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Investor Presentation

October 2021

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Target Market: Solely for the purposes of the product governance requirements set forth in Directive 2014/65/EU (as amended, "**MiFID II**"), the Manager has made a target market assessment in respect of the Bonds, and have concluded that the target group for the Bonds is:
Type of client: Clients that are eligible counterparties, professional clients and retail clients, each as defined in MiFID II.
Knowledge and experience: Clients that are (i) informed investors, having one or more of the following characteristics: (a) 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 (b) some financial industry experience, or (ii) advanced investors, having one, or more of the following characteristics: (x) good knowledge of the relevant financial products and transactions, or (y) financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service.
Financial situation with a focus on the ability to bear losses: Clients that have the ability to tie money up for three years and bear losses of up to 100% of the capital invested in the Bonds.
Risk tolerance: Financial ability and willingness to put the entire capital invested at risk. Clients investing in the Bonds are willing to take more risk than deposit savings and do not require a fully guaranteed income or return profile.
Investment objective: Clients whose investment objective is to generate growth of the invested capital and have a three year horizon.
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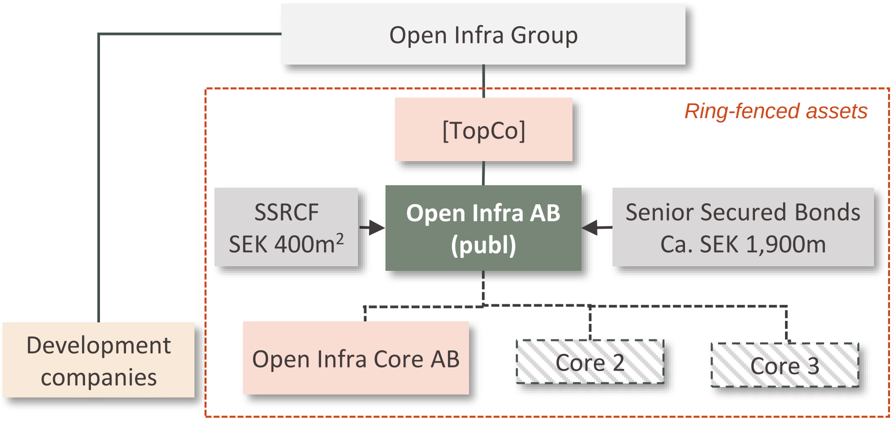
Background and transaction overview

Creating a pure infrastructure asset holding company

Transaction overview

- Open Infra AB (publ) (the "**Issuer**" together with its subsidiary "**Open Infra**" or the "**Company**") is contemplating the issuance of senior secured bonds (the "**Bonds**") with an amount of ca. SEK 1,900m, under framework of SEK 3,000m with a tenor of 4 years
- The Net Proceeds of the Initial Bond Issue shall be used to (i) refinance the Existing Debt, (ii) finance the Acquisition, (iii) finance the Transaction Costs, (iv) fund the Purchase Price Account in the amount corresponding to the Anticipated Amount, the Campaign Amounts and the Overfunding Amount[1]
  - The use of proceeds in the wider group will be distributed towards: ~50% capex in new fiber networks in Development companies, ~40% repayment of debt to DNB ASA and ~10% dividend to shareholders
- The purpose with the structure is to separate the development of new fiber connections from the operations of the existing fiber asset. Through the new structure, Open Infra will be a pure fiber infrastructure asset holding company having no development risk, low to none maintenance with stable and predictable revenues and cash flows
- The Bonds will be secured by way of share pledges in the Issuer, group companies and inter-company loans (the "**Security Package**")
- DNB Bank ASA will provide a Super Senior RCF[2] ("**SSRCF**") of SEK 400m to Open Infra AB which will share the same Security Package as for the bondholders

Simplified group overview



Key financials

Total assets	Run-rate EBITDA[3]	Loan-to-value	Net debt / EBITDA	Adj. equity ratio[4]
4,980 (SEKm)	**241** (SEKm)	**38%**	**8.0x**	**42%**

Sources & Uses

Sources	SEKm
Bond	1,900
Group debt	1,000
Repayment net receivable (Group)	213
Equity	1,943
Total	**5,056**

Uses	SEKm
Shares in Open Infra Core AB	4,363
Repayment debt, bank	650
Fees	43
Total	**5,056**

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Note: 1) Full definitions included in Terms & Conditions 2) Credit approval in place but final documentation to be agreed 3) 2021E 4) Deferred tax + equity (equity and subordinated shareholder loans)

Key indicative terms[1]

Issuer	Open Infra AB (publ)
Status	Senior Secured Bond
Security	Share pledge in the Issuer, Target, and Group Companies. Pledge in Purchase Price Account, Material Intra-Group Loans, Shareholder Loans
Amount	Exp. SEK 1,900m, under a framework amount of SEK 3,000m
Denomination	SEK 1,250,000. Subscription is made in multiples thereof
Use of proceeds	(i) Refinance the Existing Debt, (ii) finance the Acquisition, (iii) finance the Transaction Costs, (iv) fund the Purchase Price Account in the amount corresponding to the Anticipated Amount, the Campaign Amounts and the Overfunding Amount
Maturity	4 years after Issue Date
Coupon	Stibor 3m + [●]bps area (Stibor-floor at 0%), paid quarterly in arrears
Call option	Make whole 24 months, thereafter callable at [50/25/12.5/0]% of margin after 24/36/42/45 months
Maintenance covenants	• Net debt / EBITDA <12.00x • Interest Coverage Ratio >1.75x
Incurrence covenants	• Net debt / EBITDA <10.00x • Interest Coverage Ratio >2.00x • Net debt / EBITDA <8.00x (distributions)
Other undertakings	• Negative pledge (subject to SSRCF, hedging), cross acceleration SEK 50m • Permitted debt: Carve out for SSRCF of SEK 400m or an amount equal to 20 per cent. of the outstanding aggregate amount of the Bonds, Finance leases SEK 35m, Vendor Loans SEK 1,000m • Permitted repayment of shareholder loans: Net debt / EBITDA <8.00x • Acquisition of new fiber networks, max 20x for Permitted Jurisdictions or at market price for acquisitions of fiber networks from a Person not being an Affiliate of a Group Company • Permitted non Swedish assets: max 1/3 of total EBITDA of the Group
Agent	Nordic Trustee
Sole manager	DNB Markets

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Note: 1) Indicative terms based on full Terms & Conditions, including definitions

Key Investment Highlights

1. **The digital society relies on fiber-based internet as a utility-like service**
   - Increased demand for bandwidth and internet in general, as society becomes more connected and data consumption increases in a fast pace
   - Covid-19 has proven the critical importance of strong connectivity infrastructure

2. **Attractive growth potential in penetration and ARPU**
   - Penetration rates evolve naturally as networks densify in line with the Company's existing mature networks
   - ARPU is expected to grow substantially as internet consumption in society increases and new applications necessitate higher speeds

3. **High barriers to entry due to first-mover advantage**
   - Open Infra's established presence creates a natural monopoly and limits overbuild due to unattractive economics for competitors

4. **Fiber infrastructure market with high demand driven by growth from policy initiatives**
   - The Swedish government targets 98% penetration of 1Gbit/s connectivity by 2025 which requires the expansion of fiber in rural areas, incentivising greenfield developers

5. **Robust financial profile with predictable and stable cash flows**
   - Fixed cost base, sticky prices and low to none churn lead to recurring revenue streams enabling significant predictability in cash flows

6. **Committed owners with a successful operational track record**
   - Resilient business model with low dependency on management and employees due to low operational risk and maintenance

Today’s presenters

Johan Sundberg

Founder & majority shareholder

Erik Stiernstedt

CFO of Open Infra Group


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"Open Infra is a pure fiber infrastructure asset holding company,

with no development risk, low to none maintenance, with stable and predictable revenues and cash flows"

Overview of Open Infra

Leading fiber infrastructure provider with over 65,000 homes connected

Business overview[1]

- Open Infra owns fiber networks serving single-dwelling units (SDUs) and multi-dwelling units (MDUs) providing last mile connection between households, companies and the regional and national fiber network
- Via the owned fiber network, Open Infra provides access to ca. 14 internet service providers (ISPs) who in turn provide internet access to end customers
- Well-invested asset base with a total of ~5,600km fiber network able to handle a capacity of ca. 10 Gbit/s
- Long life-time of components having a theoretical lifetime of 30 years (and potentially longer)
- Robust business model with high revenue visibility where ISPs are charged monthly – minimal churn and highly predictable cash flows
- Low credit risk on ISPs and end-customers being homeowners
- Current penetration level of ca. 51% expected to reach ca. 85% once networks mature through organic growth in homes connected
- ARPU of SEK 303 is expected to increase as a result of a product mix shift as end-customers demand higher internet speeds

Key figures and geographic footprint[1]

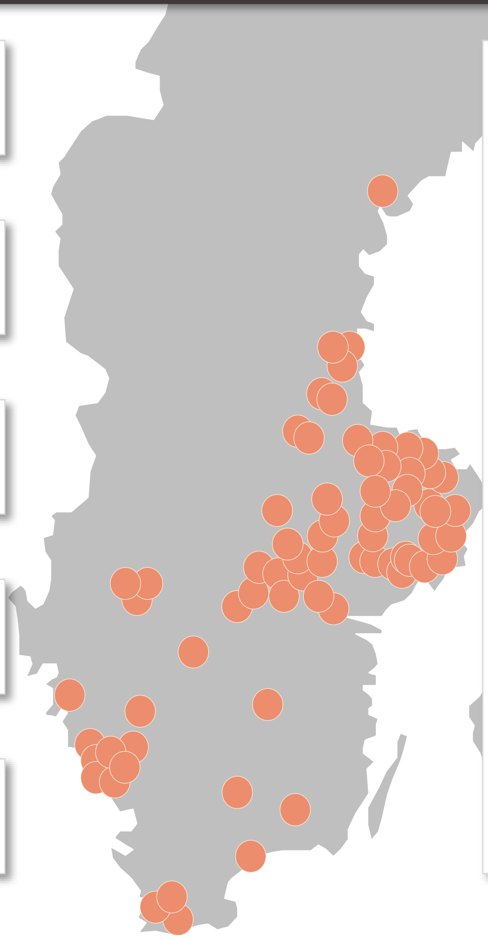
+65,000 homes connected

+130,000 homes passed

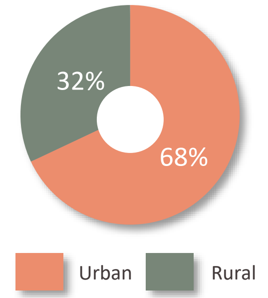
Operations in +60 regions

+10,000 HCs in pipeline p.a.

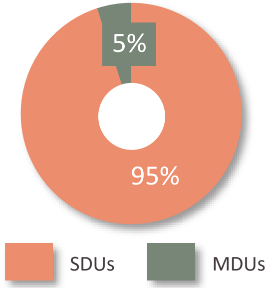
+SEK 300 in ARPU



Network distribution[2]



Connection split between SDUs and MDUs[2]



Note: 1) As of 30 September 2021 2) Based on number of HCs

Group structure ensures a stability for Open Infra

No exposure to development risk, enables Open Infra to operate with limited operational risk

Wider Group

Issuer of Senior Secured bonds

Development companies

Purpose
Development, project management and design of new connections in current and new geographies

Activity
Plan and develop the fiber offering by managing third party contractors that are performing the construction work

Client
Private homeowners and property managers

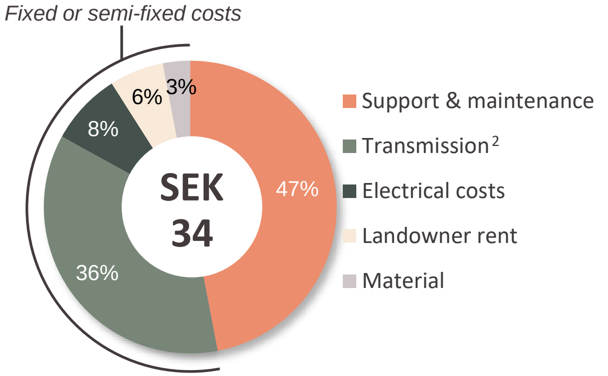
Main risks
Cost of deployment

Development companies handle and incurs all costs related to maintenance of recurring business and business development including:

- *Employs maintenance and customer service personnel*
- *Pays for recurring business costs such as electricity, land fees, material, co-location, rent, IT and communication*

Operational agreement

Maintenance services are charged at **fixed cost** of SEK 34 / HC per month[1]



Open Infra AB

Purpose
Owning existing connections

Activity
Lease capacity in owned and connected networks to ISPs

Client
ISPs – leasing the capacity. Open Infra receives a monthly recurring revenue from its ISP-clients

Main risks
Regulation and alternative transmission media

Open Infra maintains all contacts with ISPs, which in turn handles contacts with end customers/HC. Open Infra receives a monthly recurring revenue from ISPs. All maintenance costs and support will be outsourced to Development companies and charged as a fixed fee per HC (SEK 34kr/month) to Open Infra

High revenue visibility with no exposure to variable costs resulting in strong risk mitigation

