



2022-Q1

# Report

open infra

## Overview January – March 2022

- All figures presented in this interim financial report are in millions of SEK unless stated otherwise.
- Network revenue amounted to SEK 50m (33) which represents an increase of 50 % compared to last year.
- Adjusted Network revenue proforma amounted to SEK 68m (54), which equals a growth of 27 % compared to last year proforma.
- Adjusted Network EBITDA amounted to SEK 59m (48) and a corresponding margin of 87 % (89).
- The corresponding Network EBITDA Run Rate amounted to SEK 238m (207).
- ARPU for the period was 320 SEK (291), an increase of 10 % versus last year.
- Net Debt / EBITDA was 7.04x, compared to bond terms and conditions incurrence level of 10.00x, and a maintenance level of 12.00x.
- Interest Coverage Ratio was 2.63x, compared to bond terms and conditions incurrence level of 2.00x, and a maintenance level of 1.75x.

Overview	2022 Jan-Mar	2021 Jan-Mar	Change
Network revenue	50.1	33.4	50%
Adjusted network revenue*	68.4	53.9	27%
<b>Adjusted network EBITDA</b>	<b>59.4</b>	<b>48.1</b>	<b>24%</b>
<i>Adjusted network EBITDA-margin</i>	<i>87%</i>	<i>89%</i>	<i>-2 pp</i>
Network EBITDA run rate	238.0	207.1	15%
Net debt	1,526.2	558.6	173%
Fiber asset value	5,124.2	3,078.2	66%
LTV	30%	18%	12 pp
ARPU (SEK)	320	291	10%
Number of households connected, EOP	70,655	60,717	16%
Net debt / EBITDA	7.04x	-	-
Interest coverage ratio	2.63x	-	-

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

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

## Significant events and events after reporting period

No significant events were noted during the first quarter.

On 1<sup>st</sup> of April 2022 the Consumer Ombudsman (Sw. Konsumentombudsmannen) took legal action in the Patent and Market Court (Sw. Patent och marknadsdomstolen), requesting that the court issues an order to prohibit Open Infra Core AB from using certain contract terms. Please see CEO's comment for more information on the matter.

On 29<sup>th</sup> of April Fredrik Karlsson was elected as new member of the board. Fredrik Karlsson is partner at the consultancy firm Navigio working within the Strategy & Organization area. Fredrik has experience as management consult from McKinsey & Company and from executive positions at Relacom, Academedia and recently IP-Only. Fredrik will contribute with his valuable insights within Strategy and Public Relations.

On 9<sup>th</sup> of May the issued bonds in Open Infra AB (publ) were listed on Nasdaq Stockholm as communicated in November 2021.

## CEO's comment

Dear reader,

I am proud to present Open Infra AB (publ)'s first full interim financial report after the successful listing of the issued bonds on May 9th, 2022. The financial performance for the quarter has been stable and I would particularly highlight the very positive development in ARPU amounting to a yearly increase of 10 % year over year.



### Stability in unstable times

The horrifying events in Ukraine, increased inflation, and interest rates, as well as increased volatility on the global financial markets has so far been the characteristics for 2022. The long-term effects from these events are hard to estimate but we follow the development on a daily basis and act accordingly.

One of the main technical strengths of fiber is the stability of service. As society grows more dependent on digitalization, my view is that the demand for stable high-speed connection will continue to withstand. Open Infra AB (publ) is well positioned in terms of financial stability in a global economy with increased inflation and interest rates. Particularly due to our strong pricing power, high cash conversion and moderate leverage measured as Loan to value (Net debt / book value of fiber assets).

### Sustainability

I continue to focus on the group's sustainable long-term development and will release a Sustainability report on a regular basis, with the first report to be published later in the second quarter. The focus with respect to sustainability is pointed towards deployment of new infrastructure, customer satisfaction and stability of service.

