, proforma	-33.6
Other costs, last twelve months	-1.6
Adjustment HC owned less than 12 months	3.6
Adjusted network EBITDA	231.6
Network revenue, run rate EOP	271.8
Operational fee, run rate EOP	-33.6
Other costs, last twelve months	-1.6
Network EBITDA run rate	236.7
Debt	1,900.0
Cash	-957.5
Less cash eligible for release from Escrow	17.6
Less cash attributable to PTS subsidy	822.0
Net debt	1,782.1
Net finance charges	143.9
Interest on intra group debt (PIK)	-46.3
IFRS 16 financial cost	-1.5
Accrued financial costs (up front financing fee)	-12.3
Adjustment proforma	0.0
Adjusted net finance charges	83.9
Net debt	1,782.1
Adjusted network EBITDA	231.6
Net debt / EBITDA	7.70x
Adjusted network EBITDA	231.6
Adjusted net finance charges	83.9
Interest coverage ratio	2.76x
Net debt	1,782.1
Fair value measurement of fiber assets	5,251.4
Loan to value	34%

## Note 1 Significant accounting principles

### General disclosure

This interim financial statement is published for the Swedish parent company Open Infra AB (publ), "Open Infra", legal entity number 559335-5927, and its subsidiaries. The parent company is a Swedish limited liability entity (Sw. "aktiebolag") with residence in Stockholm, Sweden. The address for the headquarter is Lings Väg 2, 169 70 Solna, Sweden.

The company group's business activities involves owning and managing fiber optic networks. The group provides an open digital infrastructure for the future's society. The group does not supply internet- or TV-services, all of which is provided by third party service providers that pays a recurring fee for using the group's infrastructure.

### Principles for the financial statement

On November 11th 2021, Open Infra AB (publ) acquired Open Infra Core AB and Open Infra Mälardalen AB, both of which are under control of Open Infra Group AB. Thus the establishment of Open Infra AB group is a transaction under common control, for which no IFRS-standard is applied. This entails that adequate principles shall be applied according to IAS 8 Changes in Accounting Estimates and Errors.

A commonly used principle for such cases is the use of previous book values (predecessor basis) which is the principle that Open Infra AB (publ) group applies. Transactions carried out with the previous owner, before the current parent company was founded, is represented in the condensed changes in equity as net investment in subsidiaries. Thus, the financial statements are an aggregation of the financial information for the concerned parties as presented as if the entities were a consolidated group for all presented periods.

Open Infra AB (publ) applies the International Financial Reporting Standards (IFRS) as adopted by the European Union. This interim financial report is presented according to IAS 34.

### Currency

#### Reporting currency

The reporting currency for the parent company is Swedish crowns (SEK), which is the reporting currency for the parent company and the group. All amounts are denominated in million SEK unless stated otherwise.

### Tangible assets

Tangible assets are presented as an asset on the balance sheet if it is probable that it will carry a financial benefit for the company in the future, and that the acquisition value reliably can be calculated. Tangible assets are disclosed as acquisition value after deducting depreciation and amortization if applicable, except fiber assets that are disclosed according to IFRS 13 fair value measurement.

The acquisition value includes direct costs for establishing the asset according to the purpose of the acquisition.

The disclosed value for an asset is removed from the balance sheet if sold, or otherwise disposed of, or if no future economic gain is expected from use or sale. The profit or loss from such transaction is the difference between the sale price and the disclosed value after deducting direct sale costs. Profit or loss is disclosed as other income or other cost.

#### Additional cost

Additional costs are added to the acquisition value only if it is probable that the future economic benefit from such asset will be beneficial for the group and the acquisition value can reliably be calculated. All other additional costs are disclosed as cost for the relevant period.

#### Fair value measurement

Fiber assets are disclosed according to IFRS 13 Fair value measurement. The disclosed amount is a sum of the fair value less accumulated depreciation and amortization if applicable. If the revaluation leads to an increase in disclosed amount the increase is disclosed as other comprehensive income and accumulated as equity. If the disclosed amount decreases this is disclosed as other comprehensive income and accumulated as equity. If the decrease is larger than the accumulated amount as equity the overshooting amount will be disclosed as result for the period. Depreciation is made linear to distribute acquisition price or fair value, less residual, for the utilization period.

#### Depreciation and utilization periods

Depreciation is made linear to distribute acquisition value or fair value, less residual value, for the asset's utilization period. Every substantial asset is individually depreciated. Utilization periods are estimated to:

- Fiber assets	30 years
- Machines and inventory	5 years

Depreciation periods, residual values and utilization periods are evaluated yearly.