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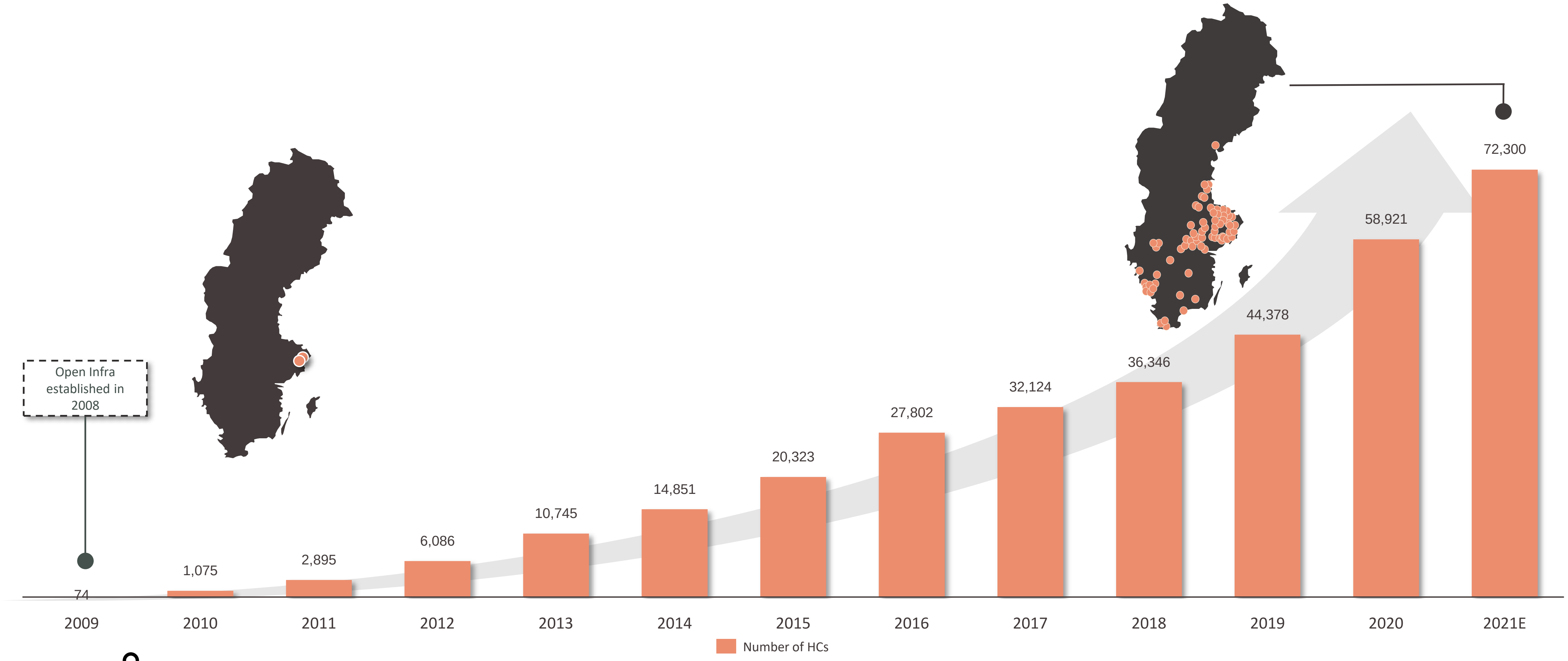
Note: 1) Based on cost coverage with no margin governed by an agreement between Development companies and Open Infra for a 5-year period and with an option to extend for an additional 3 years 2) Transmission costs paid to owners of national, regional and connection networks

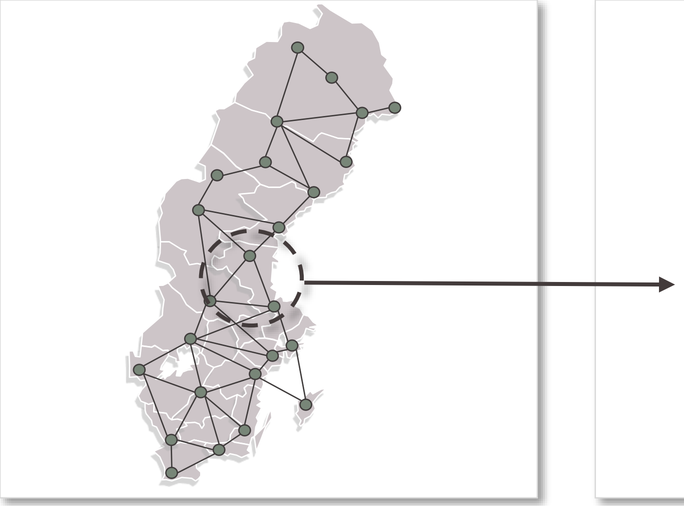
Proven track-record of profitable growth

From operations in two locations… to a leading Swedish fiber and network owner with operations in 137 locations



Open Infra provides "last mile" fiber connections

National network

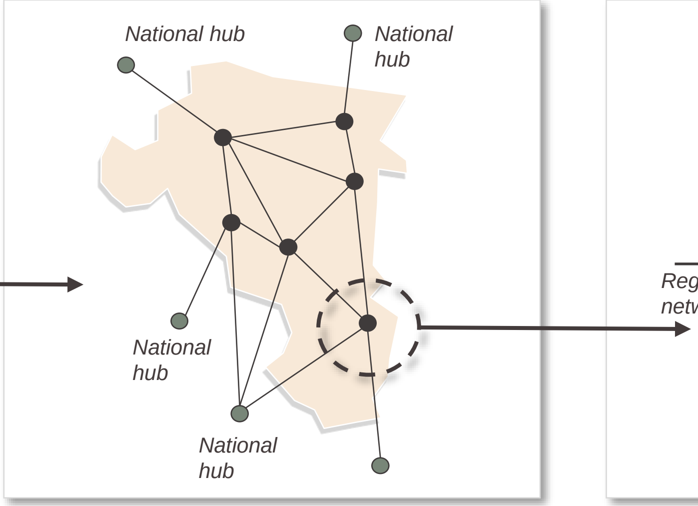


The national fiber network extends throughout Sweden and connects all Swedish regions

Selected operators

ip only, Skanova, telenor

Regional network

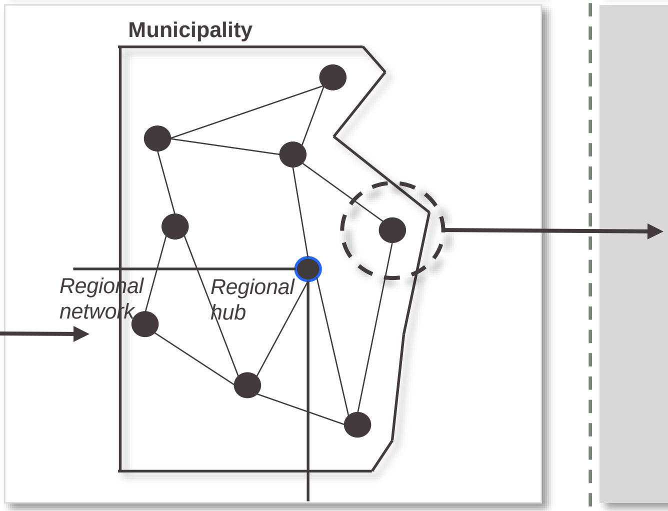


The regional fiber network connects different cities in each region

Selected operators

FIBRA, GothNet, Skanova, STOKAB

Connection network

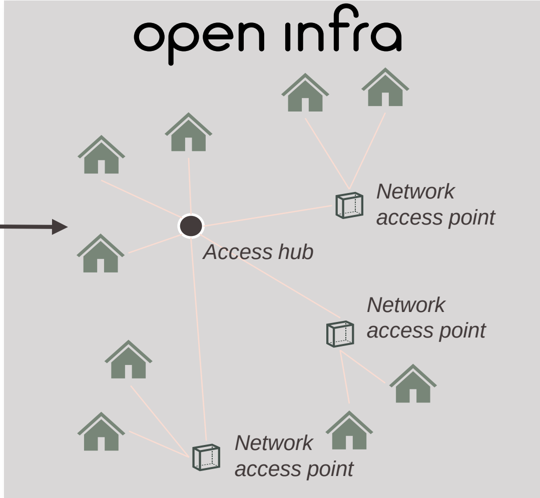


Municipal and local fiber networks interconnects the different areas in a municipality

Selected operators

FIBRA, ENKÖPINGS KOMMUN Enköpings Stadsnät, TRELLEBORGS KOMMUN Trelleborgs Stadsnät

Access network



Connects households and companies to Sweden's fiber network

Selected operators

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ip only, telenor, Telia

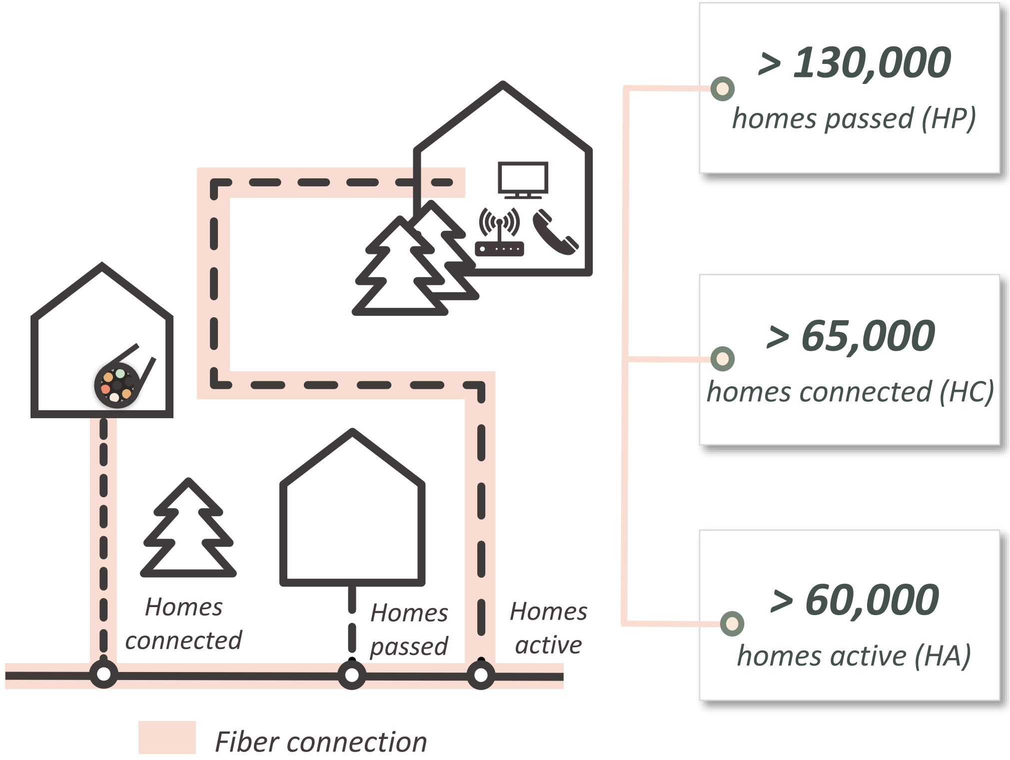
Uniquely positioned in stable, low-churn market

Open Infra has created a permanent customer base, enabling predictability in cash-flows

- Homes are considered passed (“homes passed ” or “HP”) once Open Infra deployed a fiber cable passing, or in close vicinity of, the property – i.e. the cost of connecting the household is cost neutral
- Due to the high cost of deploying fiber networks in a new unestablished area, a natural monopoly is generally created (once 40% are connected) limiting competitors’ incentive to target the same end-customers/households

- When the fiber is brought into the customer’s building, the home is considered connected (“homes connected” or “HC”)
- When connecting a new house, the end customer pays a fixed fee to the Development companies from SEK 15 – 40k depending on campaigns and cost of deployment
  - **Upfront fees for installation lead to customer stickiness** as it is unlikely that customers pay installation fee twice

- Once the customer has signed up for a subscription with ISPs, homes are considered active (“homes active” or “HA”), and Open Infra receives an average monthly ARPU of SEK 303 as a fee from the chosen ISP securing predictable cash flows
  - **Once the homes are connected the churn is close to non-existing** due to the superior speed of fiber compared to other options (4G for example), as well as lack of alternative fiber providers in the same area



Current network penetration of ~50%, with a long term potential of reaching 85%

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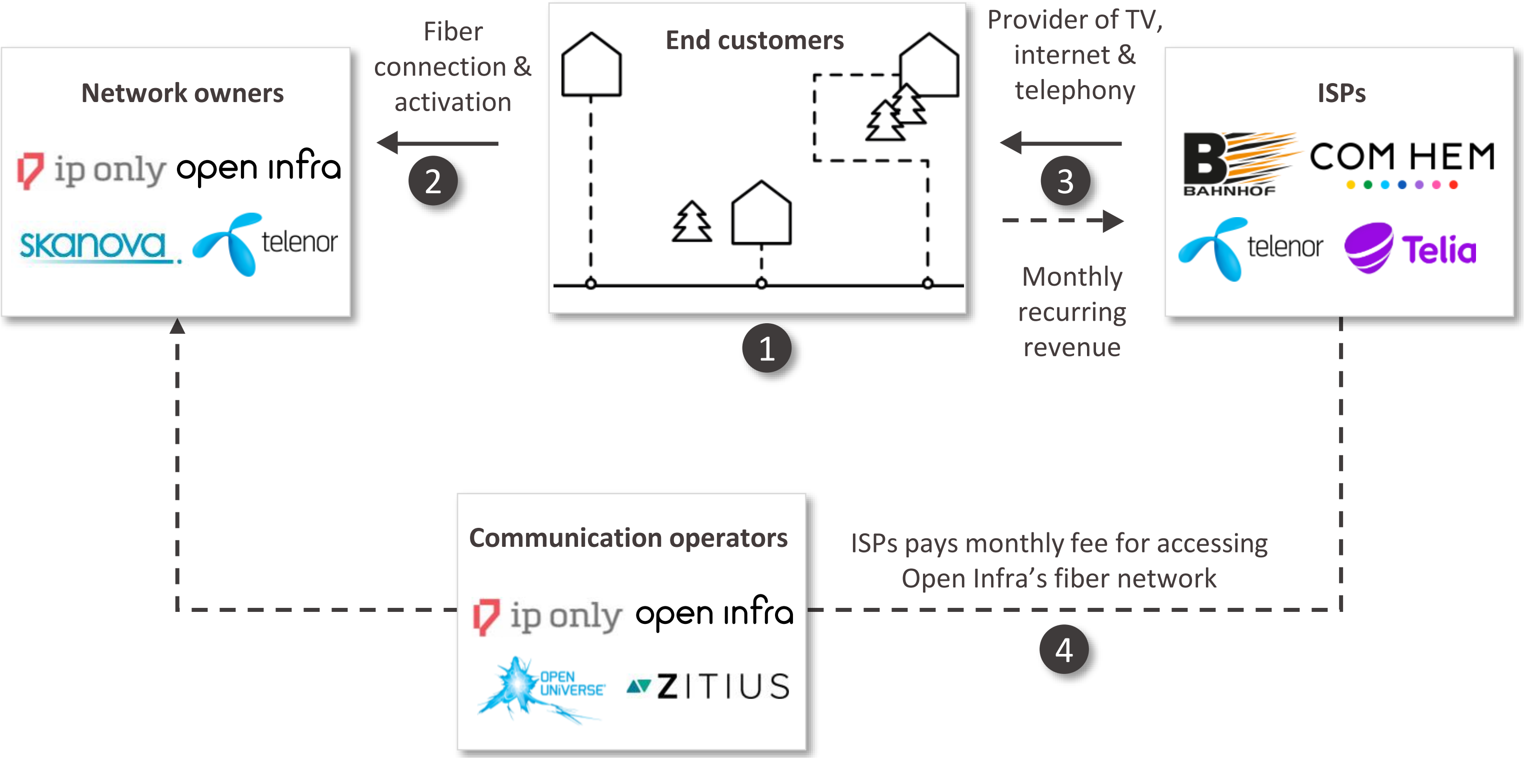
Note: As of 30 September 2021