The Swedish fiber market in general has struggled for a long time with negative consumer judgements based on delays and unclear terms and conditions. Building infrastructure to over 10 000 private customers per year is a very complex business involving 100's of different landowner agreements and permissions from multiple authorities in every project. Delays are inevitable but there is a lot more we, and the industry, can do.

During the last six months, major steps have been taken with regards to customer satisfaction such as a revision of our general terms and conditions, how they are applied and a clear information plan for each



## Open Infra AB (publ) 2022-Q1 Report

customer at every stage of the deployment process. This has led to a drastic decrease of the registrations with the Consumer Ombudsman (Konsumentombudsmannen, "KO") and the National Board for Consumer Disputes (Allmänna reklamationsnämnden, "ARN"). For Q1 2022, we note 28 registrations compared to 109 in Q1 2021, a 74 % decrease.

Therefore, we were surprised when KO took legal action in the Patent and Market Court (Sw. Patent och marknadsdomstolen) on April 1<sup>st</sup>, requesting that the court issues an order to prohibit Open Infra Core AB from using certain contract terms concerning (i) the customer's right to withdraw from a contract when the project start is delayed and (ii) the customer's right to terminate a contract verbally.

As part of our work with improved customer satisfaction we have since end of 2021 decided not to uphold the condition concerning the customer's right to withdraw from a contract, which KO questioned, and we have now also issued an updated set of general terms and conditions which are compliant with KO's view. These new terms will apply for all new and old customers. In the updated terms and conditions we have also included an explicit right for our customers to terminate the contracts verbally, which addresses KO's second concern.

The financial risk with regards to the legal process is estimated at SEK 0,5m in obliged repayments of provisions related to cancellations.

With the above mentioned changes, my firm belief is that the main issues with respect to the consumer sentiment are managed as evidenced by the significant decrease in registrations with KO and ARN. However, the goal is set higher and continuous efforts will be made to keep improving.

Best regards,

Open Infra AB (publ)



Erik Stiernstedt

CEO

## Financial Development

### Income statement

The net sales amounted to SEK 91.4m (71.6) whereof SEK 64.0m (23.5) is related to network revenue. The increase is due to increased number of Households Connected ("HC") and the restructuring made in connection with the bond issue. Please see note 4 for a proforma bridge. EBITDA amounted to SEK 80.7m (65.0). Net financial cost amounted to SEK 24.5m (5.7) whereof SEK 20.6m (0) pertained to interest paid to bondholders. Remaining financial costs are related to accrued costs from the refinancing.

### Balance sheet

Fiber assets amounted to SEK 5,160m (3,078) mainly due to increased number of HCs and revised fair measurement parameters according to IFRS 14 as set out in the annual report. Main drivers are a decreased discount rate, 5% (6), and increased ARPU, SEK 303 (245). Intra group receivables have been repaid with SEK 85.3m since December 2021 with proceeds from escrow relating to anticipated and vacant HC, according to the terms and conditions for the bond.

The subsidy from the Post and telecommunications authority ("PTS") can be found within prepaid income on the debt-side of the balance sheet. The corresponding amount is held separate from other cash, see note 6.

### Households Connected

The Installation business for Q1 2022 has recovered most of the anticipated HC as set out in the terms and conditions for the bond. Total connected HC per 31 March 2022 were 70 655 (60 717). The number of HC to be connected in the SPA was 71 801 leaving c. 1 150 HC left to connect with the corresponding amount of 41 SEKM in Escrow.

The Network EBITDA has developed as expected and price increases, as well as increased number of HC's, leave the Group with an organic Network income growth of 28 % compared to same period last year.

### ARPU

The ARPU for the quarter increased with 10 % compared to same period last year, mainly due to a general price adjustment. The pricelist for affiliated ISPs is differentiated on transmission speed where higher speed contributes with a higher revenue.