**Note 2 Substantial estimates and assessments**

Some estimates and assessments must be made by management and the board that will affect the disclosed values for assets and liabilities, profit and loss, and other information. The estimates are based on previous experience and made reasonably according to the available information. The outcome can differ from estimates made if the basis for such estimate changes. Estimates and assessments are frequently evaluated and are not deemed to carry any substantial risk for major changes in disclosed value for assets or liabilities for the upcoming year. Changes in estimates are disclosed in the period the change is made if only that period is affected. Below is a description of the most substantial estimates made for the group's financial statements.

*Fair value measurement for fiber assets*

Fiber assets are disclosed according to IFRS 13 Fair value measurement. The disclosed amount is a sum of the fair value less accumulated depreciation and amortization if applicable. The applies valuation method discounted future cash flows for the asset's utilization period estimated to 30 years.

If the revaluation leads to an increase in disclosed amount the increase is disclosed as other comprehensive income and accumulated as equity. If the disclosed amount decreases this is disclosed as other comprehensive income and accumulated as equity. If the decrease is larger than the accumulated amount as equity the overshooting amount will be disclosed as result for the period. Depreciation is made linear to distribute acquisition price or fair value, less residual, for the utilization period.

*Amortization of tangible assets*

By the end of every period management evaluates the disclosed amounts for the tangible assets on basis if amortization of the assets are needed. If indications for amortization can be established the asset's recoverable amount shall be calculated to assess the need for amortization.

Depreciation periods, residual values and utilization periods are evaluated yearly.

### Note 3 Segment reporting

The group has segmented the operations in two segments, Installation and Network. The segmentation is based on the group's business areas. The segment installation include all deployment of new fiber assets and network relates to all operating fiber networks.

2022-01-01 - 2022-12-31	Installation	Network	Intra group	Total
Net sales	12.7	263.4	0.0	276.1
Other revenue	0.2	0.0	0.0	0.2
<b>Total revenue</b>	<b>12.9</b>	<b>263.4</b>	<b>0.0</b>	<b>276.3</b>
Cost of goods sold	0.0	-35.1	0.0	-35.1
Other operational expenditure	0.0	-3.2	0.0	-3.2
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>12.9</b>	<b>225.1</b>	<b>0.0</b>	<b>238.0</b>
Depreciation and amortization	-60.6	0.0	0.0	-60.6
<b>Operating profit</b>	<b>-47.7</b>	<b>225.1</b>	<b>0.0</b>	<b>177.4</b>
Net financial cost	-143.9	0.0	0.0	-143.9
<b>Earnings before tax</b>	<b>-191.6</b>	<b>225.1</b>	<b>0.0</b>	<b>33.5</b>

2021-01-01 - 2021-12-31	Installation	Network	Intra group	Total
Net sales	145.3	115.1	-0.5	259.9
Other revenue	30.1	0.0	0.0	30.1
<b>Total revenue</b>	<b>175.3</b>	<b>115.1</b>	<b>-0.5</b>	<b>289.9</b>
Cost of goods sold	-11.3	-13.1	0.0	-24.4
Other operational expenditure	-30.2	0.0	0.0	-30.2
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>133.9</b>	<b>102.0</b>	<b>-0.5</b>	<b>235.4</b>
Depreciation and amortization	-41.8	0.0	0.0	-41.8
<b>Operating profit</b>	<b>92.1</b>	<b>102.0</b>	<b>-0.5</b>	<b>193.6</b>
Net financial cost	-28.9	0.0	0.0	-28.9
<b>Earnings before tax</b>	<b>63.2</b>	<b>102.0</b>	<b>-0.5</b>	<b>164.7</b>

The above Income Statement does not give the correct picture of the current business since all installation-related activities were separated and the full Network Revenue was added during the restructuring in conjunction with the bond issue. Please see Note 4 for proforma figures following the restructuring ie. excluding the Installation business.

### Note 4 Proforma bridge consolidated income statement

	2022 Jan - Dec	2021 Jan - Dec
<b>Adjustments</b>		
Net sales	-13.0	-45.2
Other Revenue	-0.2	-30.1
<b>Total Revenue</b>	<b>-13.2</b>	<b>-75.3</b>
Cost of goods sold	2.1	-1.5
Operational expenditure	1.6	30.2
Personnel	0.0	0.0
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>-9.5</b>	<b>-46.6</b>

	2022 Jan - Dec	2021 Jan - Dec
<b>Proforma</b>		
Net sales	263.1	214.7
Other Revenue	0.0	0.0
<b>Total Revenue</b>	<b>263.1</b>	<b>214.7</b>
Cost of goods sold	-33.0	-25.9
Operational expenditure	-1.6	0.0
Personnel	0.0	0.0
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>228.5</b>	<b>188.8</b>