Business model with high revenue visibility

Open Infra serves end customers through offering open access networks to ISPs



Development companies *Open Infra*

1. Connecting fiber to end-customers who signs a binding contract and pays a non-recurring charge for the connection

2. Connection to end-customer with "last mile" fiber. Customer attains access to internet/TV/telephony through an ISP

3. The ISP receives monthly recurring revenue from the end-customer

4. ISPs are contracted under ongoing agreements and pay a monthly recurring fee to Open Infra based on end-customer speed (i.e. not based on capacity used)

Open Infra has proven revenue stability from recurring income streams with sticky price fundamentals

Open Infra maintains a superior product offering

Superior speeds and technology within fiber infrastructure, with continuous increase in accessibility

	Fiber	5G	4G	COAX	ADSL
Speed	**Extremely quick** *Up to 10,000 Mbit/s*	**Extremely quick** *Potentially 10,000 Mbit/s*	**Quick** *Possible to stream video, but utilizes ca. 7GB per hour*	**Fairly quick** *Up to 500 Mbit/s, works sufficiently for video streaming. Not great for gaming*	**Slow** *Rarely exceeds 60 Mbit/s*
Stability	**Very stable** *Manages high number of users and rarely loses connection*	**Unstable** *Varied reach, and difficult for wavelengths to penetrate walls*	**Not always stable** *Stability dependent on how loaded the network is*	**Stable** *Stable, but speed dependent on distance*	**Very unstable** *Very sensitive to distance, with occasional disturbances*
Accessibility	**Accessible with slight patience** *Requires license and excavation work*	**Limited accessibility** *Testing in limited regions around the world, not accessible to broaderpublic yet*	**Accessible** *High accessibility, but uncertain coverage*	**Very accessible** *Easy to access, but no future due to outdated technology*	**Accessible** *Can access directly, but technology outdated*

Fiber technology has proven advantages to alternative internet solutions

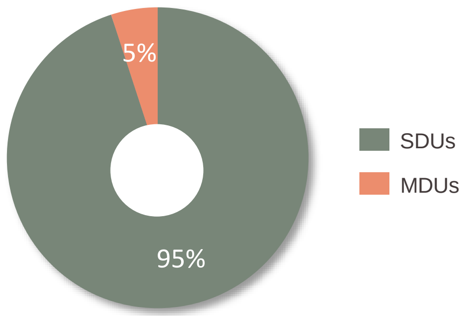
High entry-barriers create further opportunities

Local natural geographical monopolies provide Open Infra the chance to penetrate the market on a sole basis

Upfront fees lead to natural monopoly

- SDUs offer significant protection against network overbuild as SDUs only connect one customer, making construction of redundant connections economically unattractive, whereas MDUs (e.g. residential apartment buildings) connect more than one customer
    - Open Infra has historically experienced virtually no churn as the majority of the company's connections are SDUs
- Upfront fees for installation lead to customer stickiness and a natural monopoly for existing networks as it is unlikely that customers pay installation fee twice

Portfolio split – connection type



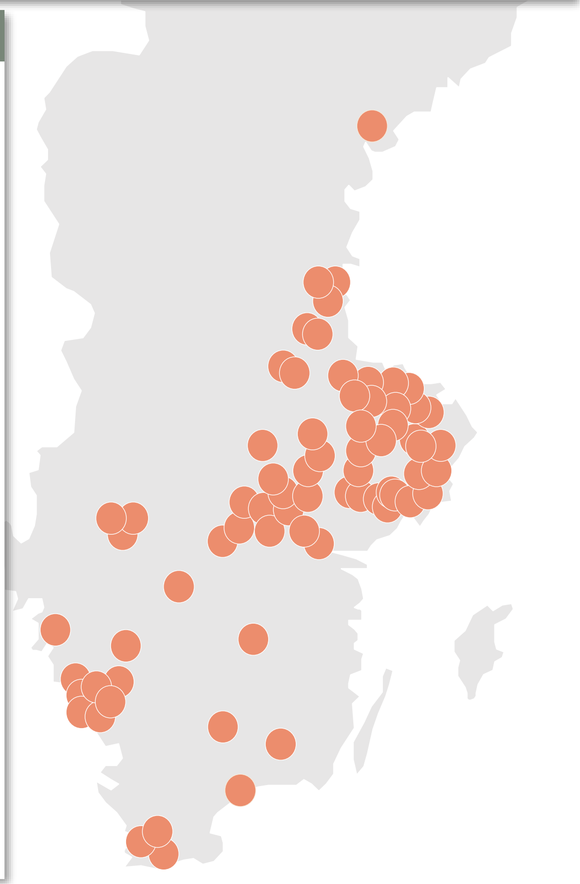
Growing population in majority of all Open Infra's geographies from 2011-2020

10.4% population growth on average

Open Infra's geographies and population growth

Population growth between 2011-2021[1]

Alingsås	9.3%	Norrköping	9.8%
Alvesta	6.9%	Nykvarn	20.3%
Arboga	5.5%	Nynäshamn	9.8%
Askersund	3.0%	Ockelbo	-0.4%
Bollebygd	14.2%	Örebro	14.0%
Botkyrka	2.4%	Örnsköldsvik	1.6%
Danderyd	12.0%	Österåker	17.2%
Eskilstuna	2.9%	Östhammar	4.0%
Farsta	15.6%	Rönninge	6.0%
Finspång	9.6%	Sala	8.1%
Gävle	4.8%	Salem	-1.0%
Göteborg	7.8%	Skinnskatteberg	9.7%
Håbo	12.0%	Skövde	0.6%
Hallsberg	11.7%	Söderhamn	14.2%
Hallstahammar	4.9%	Södertälje	18.9%
Hammarö	7.7%	Solna	12.9%
Haninge	11.5%	Stockholm	14.1%
Heby	19.6%	Strängnäs	14.4%
Hofors	5.4%	Svedala	12.7%
Huddinge	-0.1%	Täby	6.2%
Järfälla	14.3%	Tierp	6.8%
Jönköping	20.7%	Trollhättan	12.3%
Knivsta	11.0%	Tyresö	17.4%
Köping	27.7%	Upplands Väsby	25.9%
Kumla	5.2%	Upplands-Bro	16.9%
Kungsör	6.6%	Uppsala	11.1%
Lerum	8.1%	Vallentuna	17.2%
Lidingö	10.9%	Värmdö	12.1%
Lund	8.9%	Västerås	6.7%
Mölndal	12.8%	Vaxholm	13.3%
Nacka	14.0%	Växjö	9.8%
Norberg	16.3%		



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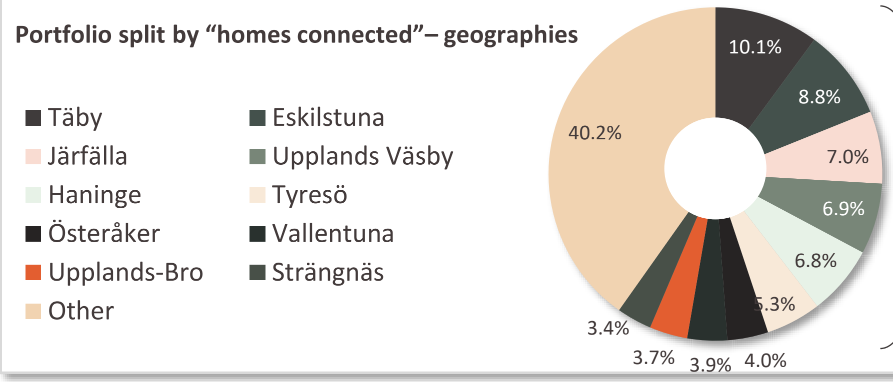
Note: 1) Values based on HC as of 30 September

Low concentration risk due to well distributed portfolio

Strong geographical diversity mitigating concentration risk

- Open Infra has established a well distributed portfolio, spanning across 63 regions around Sweden
- The company's 10 largest geographies account for approximately 60% of homes connected
- The remaining ~40% is spread across 53 geographical areas, where current penetration rates are generally lower and provide further opportunities for Open Infra
- There is a possibility to further decrease concentration of Open Infra's network once penetration rates increase in rural areas, which will further diversify the networks geographical exposure

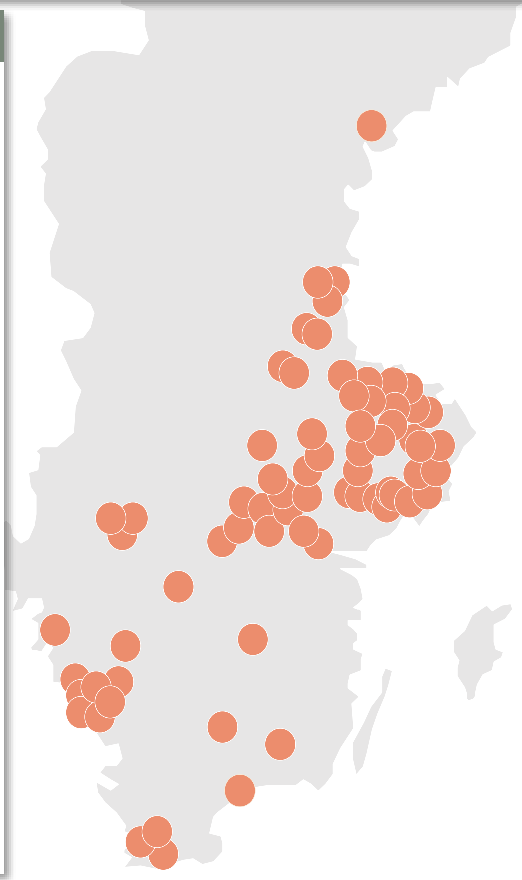
Portfolio split by "homes connected"– geographies



10 largest geographies account for approximately 60% of "homes connected"

Low concentration per region

Open Infra locations and portfolio split[1]			
Alingsås	0.22%	Norrköping	0.31%
Alvesta	0.75%	Nykvarn	0.21%
Arboga	0.34%	Nynäshamn	2.00%
Askersund	0.30%	Ockelbo	0.32%
Bollebygd	0.18%	Örebro	2.59%
Botkyrka	0.15%	Örnsköldsvik	0.33%
Danderyd	0.77%	Österåker	3.96%
Eskilstuna	8.81%	Östhammar	2.10%
Farsta	0.09%	Rönninge	0.08%
Finspång	0.43%	Sala	0.26%
Gävle	1.60%	Salem	1.20%
Göteborg	1.79%	Skinnskatteberg	0.18%
Håbo	0.51%	Skövde	1.22%
Hallsberg	0.07%	Söderhamn	0.86%
Hallstahammar	0.44%	Södertälje	2.22%
Hammarö	0.41%	Solna	0.37%
Haninge	6.76%	Stockholm	3.25%
Heby	0.18%	Strängnäs	3.40%
Hofors	0.10%	Svedala	0.18%
Huddinge	0.59%	Täby	10.09%
Järfälla	7.02%	Tierp	0.27%
Jönköping	0.14%	Trollhättan	0.12%
Knivsta	0.24%	Tyresö	5.34%
Köping	0.63%	Upplands Väsby	6.88%
Kumla	0.81%	Upplands-Bro	3.68%
Kungsör	0.08%	Uppsala	0.43%
Lerum	0.07%	Vallentuna	3.86%
Lidingö	0.47%	Värmdö	2.92%
Lund	0.80%	Västerås	0.88%
Mölndal	0.65%	Vaxholm	1.86%
Nacka	2.79%	Växjö	0.32%
Norberg	0.16%		



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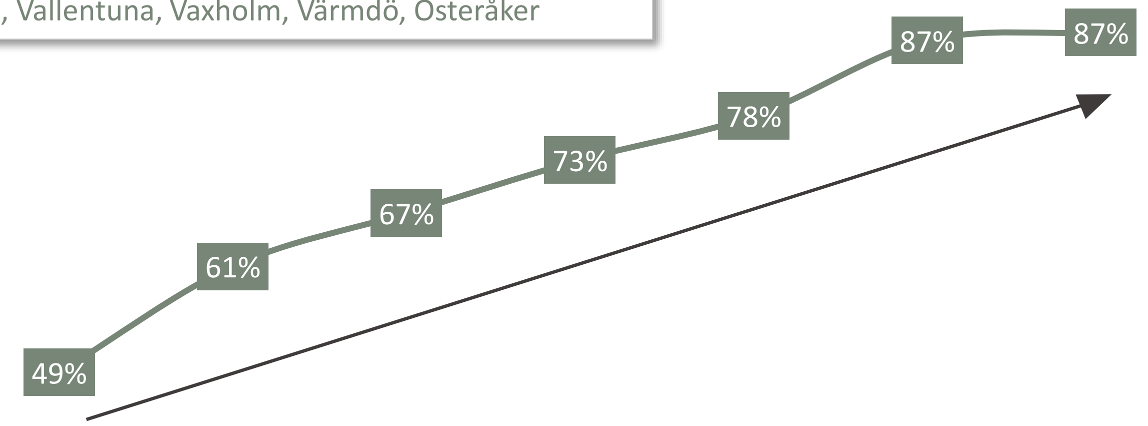
Note: 1) Values based on HC as of 30 September