## Consolidated Income Statement

		2022	2021
Open Infra, consolidated		Jan - Mar	Jan - Mar
Net sales	3	91.4	71.6
Other Revenue		0.6	0.3
<b>Total Revenue</b>		<b>92.0</b>	<b>71.9</b>
Cost of goods sold		-9.6	-1.8
Operational expenditure		-1.7	-5.2
Personnel		0.0	0.0
<b>Earnings before interest, tax, depreciation and amortization</b>		<b>80.7</b>	<b>65.0</b>
Depreciation and amortization		-11.4	-8.0
<b>Operating profit</b>		<b>69.3</b>	<b>56.9</b>
Net financial cost		-24.5	-5.7
<b>Earnings before tax</b>		<b>44.8</b>	<b>51.2</b>
Appropriations		0.0	0.0
Tax		-0.4	-3.9
<b>Result for the period</b>		<b>44.3</b>	<b>47.4</b>
Revaluation of fiber assets, net of tax		29.3	166.9
<b>Total comprehensive income for the period</b>		<b>73.6</b>	<b>214.3</b>

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

## Consolidated Balance Sheet

		2022	2021
Open Infra, consolidated		31 Mar	31 Mar
Fiber assets	5	5,124.2	3,078.2
Leasing assets		36.5	40.1
<b>Tangible assets</b>		<b>5,160.7</b>	<b>3,118.3</b>
Financial assets		5.7	0.3
Intangible assets		1.0	7.3
<b>Total fixed assets</b>		<b>5,167.4</b>	<b>3,125.9</b>
Account receivable		13.6	26.4
Intra group receivables		1,290.5	492.0
Other short term receivables		4.3	0.7
Prepaid expenses and accrued income		33.8	40.4
Cash and equivalents	6	1,270.8	0.9
<b>Total current assets</b>		<b>2,613.1</b>	<b>560.3</b>
<b>Total assets</b>		<b>7,780.5</b>	<b>3,686.2</b>
<b>Total shareholders equity attributable to the parent company's shareholders</b>		<b>839.8</b>	<b>2,106.0</b>
Long term interest bearing liabilities		1,900.0	514.4
Deferred tax liabilities		947.6	566.7
Leasing long term debt		35.8	40.2
Intra group liabilities		3,136.3	354.8
<b>Total long term liabilities</b>		<b>6,019.7</b>	<b>1,476.0</b>
Overdraft		-	45.1
Leasing short term debt		2.2	1.0
Accounts payable		0.5	30.1
Current tax liabilities		0.0	0.0
Other liabilities		4.9	0.0
Accrued expenses and prepaid income		913.4	27.9
<b>Total short term liabilities</b>		<b>921.0</b>	<b>104.2</b>
<b>Total equity and liabilities</b>		<b>7,780.5</b>	<b>3,686.2</b>



## Consolidated Cash flow statement

	2022	2021
Open Infra, consolidated	Jan - Mar	Jan - Mar
Earnings before tax	44.8	51.2
Adjustment for non cash items	11.4	8.0
Tax paid	0.0	0.0
<b>Cashflow from operating activities</b>	<b>56.2</b>	<b>59.3</b>
Change in accounts receivable	3.6	-4.2
Change in other current receivables	-8.4	-8.0
Change in accounts payable	8.3	-65.1
Change in other current liabilities	2.0	0.1
<b>Changes in working capital</b>	<b>5.5</b>	<b>-77.2</b>
<b>Cashflow from operating activities</b>	<b>61.7</b>	<b>-18.0</b>
Investments in fiber assets	-33.4	-28.4
Investments in other tangible and intangible assets	0.0	0.0
Investments in other financial assets	0.0	0.0
<b>Cashflow from investing activities</b>	<b>-33.4</b>	<b>-28.4</b>
Net change interest bearing debt	0.0	38.6
Net change intra group debt	-85.3	-9.2
Permitted repayment intra-group debt	0.0	0.0
<b>Cashflow from financing activities</b>	<b>-85.3</b>	<b>29.4</b>
<b>Cashflow for the period</b>	<b>-56.9</b>	<b>-17.0</b>
Opening cash and equivalents	1,327.8	17.8
<b>Closing cash and equivalents</b>	<b>1,270.8</b>	<b>0.9</b>