### Note 5 Net financial costs

	2022 Jan - Dec	2021 Jan - Dec
Financial revenue	7.9	0.0
Interest for issued bond	-89.8	0.0
Interest for other external interest bearing debt	-2.0	-28.0
IFRS 16 financial cost	-1.5	-0.9
Interest on intra group debt (PIK)	-46.3	0.0
Accrued financial costs (up front financing fee)	-12.3	0.0
<b>Net financial cost</b>	<b>-143.9</b>	<b>-28.9</b>

#### Note 6 Tangible assets

	Fiber network	Machines and equipment	Total fiber assets
January 1 2022			
Acquisition value or fair value	917.1	44.2	961.3
Acquisitions for the period	33.3	0.0	33.3
Sale and disposals	0.0	0.0	0.0
Revaluation	4,371.2	0.0	4,371.2
<b>Book value</b>	<b>5,321.6</b>	<b>44.2</b>	<b>5,365.8</b>
Opening balance accumulated depreciation	-67.4	-8.7	-76.1
Depreciation for the period	-23.5	-14.8	-38.3
Book value accumulated depreciation	-90.9	-23.5	-114.4
<b>Book value December 31 2022</b>	<b>5,230.7</b>	<b>20.7</b>	<b>5,251.4</b>
January 1 2021			
Acquisition value or fair value	623.7	0.0	623.7
Acquisitions for the period	105.5	44.2	149.7
Sale and disposals	0.0	0.0	0.0
Revaluation	4,360.6	0.0	4,360.6
<b>Book value</b>	<b>5,089.8</b>	<b>44.2</b>	<b>5,134.0</b>
Opening balance accumulated depreciation	-43.2	-0.3	-43.5
Depreciation for the period	-19.6	-5.8	-25.4
Book value accumulated depreciation	-62.8	-6.1	-68.9
<b>Book value December 31 2021</b>	<b>5,027.0</b>	<b>38.1</b>	<b>5,065.1</b>

#### Fair value measurement

Fair value is the value for the time of valuation would reasonably be expected if sold, or paid by debt, in a structured transaction by external parties. Below are the different levels of how assets are measured at fair value.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

The disclosed amount has been valued according to level 3. Management has set out the valuation based on the following estimates. The valuation is made on the basis of future estimated cashflows for the houses owned and connected by the time of the valuation, 71,864 (63,683). Cash flows are calculated from average revenue per user for the last quarter of the last full audited year, 303 SEK/month (245), average operating cost per house connected, 34 SEK/month (35) and assumption of future growth, 0 % (0).

Cash flows are discounted to the net present value over the depreciation period, 30 years (30) using a discount rate of 5 % (6).

The estimated factors affect the fair value as follows:

- Revenue correlates positively, higher revenue means higher fair value
- Operating costs correlates negatively, higher costs means lower fair value
- Discount rate correlates negatively, a lower discount rate means a higher fair value.
- Future growth correlates positively, a higher future growth means a higher fair value.
- Depreciation period correlates positively, a longer period means a higher fair value.

#### Note 7 Cash and equivalents

	2022-12-31	2021-12-31
Cash and equivalents	10.9	55.5
Escrow cash amount	124.6	361.0
Cash related to subsidies from Post and Telecommunication Authority (PTS)	822.0	897.4
<b>Total</b>	<b>957.5</b>	<b>1,313.9</b>

# Open Infra AB (publ) 2022-Q4 Report

## Board declaration

The Chief Executive Officer and the Members of the Board hereby assure that the interim financial report for the fourth quarter of 2022 gives a fair and true overview of the group, and the parent company's business, financial status and correctly describes the major risks and uncertainties regarding the parent company and its subsidiaries.

Open Infra AB (publ) group is, as every other business, exposed to risks and uncertainties such as global financial markets, macroeconomic factors, technical factors, as well as tax and political. The management has a structured process for managing risks and uncertainties. For full disclosure of risks and uncertainties please review the annual report and the bond prospectus.

Statements regarding the company's outlook, financial or other, are based on reasonable estimates. However, such statements are subject to risks and uncertainties that may change the actual outcome. Future statements are only viable for the day of the statement and the company does not commit to revising such statements if new information or events occur.

The interim financial report has not been audited. This information is information that Open Infra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 14.00 CET on February 15<sup>th</sup>, 2022.

Erik Stiernstedt

CEO

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Stockholm, February 15<sup>th</sup>, 2022

**Gunnar Brundin**

Chairman

**Erik Stiernstedt**

CEO and member of the Board

**Sverker Bonde**

Member of the Board

**Fredrik Karlsson**

Member of the Board