Historically the penetration has naturally increased

Open Infra has proven the ability to increase penetration in its mature markets

Case study based on: Danderyd, Eskilstuna, Haninge, Järfälla, Lund, Nacka, Salem, Södertälje, Tyresö, Täby, Upplands Väsby, Upplands Bro, Vallentuna, Vaxholm, Värmdö, Österåker



	2015	2016	2017	2018	2019	2020	Sep-21
Homes Passed (isolated population)	41,420	41,420	41,420	41,420	41,420	41,420	41,420
Homes Connected	20,304	25,131	27,834	30,060	32,421	36,008	36,212

- Normally, a new area is ready to be entered at ~40% opening penetration. Once the initial 40% is reached, an additional 8-10% usually sign up during the construction phase brining the overall penetration up to ~50%, reducing the remaining potential significantly for any new entrant
- Proven ability to increase ARPU and further ARPU growth potential by a change in product mix from lower to higher bandwidth supported by an increasing demand for capacity
- As the penetration rate increases there will be a natural organic growth in EBITDA

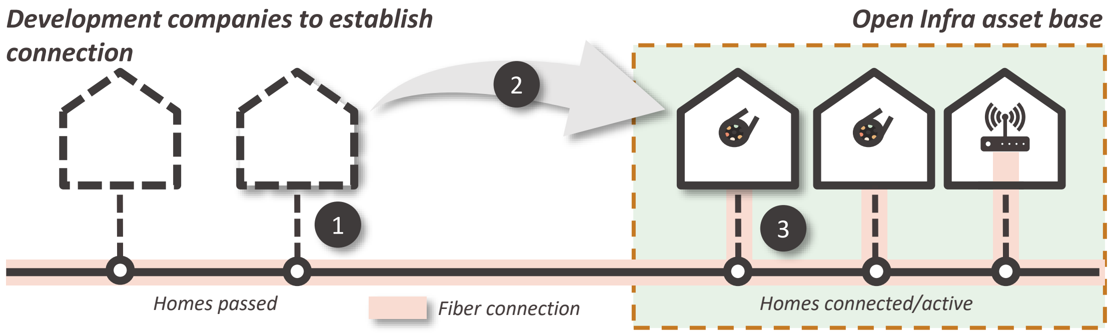
Improved penetration rate over time leads to natural deleveraging and organic growth effects

Low marginal cost to penetrate existing market

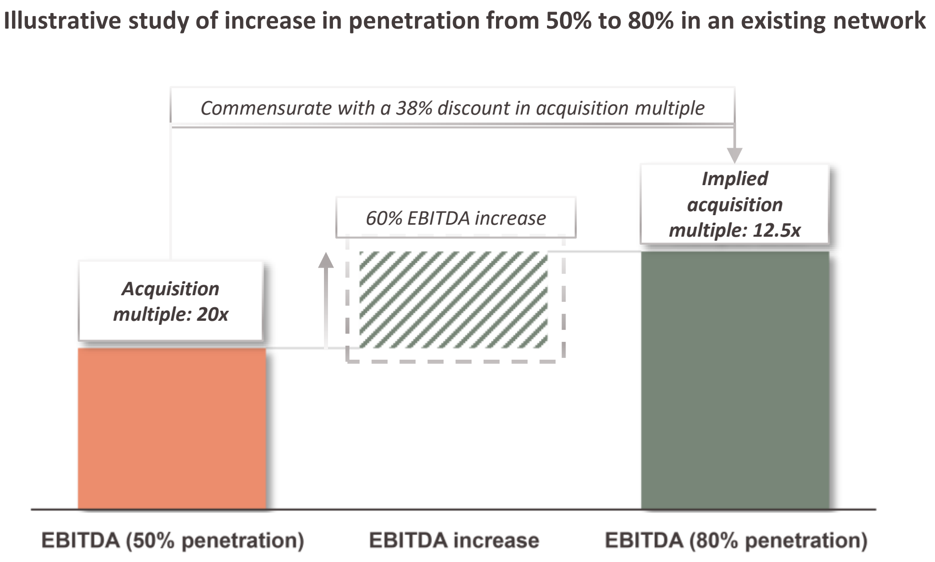
Limited efforts and costs needed to build out and attain new costumers in Open Infra-dominated areas

Open Infra to attain new connections free of charge

- The penetration rate is currently 51% and is expected to increase to 85% over time
- Once the Development companies have established new connections as the network matures, these connections are transferred into Open Infra free of charge:
  1. Development companies will connect the household, converting "homes passed" into "homes connected"
  2. Development companies will grant the connection to Open Infra free of charge. The Development companies are incentivised to increase penetration as they receive the installation fee for each new connection
  3. These new connections will contribute to Open Infra's EBITDA once they become active connections ("homes active")
- As penetration rates increase, Open Infra will experience increasing EBITDA resulting in a deleveraging effect



Penetration to increase to 85% as networks mature over time



Assuming an initial penetration rate of 50% within an acquired network, an increase of penetration to 80% would be commensurate with a 38% discount on the initial acquisition multiple

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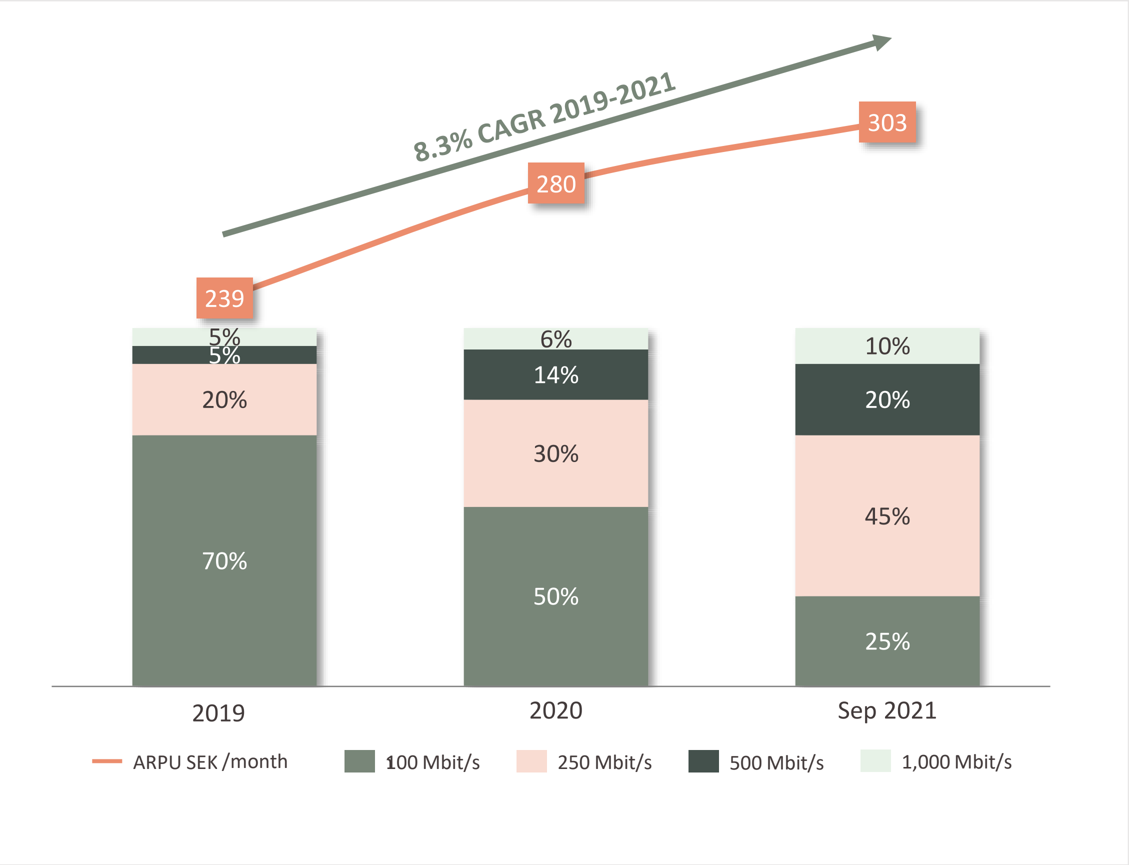
Proven ability to reach increased ARPU over time

As demand for increased internet speeds increase, ARPU levels are expected to rise

Growth potential in existing networks

- The ARPU is based on the speed/capacity the end-customer pays for to the ISP
- Proven ability to increase ARPU in existing networks with further ARPU growth potential by a:
    - Change in product mix from lower to higher bandwidth supported by increasing demand for additional network capacity
- Open Infra works closely together with the ISPs to create attractive opportunities to increase ARPU
    - Strategies to increase end-customers incentive to pay a higher monthly charge include bundling of different services, campaign offerings and eliminating the fixed starting fee customers pay to buy and change to higher speeds/capacities
- Since Open Infra has invested in a high-capacity network, it has no increased cost for servicing end-customers with higher internet speeds – the cost base remains fixed independent of the demanded speed/capacity

Demand for higher speeds will result in higher ARPU levels



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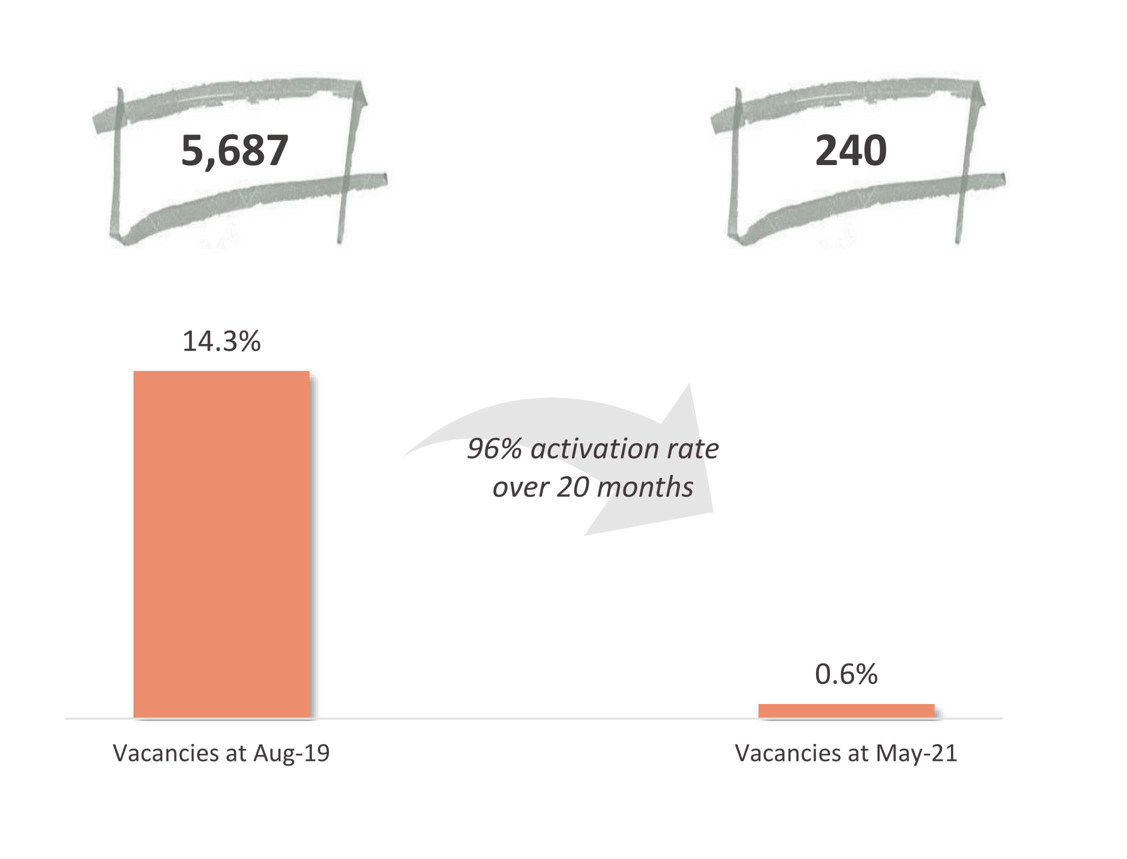
Low number of long-term vacant homes

Vacancies are a natural part of Open Infra's business model directly following initial fiber build-out

Case Study – vacancies ~20 months after area was connected



Vacancy level close to zero in a matured network

- Vacant connections are homes connected that have not yet activated their fiber connection. Vacancies include customers who have installed fiber but are waiting for their existing service to expire (e.g. 6-month notice period with 4G provider or ADSL)
- Vacancies in the networks are a natural part of Open Infra's business model and are particularly common directly following initial fiber build-out, but after 20 months the vast majority of connected customers have activated their connection
- At any given time, and assuming continued connection growth, there will be a balance of vacancies, however, only a minor share remain long-term vacancies

Strong ESG focus on Open Infra's agenda

Environmental

- A modern society with low carbon impact is heavily reliant on a high standard Internet-infrastructure, for which Fiber currently is the best option with high stability and unmatched speed
- This enables digital meetings (**less Travel**) and overall increased efficiency due to digitalization
- Open Infra is well positioned with great experience in cost efficient methods of Installation, with **less environmental impact than traditional ways of installation**
- Open Infra has put effort into sourcing renewable electricity, and exclusively use **GodEL**, the renowned renewable energy supplier which also support sustainability initiatives

Social

- Open Infra's belief is that the biggest social impact it as a company can have is tightly linked to its mission of providing fiber to households, as rural areas are still **lacking decent internet infrastructure** which is becoming more and more an obstacle for daily life
- Open Infra also **manages waste in a compliant and responsible manner**, and has close contact on a daily basis with subcontractors for installation to make sure **the workers are not exploited or illegally paid**