## Consolidated Change in equity

Equity attributable to the parent company's shareholders				
	Share capital	Reserves	Accumulated profit including result for the period	Total equity
<b>2021-01-01</b>	<b>0.1</b>	<b>1,526.3</b>	<b>365.4</b>	<b>1,891.8</b>
Result for the period	0.0	0.0	47.4	47.4
Revaluation of fiber assets, net of tax	0.0	166.9	0.0	166.9
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>166.9</b>	<b>47.4</b>	<b>214.3</b>
<b>2021-03-31</b>	<b>0.1</b>	<b>1,693.2</b>	<b>412.8</b>	<b>2,106.0</b>
<b>2022-01-01</b>	<b>0.5</b>	<b>3,013.3</b>	<b>-2,247.9</b>	<b>765.9</b>
Result for the period	0.0	0.0	44.3	44.3
Revaluation of fiber assets, net of tax	0.0	29.3	0.0	29.3
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>29.3</b>	<b>44.3</b>	<b>73.6</b>
<b>2022-03-31</b>	<b>0.5</b>	<b>3,042.6</b>	<b>-2,203.5</b>	<b>839.5</b>

## Parent company's income statement

Open Infra AB	2022	N/A
	Jan - Mar	
Net sales	0.0	
Other Revenue	0.0	
<b>Total Revenue</b>	<b>0.0</b>	
Cost of goods sold	0.0	
Operational expenditure	-0.2	
Personnel	0.0	
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>-0.2</b>	
Depreciation and amortization	0.0	
<b>Operating profit</b>	<b>-0.2</b>	
Net financial cost	-24.2	
<b>Earnings before tax</b>	<b>-24.3</b>	
Appropriations	0.0	
Tax	0.0	
<b>Result for the period</b>	<b>-24.3</b>	
Revaluation of fiber assets, net of tax	0.0	
<b>Total comprehensive income for the period</b>	<b>-24.3</b>	

## Parent company's balance sheet

Open Infra AB	2022	N/A
	31 Mar	
Tangible assets	0.0	
Financial assets	3,839.3	
Intangible assets	0.0	
<b>Total fixed assets</b>	<b>3,839.3</b>	
Account receivable	0.0	
Intra group receivables	1,901.5	
Other short term receivables	0.0	
Prepaid expenses and accrued income	41.7	
Cash and equivalents	276.4	
<b>Total current assets</b>	<b>2,219.6</b>	
<b>Total assets</b>	<b>6,058.9</b>	
<b>Total shareholders equity attributable to the parent company's shareholders</b>	<b>945.7</b>	
Long term interest bearing liabilities	1,900.0	
Deferred tax liabilities	0.0	
Leasing long term debt	0.0	
Intra group liabilities	3,212.7	
<b>Total long term liabilities</b>	<b>5,112.7</b>	
Overdraft	0.0	
Leasing short term debt	0.0	
Accounts payable	0.2	
Current tax liabilities	0.0	
Other liabilities	0.0	
Accrued expenses and prepaid income	0.4	
<b>Total short term liabilities</b>	<b>0.5</b>	
<b>Total equity and liabilities</b>	<b>6,058.9</b>	