Governance

- Corporate governance has high priority from the board, and it considers good corporate governance a prerequisite for value creation, trustworthiness and access to capital
- Open Infra has a detailed code of conduct that ensures the business is managed and operated with transparency and ethics, **where board members act in a genuine fiduciary manner to its stakeholders**
- The company has close contact with its subcontractors, and makes sure its employees **are fairly compensated, not exploited and are compliant with safety regulation codes**
- Open Infra currently has **50 employees (FTE) that represent diversity** in terms of age, sex, education, experience and cultural background

GodEl

<u>Open Infra exclusively sources its electricity from GodEL</u>

GodEL only provides renewable electricity that is labelled with "Good Environmental Choice" ("Bra Miljöval"), where 100% of the profit goes to charity organisations

MEDECINS SANS FRONTIERES LÄKARE UTAN GRÄNSER

BARNCANCER FONDEN

Naturskyddsföreningen

Open Infra considers an active ESG agenda to be fundamental in accomplishing sustainable growth

Industry experienced owners

Johan Sundberg
Founder & majority shareholder

Relevant experience:
Co-founded Ownit Broadband AB in 2004
Co-founded Offerta Group AB in 2007
Founded Open infra in 2009

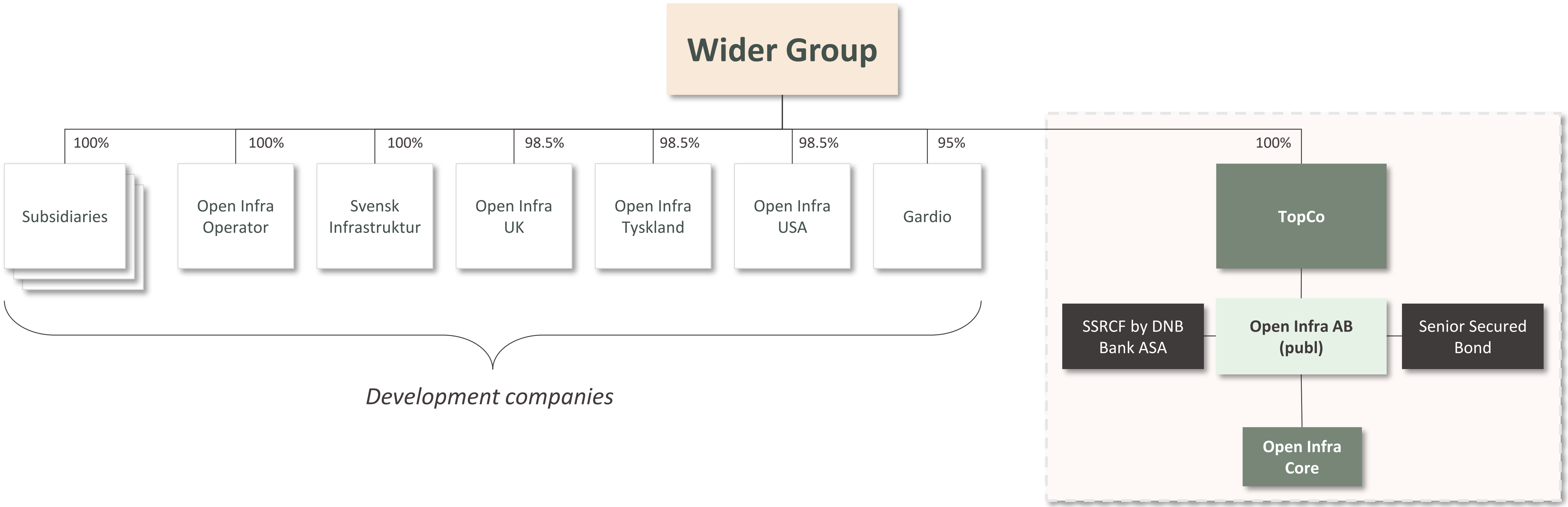
Erik Stiernstedt
CFO of the Group

Relevant experience:
CFO of Open Infra Group AB
CFO of Orasolv AB (publ)
Shareholder in Ownit Broadband AB until 2012

Gunnar Brundin
Director of the Group

Relevant experience:
Director of Open Infra Group AB since 2015
Chairman of Ownit Broadband AB until 2012

Group structure



Sticky, recurring and high-quality revenue base

+ Committed customer relationships
+ Unattractive economics for competitors
+ Home owners with low credit risk

= Sticky

Historical churn rate close to

~0% [1]

✓ Low churn

+ Very high renewal rate of existing contracts
+ High customer satisfaction at ISPs
+ Limited competition

= Recurring

Long-term economic vacancies

0.6%

✓ High revenue visibility

+ High-grade target customers
+ Strong pipeline
+ Low geographical customer concentration

= High penetration potential

Penetration potential

~85%

✓ Strong market position

Growing revenue with retention of 89% EBITDA margin

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Note: 1) Based on SDUs


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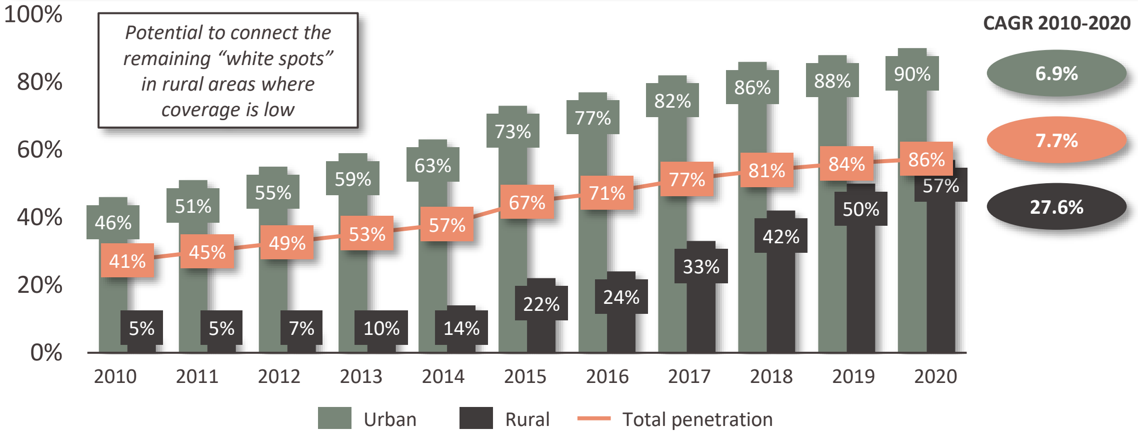
Large addressable market with policy tailwind

Demand for high-speed internet has spurred government initiatives to further develop the fiber infrastructure

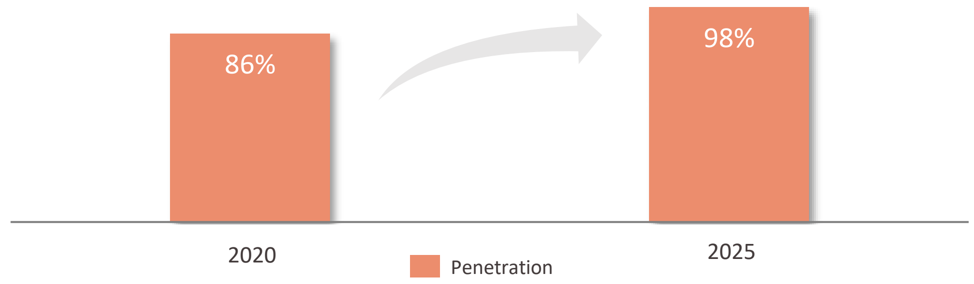
Strong government initiatives to further drive fiber infra development

- The Swedish government has mandated PTS (Swedish Post and Telecom Authority) to achieve a 98% penetration of 1 Gbit/s connectivity by 2025
- During 2021, the PTS will provide SEK 1.66bn in support for both public and private entities looking to extend the fiber infrastructure outside urban areas where there are no existing or planned networks
- This initiative is a testament to the anchored future of fiber technology as a main medium for high-speed internet

Penetration growth of 2.3% p.a. in Sweden[1]

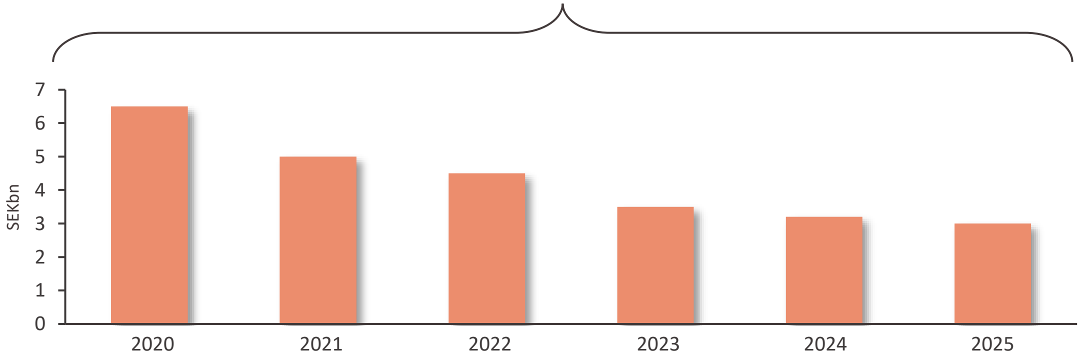


Government broadband penetration target favors fiber build-out



National target of 98% 1 Gbit/s penetration by 2025

Total investment requirements of SEK 23bn to reach the target of 1 Gbit/s by 2025



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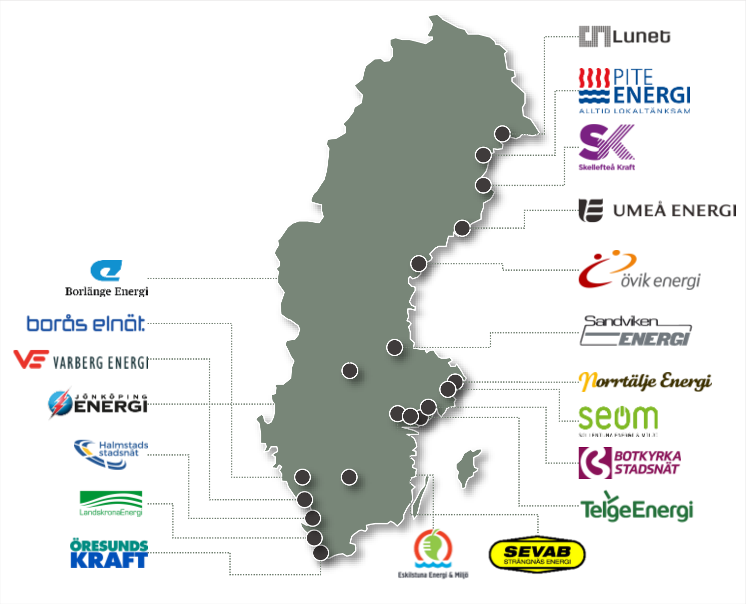
Note: 1) Penetration defined by PTS as all connected households and businesses divided by all Swedish households and businesses

Strong position in a fragmented Swedish market

Government funding expedited municipalities to develop fiber…

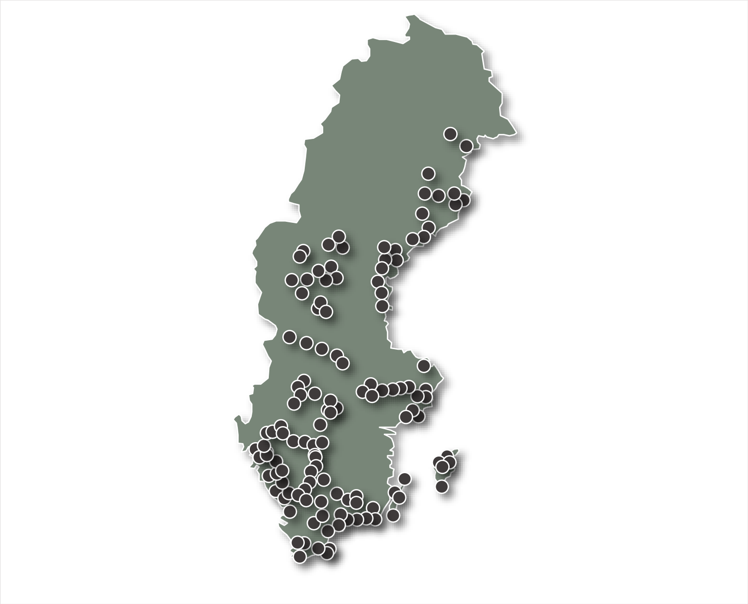
~180 city networks



Total funding of SEK 5.25bn was provided by the national government in year 2000 to encourage municipalities to develop and own fiber networks; as a result, most city networks are owned by municipalities

… while tax subsidies encouraged roll-out of private networks…

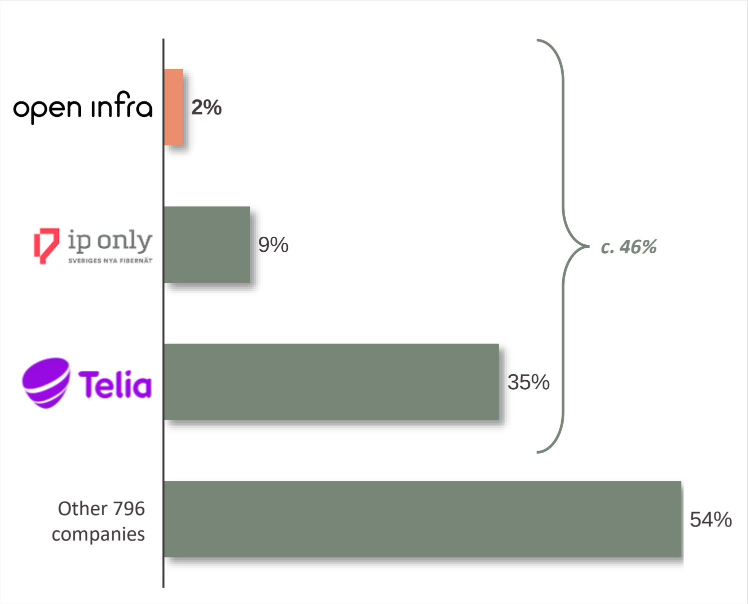
~620 private companies and associations



The government funding was also used to reduce tax for subscribers connecting to high-speed networks, a primary driver of the emergence of small-scale fiber association networks

… with Open Infra achieving a strong market position

3rd largest fiber provider in the Swedish market[1]



Open Infra has established a strong market position and is currently the third largest fiber provider in Sweden[1]

Note: 1) Market share based on homes passed (HPs) Source: PTS

New connections are acquired at market price

Transaction multiples in the infra space

Multiple	Transaction	Parties
27x	Brookfeld Infrastructure Partners and Swedish pension investor KAMMARKOLLEGIET bought a 49% stake in Scandinavian telecom group Telia's Finnish and Norwegian tower assets	alecta, Brookfield Infrastructure Partners, Telia Company
27x	Smedvig is exploring a sale of its data centre business Green Mountain	Green Mountain
18x	Metroweb Italia S.p.A., the Italy-based owner and operator of fiber optic networks, has acquired 12% in Metroweb S.p.A. from Swisscom AG, for a consideration of EUR 92.68m	Metroweb, swisscom
19x	Sale of Telia Carrier, the international fibre network unit of Telia, to Polhem Infra for SEK 9.45bn in December 2019	Telia Carrier, Polhem Infra
20x	The sale of EQT's Swedish fibre optics and data centres business IP Only, to EQT Infrastructure IV, in July 2019, for EUR 1.7bn	EQT, ip only

Open Infra Core

20x **Acquisition multiple**

5% Open Infra Core **Unlevered yield**

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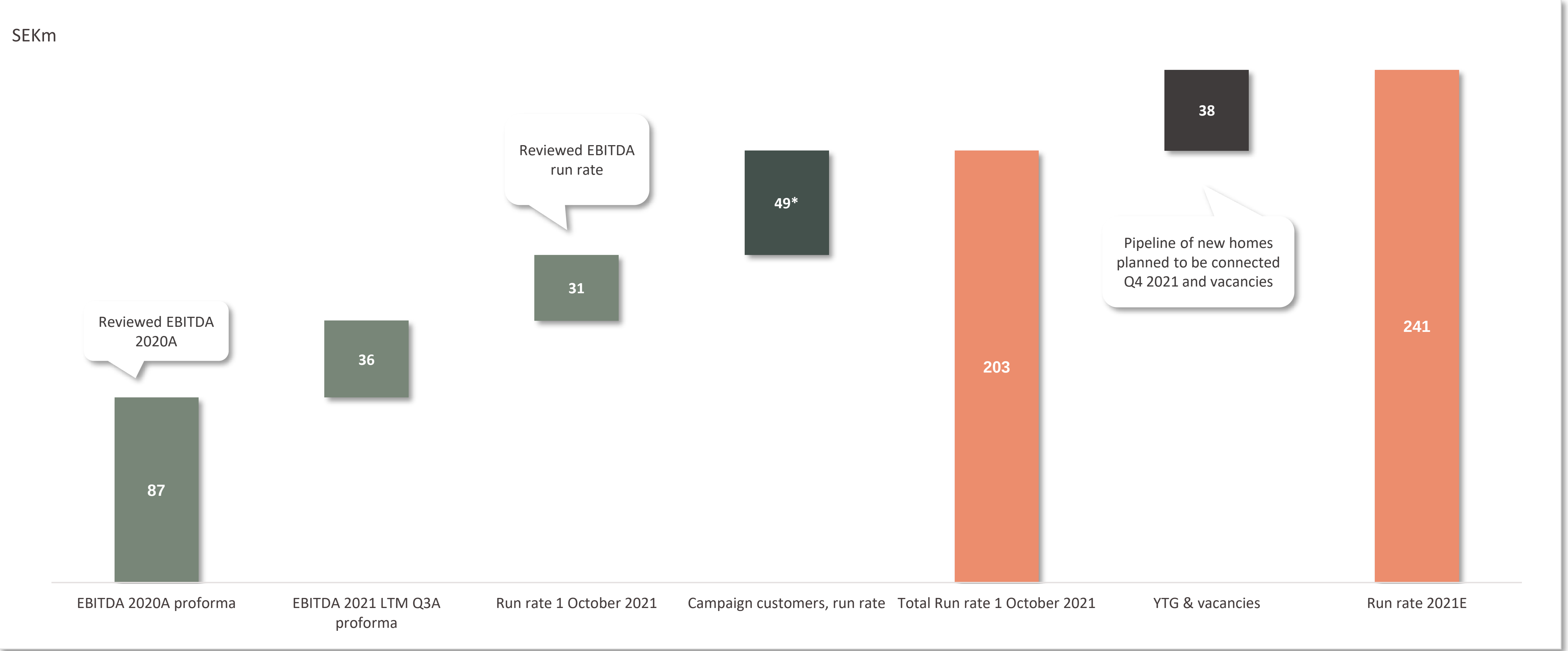
- Open Infra acquires existing fiber networks in Sweden from Open Infra Group for 20x. The acquisition is in part financed by the bond offering at 8x
    - The acquisition multiple of 20x is in line with the market and corresponds to an unlevered yield of 5%
- Open Infra acquires new connections from the Development companies when a new geographical area is connected and may be in part financed by further tap issues under the contemplated framework

Comparable transaction yields

5% *Sale of Telia Carrier to Polhem Infra June 2021 yield* — Telia Carrier, Polhem Infra

2020A EBITDA to run-rate 2021E EBITDA



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Note: *Revenue related to campaigns covered by Development companies until end of campaign period

Profit & Loss from audited to PF2021 run-rate

Open Infra Core; Audited Accounts to new Structure Run rate, mSEK	Audited Account			Adjustments for new structure			Proforma reviewed, YE[1]				
	2018	2019	2020	2018	2019	2020	2018	2019	2020	LTM 30 Sep 2021	Run rate – 30 Sep 2021
Monthly recurring revenue	0	0	0	63	74	106	63	74	106	144	144
Proforma, annualization	-	-	-	-	-	-	-	-	-	-	80
Dark fiber	65	64	82	-51	-57	-76	14	7	6	4	4
Installation revenue	84	135	216	-84	-135	-216	0	0	0	0	0
Maintenance	0	1	2	0	-1	-2	0	0	0	0	0
Total Revenue	**150**	**200**	**299**	**-73**	**-118**	**-188**	**77**	**82**	**111**	**148**	228
Network cost	-8	-16	-14	-7	-2	-10	-15	-18	-24	-25	-25
Installation cost	-77	-81	-153	77	81	153	0	0	0	0	0
OPEX	-10	-8	-10	10	8	10	0	0	0	0	0
Total cost	**-95**	**-105**	**-177**	**80**	**87**	**153**	**-15**	**-18**	**-24**	**-25**	-25
EBITDA	**55**	**95**	**122**	**7**	**-31**	**-35**	**62**	**64**	**87**	**123**	**203**

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Note: 1) Revenue excluding campaign customers

Balance sheet bridge from audited to PF’20 & PFSep’21

SEKm	Consolidated opening Sep 2021, proforma	Acquisition Open Infra Core[2]	Elim Core	Revaluation assets	Senior Secured Bond issue	Shareholder contribution	Consolidated; issuer
Intangible assets	146	4,363	-4,509				
Tangible assets	680			4,300			4,980
Total fixed assets	*826*		*-4,509*	*4,300*			*4,980*
Short term assets and receivables							
Cash							
Total Assets	**826**	**4,363**	**-4,509**	**4,300**			**4,980**
Equity[1]	211		-4,318	3,414		1,837	1,144
Untaxed reserve	241		-241				0
Deferred tax			50	886			935
Group debt	0	4,363			-1,900	-1,837	1,000
Bond	374				1,900		1,900
Total Equity and Debt	**826**	**4,363**	**-4,509**	**4,300**			**4,980**

- Open Infra Core is valued at fair market value equal to an unlevered yield requirement of 5%. The acquisition is financed with the bond offering and a vendor note
- In connection with closing, the vendor note in excess of SEK 1,000m is converted to an unconditional shareholder contribution (equity). The remaining vendor note (group debt) is subordinated to all other borrowings

Note: 1) Equity and shareholder loans 2) According to SPA

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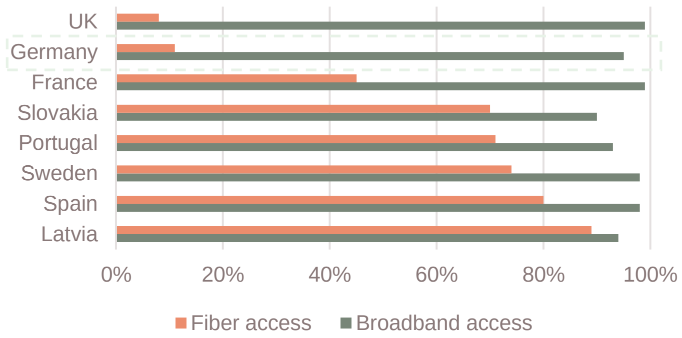
Global market overview

Fixed Broadband Price Indexes (PPP Adjusted)

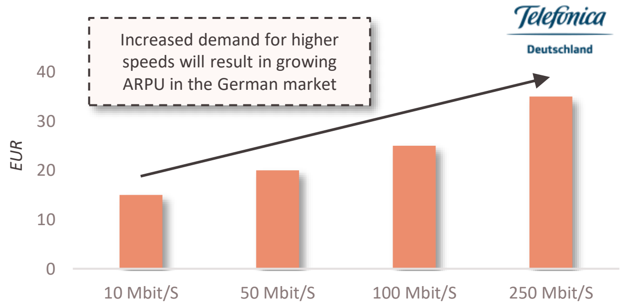
Country	Overall Monthly Price (USD) Average	Rank
Australia	$61.37	16
Austria	$52.97	12
Belgium	$50.43	10
Canada	$68.27	22
Czech Republic	$46.85	5
Denmark	$48.53	6
Estonia	$65.54	20
Finland	$37.76	2
France	$38.76	3
Germany	**$48.95**	**7**
Greece	$63.85	18
Iceland	$72.82	24
Ireland	$50.89	11
Italy	$44.02	4
Latvia	$33.88	1
Luxembourg	$72.92	25
Mexico	$69.87	23
Netherlands	$63.57	17
New Zealand	$59.95	14
Norway	$77.98	26
Portugal	$54.57	13
Spain	$64.66	19
Sweden	$50.38	9
Switzerland	$60.05	15
UK	$49.74	8
USA	**$65.80**	**21**

Germany

Currently low fiber penetration in Germany (% of total households)

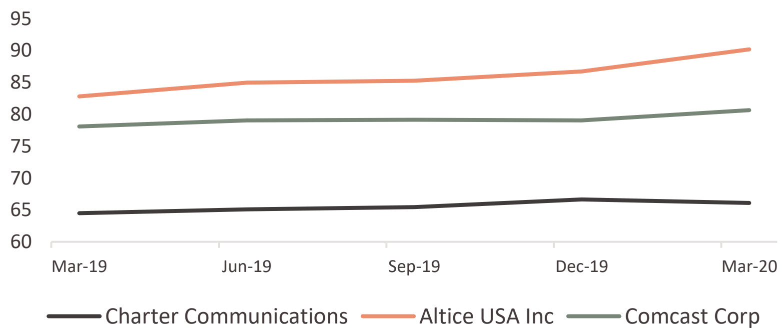


Fixed broadband monthly ARPU Telefonica Deutschland

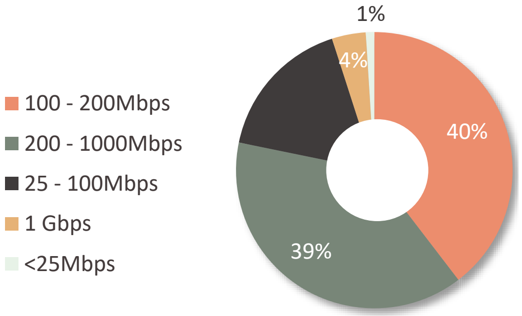


USA

Broadband providers' ARPU performances (USD)



Subscribers by selected speed brackets



Source: S&P, FCC 2020 Communications Marketplace Report, Outvise, Telefonica Deutschland Investor Presentation September 2020

Income Statement – Wider Group

Consolidated income statements

SEK '000	**2018**	**2019**	**2020**
Net sales	180,699	205,683	329,825
Other operating income	13,501	21,066	27,846
Operating income	**194,200**	**226,749**	**357,671**
Raw materials and necessities	-21,458	-22,973	-51,993
Staff costs	-21,057	-31,326	-41,445
Subcontractors	-35,778	-	-
Other external costs	-17,094	-21,706	-15,498
Other operating costs	-	-2	-2
Depreciation and impairment	-24,195	-34,296	-54,365
Operating profit (EBIT)	**74,618**	**116,447**	**194,368**
Finance income	20	3	2
Finance expenses	-11,565	-17,287	-22,234
Profit/loss before tax	**63,072**	**99,162**	**172,136**
Tax	-13,324	-21,645	-42,150
Net income/loss for the period	**49,748**	**77,517**	**129,986**

Balance Sheet – Wider Group

Consolidated balance sheet

SEK '000	2018	2019	2020
Fixed assets			
Capatalised development costs	-	6,280	10,305
Goodwill	24,997	50,170	122,665
Inventory, tools and installations	1,681,279	2,029,344	2,831,505
Rights-of-use assets	87,709	128,051	243,868
Other long-term receivables	88	119	414
Total fixed assets	**1,794,073**	**2,213,965**	**3,208,757**
Current assets			
Inventory	-	273	156
Accounts receivable	14,588	17,495	44,976
Tax receivables	346	346	-
Other receivables	994	11,618	16,931
Contract assets	15,700	26,800	23,876
Prepaid expenses and accrued income	19,773	10,939	30,105
Cash and cash equivalents	38,646	9,033	20,845
Total current assets	**90,046**	**76,502**	**136,889**
Total assets	**1,884,119**	**2,290,467**	**3,345,646**

SEK '000	2018	2019	2020
Equity			
Share capital	100	100	100
Retained earnings and reserves	1,511,619	1,737,981	2,344,133
Total equity	**1,511,719**	**1,738,081**	**2,344,233**
Long-term liabilities			
Liabilities to credit institutions	-	280,999	505,199
Leasing debt	80,242	103,192	227,614
Deferred tax liabilities	5,281	24,586	62,485
Other long-term debt	168,000	13,752	1,103
Total long-term liabilities	**253,523**	**422,528**	**796,401**
Short-term liabilities			
Overdraft facility	10,075	18,304	-
Short term liabilities to credit institutions	35,259	108	105
Leasing debt	8,054	9,734	21,215
Accounts payable	25,397	43,873	43,949
Contract liabilities	17,507	25,741	30,666
Tax debt	162	1,847	4,332
Other short-term debt	11,529	15,749	70,474
Accrued expenses and prepaid income	10,523	14,502	34,271
Total short-term liabilities	**118,878**	**129,858**	**205,012**
Total equity and liabilities	**1,884,119**	**2,290,467**	**3,345,646**

Cash flow statement – Wider Group

Consolidated income statements

SEK ‘000	**2018**	**2019**	**2020**
Operating profit	74,618	116,447	194,369
Adjustments for:			
Items not included in the cashflow	4,834	7,755	53,821
Financial income	20	3	2
Financial expenses	-11,565	-17,287	-22,234
Paid taxes	- 733	-2,116	-1,420
Changes in net working capital	-1,708	16,745	30,574
Cash flow from operating activities	**65,465**	**121,546**	**255,112**
Investments in properties	-118,886	-243,663	-571,105
Proceeds from disposal in properties	-	-	-
Investments in financial assets	-	-28,481	-295
Proceeds from disposal in financial assets	-	-	-
Aquisition of subsidaries	-	-3,358	-
Cash flow from investing activities	**-118,886**	**-275,502**	**-571,400**
Changes in overdraft facility	-8,229	8,229	-18,304
New loans	59,730	329,583	640,483
Amortisation of loans	-14,592	-208,819	-280,806
Amortisation leasing debt	-3,437	-4,649	-13,273
Cash flow from financing activities	**33,472**	**124,344**	**328,100**
Cash flow from the period	**-19,949**	**-29,612**	**11,812**
Cash and cash equivalents at the beginning of the period	58,595	38,646	9,033
Cash and cash equivalents at the end of the period	**38,646**	**9,033**	**20,845**

Risk Factors (I/XII)

*Risk factors deemed to be of importance for (a) Goldcup 100773 AB (reg. no. 559335-5927) (the "**Issuer**") and its direct and indirect subsidiaries (together with the Issuer, the "**Group**" and each a "**Group Company**"), (b) the Group's business and future development, and (c) the Issuer's senior secured bonds with ISIN SE0017072358 (the "**Bonds**") are described below. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the final terms and conditions of the Bonds to be entered into by the Issuer and the Agent (the "**Terms and Conditions**"). The risk factors presented below are categorised as "Risks relating to the Group" or " Risks relating to the Bonds" on the basis of whether they pertain to the Group or to the Bonds. The risk factors categorised as "Risks relating to the Group" are categorised as risk factors pertaining to the Group and not as risk factors pertaining to the Issuer, as the major part of the business operations in the Group are conducted by the Guarantors and the Issuer's other subsidiaries. The materiality of the risk factors are disclosed by the use of a qualitative ordinal scale of low, medium or high. The assessment of the materiality of the risk factors have been based on the probability of their occurrence and the expected magnitude of their negative impact.*

PLEASE NOTE THAT ONLY A LIMITED LEGAL DUE DILIGENCE HAS BEEN CARRIED OUT BY WAY OF A MANAGEMENT INTERVIEW. NO DOCUMENTARY DUE DILIGENCE HAS BEEN CONDUCTED. NO FINANCIAL, INSURANCE OR TAX DUE DILIGENCE HAS BEEN CONDUCTED. THUS, THERE MAY BE RISKS RELATING TO THE GROUP AND ITS BUSINESS WHICH HAVE NOT BEEN DISCLOSED IN THE LIMITED LEGAL DUE DILIGENCE AND WHICH ARE CONSEQUENTLY NOT DISCLOSED IN THESE RISK FACTORS.

RISKS RELATING TO THE GROUP

Risks related to the Group's business activities and industry

Risks related to technological evolution

The market for the Group's networks is characterized by continued evolution in technology, evolving industry standards, changes in customer needs, competition and new product introductions, including wireless network alternatives such as 4g or 5g. If the Group is unable to anticipate and adapt to changes in technology and customer requirements, or fails to develop and introduce new standards on a timely basis, it may have a negative impact on customer retention which would have a negative impact on the Group's business. There is a possibility that market expectations and needs will suddenly shift materially away from the Group's network offering. There is also a risk that the Group will not have sufficient resources to make planned or required investments in order to acclimate for changing customer needs and technical changes and developments, which could have a negative impact on customer retention and have an adverse effect on the Group's future prospects.

The Issuer considers that the probability of the above risks occurring is **medium**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Risks related to security and network quality

The Group operates within a competitive landscape with high customer demands and expectations on network quality. The Group's ability to deliver high-quality, secure networks is fundamental to its customers and critical for its commercial success, in particular as the demand for reliable and high-speed networks has increased to support working from home as a result of the COVID-19 pandemic. The Group has historically experienced and expects to continue to experience different sorts of disturbances and outages relating to their fiber network in the ordinary course of business, e.g. due to physical damage to fiber cables in connection with excavation work by suppliers to the Group or third-parties. Failure to meet the Group's customers' quality requirements and expectations may have an adverse impact on customer retention and the ability to attract customers generally. If protective measures fail to prevent or contain a major continuity or security incident, or if the Group fails to remedy any disturbances or outages on relatively short notice, the Group may incur contractual penalties, financial loss and damage to its reputation, which could have an adverse effect on the Group's business and financial results.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low.**

Risk Factors (II/XII)

Risks related to competition

The Group's industry is continuously evolving due to technological developments, and the Group is subject to new and increasing competition. Competition from a variety of sources, including current market participants, new entrants and new products and services, including from providers of wireless network alternatives, may affect the Group's operations. In addition to competition related to new technology, there is a risk that the Group's current market competitors establish local fiber networks in, or otherwise target, the same geographical areas as the Group. Failure to anticipate and respond effectively to industry dynamics may affect the Group's competitiveness, lead to a loss of market share and consequently affect the Group's results of operations and financial position.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **high**.

Risks related to negative publicity

The Group is dependent on its good reputation. The Group's reputation is particularly important in relation to new and current customers and its suppliers. As an example, operative problems and interruptions problems could damage the Group's reputation, which could lead to difficulties obtaining new or keeping current customers. Certain companies affiliated with the Group has previously been subject to negative publicity in public and social media, and the Group may in the future, directly or indirectly, be further negatively exposed in public and social media, with a limited ability to anticipate or respond to such publications. Damage to the Group's reputation could lead to loss of income or loss of growth potential, which could have an adverse effect on the Group's reputation, business and financial position.

The Issuer considers that the probability of the above risks occurring is **medium**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Risks related to future development acquisition commitments

The Group has committed to acquire newly developed and securitized fiber networks from affiliated legal entities on an annual basis for the coming ten-year period. Pursuant to the template share purchase agreement which will govern the share transfers, the Group will receive customary warranties from the selling legal entity. However, the enterprise value for the fiber networks is set to a fixed run rate EBITDA multiple for the full commitment term, without any adjustment mechanism related to then-current market terms. In the event that market conditions deteriorate, the Group may be required to acquire the securitized fiber networks at a purchase price exceeding the then-current market value, which may lead to financial loss and adversely affect its financial position

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Risks related to the customers and suppliers of the Group

Dependency on land use rights

The Group's fiber network traverses a vast number of real properties, both publicly and privately owned. The Group has secured its access to land primarily by way of land use agreements, and the Group's operations are highly dependent on such land use agreements remaining in force on unaltered terms.

Risk Factors (III/XII)

The land use agreements entered into with private landowners are subject to a one-off payment based on the length of fiber cables laid down in the relevant real property, and have initial terms of 25 or 50 years, depending on whether the real property in question is subject to a zoning plan or not. Following expiry of the initial term and unless terminated, the private land use agreements are automatically prolonged in three-year increments. The land use agreements with public landowners are subject to a yearly fee corresponding to an encroachment compensation based on the length of fiber cables laid down in the relevant real property, and have initial terms ranging from 5-30 years, following which they may be prolonged in one to five-year increments. In the event that any land use agreement should expire, be terminated or altered, the Group may be required to relocate fiber cables or secure its right to the relevant fiber cables by applying for utility easements to replace the relevant land use agreement, which may lead to cost exposures for the Group, adversely affect the Group's ability to carry out its business, and subsequently have a negative effect on the Group's earnings.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Risk related to depopulation and changes in customer behavior

The Group operates in geographical areas that may be subject to depopulation in the future. Failure by the Group to anticipate and adapt to changes in urbanization trends or customer behavior, such as shifts in the preferences of multi-dwelling units, may lead to a decrease in the Group's existing, as well as potential future, customer retention and base which in turn would have a negative impact on the Group’s business and results of operations.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Dependency on third-party fiber networks

The Group's operations are conducted across Sweden, without any limitations on geographical scope. However, the Group's strategic focus has been to build local fiber networks in specific areas rather than a national network which is linked together, meaning that the Group's ability to deliver network access to its customers to a certain extent is dependent on third-party fiber network providers acting as a link in order to connect the Group's local network access points to each other. If the Group's access to third-party network links is disrupted, *inter alia* as a result of termination of agreement or shortage of capacity in the third party's fiber network, the Group's ability to carry out its business may be adversely affected which could lead to contractual penalties, financial loss and adversely affect the Group's business. Furthermore, if the third-party network operators increase fees or otherwise alters the terms of services unfavorably for the Group, the Group may become subject to additional costs.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Dependency on key hardware supplier

The Group's ability to deliver network access to its customers is dependent on active communication equipment sourced from Huawei. The Swedish Post and Telecom Authority has recently decided to ban Huawei's products from being used in the expansion of the Swedish 5g network. If PTS extends the ban on Huawei products to fiber optics networks, or if Huawei withdraws from the Swedish market, it may result in disruptions in the Group's business as well as a replacement cost exposure of approximately SEK 55,000,000, which would have a negative effect on the Group's earnings and costs of operation. In addition, disruptions in the Group's business may lead to contractual penalties and adversely affect the Group's results of operations.

Risk Factors (IV/XII)

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Dependency on key customers

The Group is on the customer-side dependent on a limited number of transmission services providers, which generate a substantial portion of the Group's revenues. The agreements regarding transmission services are standardized and based on a template agreement for services in the open networks, prepared by the Swedish City Network Association. A majority of the agreement are entered into until further notice, subject to a six months' notice period, or for an initial fixed term of three years subject to automatic prolongation for another two-year period with a six months' notice period. If an agreement with a transmission services provider is terminated, or the terms of such agreement is altered unfavorably for the Group, the Group's business and earnings may be adversely affected.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Risks related to the reorganisation and intra-group arrangements

Dependency on intra-group operating arrangements

The Group does not have own employees or an operational team to conduct the day-to-day operations of the Group and its ability to operate and improve its fiber networks is therefore dependent on operational and development agreements with affiliated legal entities, pursuant to which such affiliated legal entities provide operating, maintenance and densification services in the same manner, with the same quality and at the same cost as such were provided prior to the group-internal reorganisation. The operational and development agreements are intended to document and formalize the existing pre-reorganisation operating structure for fiber networks, and will be entered into for an initial five-year term, with the right for the Group to request a three-year prolongation of the services. Furthermore, in order for the affiliated legal entities to be able to perform the operational and development services, the Group has granted an exclusive and irrevocable usufruct right to all land use agreements to such affiliated legal entities. Failure by such affiliated legal entities to perform their contractual obligations may adversely affect the Group's ability to carry out its business as presently conducted, lead to increased costs in the event that a new network operator needs to be sourced as well as to contractual penalties vis-à-vis third-parties, and consequently adversely affect the Group's business, reputation and future prospects.

The Issuer considers that the probability of the above risks occurring is **low** If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Risks related to reorganisation

The Group is established as a part of an internal reorganisation process with the purpose of refining the operational divisions of the larger corporate group. In connection with the reorganisation, certain assets are transferred to and from the Group by and to affiliated legal entities. In addition, the Group will notify the Post and Telecom Authority of the proposed changes and enter into a number of operational intra-group agreements with affiliated legal entities concerning *inter alia* operating, maintenance and densification services, to secure the operations and development of the Group's fiber networks going forward in the same manner, with the same quality and at the same cost as prior to the reorganisation. Failure by the Group to (i) correctly identify and transfer all relevant assets, (ii) identify and source all services necessary for the future operations of the Group in the intra-group agreements, or (iii) obtain the approval of the Post and Telecom Authority, may adversely affect the Group's ability to carry out its business as presently conducted, lead to increased costs and/or, penalties, and consequently have an adverse effect on the Group's business and results of operations.

Risk Factors (V/XII)

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Dependency on key individuals

The Group has historically not had any employees and all operational and development services and functions have been sourced from affiliated legal entities. Given the limited number of employees, the Group's operations and future development is and will be dependent on the knowledge, experience and commitment of certain key individuals whose services are primarily sourced from affiliated legal entities through the intra-group operational agreements. Failure by such affiliated legal entities to retain necessary skilled employees may adversely affect the Group's ability to carry out its business as presently conducted, execute on its future development agenda, lead to increased costs in the event that a new network operator needs to be sourced, and consequently adversely affect the Group's operations and business.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Legal and regulatory risks

Risks related to data protection

The Group processes personal data as a natural result of its field of operations. Since 25 May 2018, the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/ EC ("**GDPR**"), is applicable in all EU member states and has replaced previous national data protection laws. The Group has engaged an external consultant in order to ensure compliance with the GDPR who continuously updates the Group regarding legislative changes. However, there is a risk that the Group's current procedures for data protection are not in line with the requirements under applicable regulations in the EU. There is also a risk that the Group fails to adapt to new regulation in a timely manner. Non-compliance by the Group with applicable legislation on data protection may give rise to significant financial penalties levied against the Group and have a negative impact on the Group's business, financial position and reputation.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **high**.

Political and regulatory risks

The Group operates within an industry which is regulated and their operations are subject to the EU regulatory framework for electronic communications networks and services, which has been implemented in Sweden through the Electronic Communications Act (Sw. *lag (2003:389) om elektronisk kommunikation*). The EU has since developed a new framework of legislation concerning telecommunications with the aim to increase high capacity networks, sustainable competition, interoperability of electronic communication services, accessibility, security of the networks and services and end-user benefits, which is expected to be implemented as Swedish law and replace the current Electronic Communications Act in the near future. The Group's operations are subject to the supervision of the Swedish Post and Telecom Authority, and the Group is required to pay annual fees based on turnover during the immediately preceding financial year. Failure to comply with regulatory requirements, may result in penalties and reputational damages to the Group. The proposed new legislation on electronic communication suggests that penalties levied should be in the range of SEK 5,000 and SEK 10,000,000 per breach. Furthermore, future changes in regulations and law affecting the Group's business activities, as well as decisions by regulatory authorities or courts, e.g. with respect to imposing certain safety standards and/or hardware requirements, may adversely affect the Group's ability to carry out its business as presently conducted, lead to increased costs and adversely affect its results of operations.

Risk Factors (VI/XII)

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Risks related to legal disputes and proceedings

Disputes, claims, investigations and legal proceedings could lead to the Group having to pay damages or cease operations. The Group may, from time to time, become involved in disputes as part of its normal business operations and there is a risk that the Group becomes subject to legal claims, e.g. from landowners or customers. Disputes, claims and legal proceedings can be complex and the outcome difficult to predict, as well as disrupt ordinary business operations and be costly and time-consuming. Disputes or legal proceedings could have adverse effects on the Group's operations, financial position and reputation.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Risks related to the financial standing of the Group

Refinancing risk

There is a risk that the Issuer will be required to refinance some or all of its outstanding debt, including the Bonds, in order to be able to continue the operations of the Group. Upon the issuance of the Bonds, the Issuer will have no outstanding material external financing arrangement except for the Bonds and a super senior revolving facility. The Issuer's ability to successfully refinance the Bonds and any external financing arrangement that the Issuer may enter into in the future depends on, among other things, conditions of debt capital markets and its financial condition at such time. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, it would have a negative effect on the Group's business, financial position and result of operation and on the bondholders' recovery under the Bonds.

The Issuer considers that the probability of the above risks occurring is **medium**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Borrowing by the Group and interest risk

The Group will upon the issuance of the Bonds incur, and may in compliance with the limits set out in the Terms and Conditions further incur, financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. The level of market interest also affects the value of the Bonds, as they will bear interest at a floating rate of 3 month STIBOR (with a floor) plus a floating rate margin. The interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks. An increase in interest rates would entail an increase in the Group's interest obligations, which could have a negative effect on the Group's operations and results. To manage its interest rate exposure, the Group might, in the future, enter into interest derivative contracts. It is possible that (if used) any such future hedging arrangement will not afford the Group sufficient protection against adverse effects of interest rate movements. Moreover, the success of any hedging activities is highly dependent on the accuracy of the Group's assumptions and forecasts. Any erroneous estimations that affect such assumptions and forecasts could have a negative effect on the Group's operations and financial position.

The Issuer considers that the probability of the above risks occurring is **medium**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Risk Factors (VII/XII)

RISKS RELATING TO THE BONDS

Risks related to the nature of the bonds

The Issuer is dependent on its subsidiaries

A significant part of the Group's assets and revenues relate to the Issuer's wholly-owned subsidiaries. The Issuer is dependent upon its subsidiaries in order for its business operations to function. As the Issuer's operations are focused on managing its subsidiaries, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation and ownership of the subsidiaries to enable it to make payments under the Bonds. Consequently, the Issuer is dependent upon the subsidiaries' availability of cash and their legal ability to make dividends or other cash distributions, which may from time to time be limited by corporate restrictions and law. The subsidiaries are further legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. Should the Issuer not receive sufficient income from its subsidiaries, by way of dividends or value transfer from one or more subsidiary, which would have an adverse effect on the Issuer's business, financial position, earnings and result and thus there is a risk that the Issuer will be unable to service its payment obligations under the Bonds and subsequently adversely affect bondholders' ability to receive payment under the Bonds.

Furthermore, the Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **high**.

Majority owner

Johan Sundberg indirectly controls 92 per cent. of the shares in the Issuer and DevCo. According to the Terms and Conditions, if a change of control event occurs in the Issuer or DevCo, the bondholders have a right of prepayment of the Bonds (put option), please see below section "*Put Option*" regarding potential consequences of a change of control event occurring and the risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use their right of prepayment. The interests of Johan Sundberg or, following any potential change of control in the Issuer, any new majority shareholder in the Group may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance the value of their equity investments although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to occur, it could have a negative effect on the Group's operations, earnings and financial position.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Risk Factors (VIII/XII)

Credit risks relating to the Bonds and ability to service debt under the Bonds

Bondholders will carry a credit risk towards the Issuer. Bondholders' likelihood of receiving payment under the Bonds is therefore dependent upon the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The credit risk and the Group's financial position is affected by several factors of which some have been mentioned above in the above category "*Risks relating to the Group*". One such aspect of credit risk is that there is a risk that a deteriorating financial position of the Group will force the Group to refinance the Bonds instead of redeeming the Bonds with cash generated by the Group, as described under Section "*Refinancing risk*" above. The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group will not be able to implement any of these remedies on satisfactory terms, or at all. In case of a deteriorating financial position of the Group, this will reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds. Should any of the above risks materialise, this would have a negative effect on the Group's operations, earnings, results and financial position. If the Issuer were to be unable to make repayment under the Bonds, there is a risk that the bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds.

Furthermore, there is a risk that an increased credit risk will cause the market to charge the Bonds a higher premium, which will affect the value of the Bonds negatively. Another aspect of the credit risk is that there is a risk that a deteriorating financial position of the Group will reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Put option

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put options) if (i) following a listing of the Bonds on a regulated market, the Bonds cease to be listed on such regulated market or (ii) Johan Sundberg would cease to own and control, directly or indirectly, more than 50 per cent. of the votes or capital in the Issuer, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer or (B) own and control, directly or indirectly, more than 75 per cent. of the votes or capital in DevCo, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of DevCo. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

The Issuer considers that the probability of the above risks occurring is **medium**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Risks related to early redemption

Under the Terms and Conditions for the Bonds, the Issuer will have the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the holders of the Bonds will have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions for the Bonds. However, there is a risk that the market value of the Bonds will be higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to carry out the required redemption of Bonds.

Risk Factors (IX/XII)

The Issuer considers that the probability of the above risks occurring is **medium**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Interest rate risks and Benchmark Regulation

The Bonds value will depend on several factors, one of the most significant over time being the level of market interest. The Bonds will bear a floating rate interest of 3 month STIBOR (with a floor) plus a margin and the interest rate of the Bonds will be determined two business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group's control.

The process for determining STIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014).

The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has applied. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of benchmark that is used for the Bonds, it could potentially have negative effects for the Bondholders

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Risks related to transaction security and guarantees

Risks relating to the transaction security and guarantees and value of the transaction security and guarantees

Although the Issuer's obligations towards the Investors under the Bonds will be secured by guarantees and first priority pledges over (i) the shares in certain Group companies, (ii) certain intragroup loans from the Issuer or a guarantor to a member of the Group, (iii) a bank account and (iv) certain shareholder loans from the Parent to the Issuer, it is not certain that the proceeds of any enforcement sale of the security assets or the guarantees would be sufficient to satisfy all amounts then owed to the Investors.

If a subsidiary or the Issuer, which shares have been pledged in favour of the bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such pledge may then have limited value because all of the subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for the bondholders. As a result, the bondholders may not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, the value of the shares subject to pledges may decline over time.

Risk Factors (X/XII)

Furthermore, any guarantees in respect of the Issuer's obligations under the Bonds from the Issuer's subsidiaries are limited by Swedish financial assistance rules and corporate benefit principles, entailing a risk that the amounts to be recovered from an enforcement may be limited and not sufficient in order to satisfy all obligations of the Issuer under the Bonds.

The value of any shareholder loan granted by the Parent to the Issuer or any intragroup loans within the Group, which is subject to security in favour of the bondholders, is largely dependent on such debtor's ability to repay its loan. Should such debtor be unable to repay its debt obligations upon an enforcement of a pledge over the intra-group loan or the shareholder loan, the bondholders may not recover the full or any value of the security granted over the intra-group loan or the shareholder loan.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Risks related to the intercreditor arrangements

The Issuer will incur additional debt under a super senior revolving credit facility (the "**Super Senior RCF**") which will, in accordance with the terms of an Intercreditor Agreement (as defined below), rank senior to the Bonds. Further, the Issuer may incur additional financial indebtedness which will rank *pari passu* with the Bonds. The relation between certain of the Issuer's creditors (jointly the "**Secured Creditors**") and the security agent will be governed by an intercreditor agreement (the "**Intercreditor Agreement**"). Although the obligations under the Bonds and certain other obligations of the Group towards the bondholders and the Secured Creditors will be secured by guarantees and first priority security, there is a risk that the proceeds of any enforcement of guarantees or sale of the security assets will not be sufficient to satisfy all amounts then owed to the Secured Creditors. Furthermore, if the Issuer issues subsequent Bonds, the security position of the current bondholders may be impaired.

The security agent will in accordance with the Intercreditor Agreement in some cases take instructions from a super senior representative under the Super Senior RCF. There is a risk that the security agent and/or a super senior representative under the Super Senior RCF will act in a manner or give instructions not preferable to the bondholders. In addition, the security agent will in some cases take instructions from a senior representative, being those senior creditors whose senior debt at that time aggregate to more than 50 per cent of the total senior debt. If the outstanding senior debt towards other senior creditors than the bondholders exceed the obligations under the Bonds, the bondholders will therefore not be in a position to control the enforcement procedure.

If the outstanding obligations of the Group towards other Secured Creditors than the bondholders increase, there is a risk that the security position of the bondholders is impaired. Furthermore, there is a risk that the security will not at all times cover the outstanding claims of the Secured Creditors.

The Intercreditor Agreement will also contain provisions regarding the application of proceeds from an enforcement of security where any agent will receive payments first, secondly any creditor under any super senior debt (including liabilities under super senior hedges), thirdly any creditor *pro rata* under any senior debt (including the bondholders) and lastly any creditor under any shareholder, intercompany and subordinated debt. There is a risk that the enforcement proceeds will not be sufficient in order for the Issuer to satisfy the waterfall provisions above.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Risk Factors (XI/XII)

Security over assets granted to third parties

Subject to certain limitations from time to time, the Issuer may incur additional financial indebtedness and provide additional security for such indebtedness. If security is granted in favour of a third party debt provider, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security provided to such third party debt provider. In addition, if any such third party debt provider holding security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance documents, such enforcement could have an adverse effect on the Group's assets, operations and, ultimately, the financial position of the bondholders.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Risks relating to the Security Agent holding transaction security and guarantees

The bondholders will be represented by Nordic Trustee & Agency AB (publ) as agent (the "**Agent**") and security agent (the "**Security Agent**") in all matters relating to the guarantees and transaction security. The Security Agent is entitled to enter into agreements with members of the Group or third parties or to take any other action necessary for the purpose of maintaining, releasing or enforcing the guarantees and the transaction security or for the purpose of settling, among other things, the bondholders' rights to the guarantees and transaction security. Therefore, bondholders will not have direct claims under the guarantees and security interests and will not be entitled to take enforcement action in respect of the guarantees and transaction security, except through the Security Agent, as only the Security Agent has the right to enforce the guarantees and transaction security provided in favor of the Security Agent for the benefit of the bondholders. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the guarantees and transaction security. In addition, the bondholders bear some risk associated with a possible insolvency or bankruptcy of the Security Agent.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

Risks related to the bondholders' rights and representation

Bondholders' meetings

The Terms and Conditions will include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions will allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently from the required majority at a duly convened and conducted bondholders' meeting. A bondholder may, for instance, be bound by a majority's decision to accept a change of the interest rate, decision to accept a change of the final maturity date or decision to accept a change of the transaction security. Consequently, there is a risk that the actions of the majority in such matters will impact a bondholder's rights in a manner that is undesirable for some of the bondholders.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **medium**.

Risk Factors (XII/XII)

No action against the Issuer and bondholders' representation

In accordance with the Terms and Conditions for the Bonds, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions for the Bonds), which could negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings. Under the Terms and Conditions for the Bonds, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact a bondholder's rights under the Terms and Conditions for the Bonds in a manner that is undesirable for some of the bondholders.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.

The rights of bondholders depend on the Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent (which will be Nordic Trustee & Agency AB (publ) on the issue date) to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds will be subject to the provisions of the Terms and Conditions for the Bonds, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions for the Bonds are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions for the Bonds. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Further, there is a risk that that the successor Agent would breach its obligations under the above documents or that insolvency proceedings would be initiated against it.

There is a risk that materialisation of any of the above risks will have an adverse effect on the enforcement of the rights of the holders of the Bonds and the rights of the holders of the Bonds to receive payments under the Bonds.

The Issuer considers that the probability of the above risks occurring is **low**. If the risks would materialize, the Issuer considers the potential negative impact to be **low**.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Thank you!