## Parent company's cash flow statement

	2022	
Open Infra AB	Jan - Mar	N/A
Earnings before tax	-24.3	
Adjustment for non cash items	0.0	
Tax paid	0.0	
<b>Cashflow from operating activities</b>	<b>-24.3</b>	
Change in accounts receivable	0.0	
Change in other current receivables	0.0	
Change in accounts payable	0.2	
Change in other current liabilities	0.0	
<b>Changes in working capital</b>	<b>0.1</b>	
<b>Cashflow from operating activities</b>	<b>-24.2</b>	
Investments in fiber assets	0.0	
Investments in other tangible and intangible assets	0.0	
Investments in other financial assets	0.0	
<b>Cashflow from investing activities</b>	<b>0.0</b>	
Net change interest bearing debt	0.0	
Net change intra group debt	-64.8	
Escrow released amount	0.0	
Permitted repayment intra-group debt	0.0	
<b>Cashflow from financing activities</b>	<b>-64.8</b>	
<b>Cashflow for the period</b>	<b>-89.0</b>	
Opening cash and equivalents	365.4	
<b>Closing cash and equivalents</b>	<b>276.4</b>	

## Parent company's change in equity

	Equity attributable to the parent company's shareholders			
	Share capital	Reserves	Accumulated profit including result for the period	Total equity
<b>2021-01-01</b>	-	-	-	<b>0.0</b>
Result for the period	-	-	-	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0
<b>2021-03-31</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2022-01-01</b>	<b>0.5</b>	<b>0.0</b>	<b>969.5</b>	<b>970.0</b>
Result for the period	0.0	0.0	-24.3	-24.3
Revaluation of fiber assets, net of tax	0.0	0.0	0.0	0.0
Total comprehensive income for the period	0.0	0.0	-24.3	-24.3
<b>2022-03-31</b>	<b>0.5</b>	<b>0.0</b>	<b>945.2</b>	<b>945.7</b>

## Definition of key figures

Key figure	Definition	Purpose
Net sales	Total net revenue less other revenue.	Net sales shows the revenue attributable to the core business.
EBITDA	Earnings before interest, tax, depreciation and amortization.	EBITDA is used to visualize the underlying cash flow generated from the core business.
Operating profit	Earnings before interest and tax.	Operating profit is used to visualize the business operations profitability.
Adjusted Network EBITDA	Adjustments made to reported figures according to the restructuring following the establishment of Open Infra AB (publ)-group and terms and conditions for issued bonds.	Proforma figures visualizes the current core business after Installation operations has been excluded.
Network EBITDA run rate	Quarterly Adjusted network EBITDA * 4	Visualize the current cash flow generated from the core business as a forward looking measure.
Net debt	External financial debt (bank and bond) less cash (less cash attributable to PTS subsidy).	Visualizes the current financial debt exposure.
Adjusted net finance charges	Proforma net finance charges for last twelve months to correspond with actual finance charges since bond issue.	Visualize the running finance charges following the bond issue.
Interest coverage ratio	EBITDA / Adjusted net finance charges	Visualize the ability to cover net finance charges with cash flow generated by the core business.
Fiber asset value	Fair value measurement of fiber assets according to IFRS 14	Visualize the fair value of cash flow-generating fiber assets.
Loan to value (LTV)	Net Debt / Fair value measurement of fiber assets	Visualize the amount of financial indebtedness compared to cash flow generating assets.
ARPU	Average monthly revenue per user	Visualizes the average revenue generated per active user.

	2022
Key figures	Jan - Mar
<b>Net sales</b>	<b>91.4</b>
<b>EBITDA</b>	<b>80.7</b>
Depreciation	-11.4
<b>Operating profit</b>	<b>69.3</b>
Network revenue, last twelve months	175.6
Operational fee, last twelve months	-24.5
Other costs, last twelve months	-1.2
Proforma campaign contribution, last twelve months	42.3
Adjustment HC owned less than 12 months	20.4
<b>Adjusted network EBITDA</b>	<b>212.7</b>
Debt	1,900.0
Cash	-1,270.8
Less cash attributable to PTS subsidy	897.4
<b>Net debt</b>	<b>1,526.5</b>
Net finance charges	24.5
Adjustment proforma	56.2
<b>Adjusted net finance charges</b>	<b>80.8</b>
Net debt	1,526.5
Adjusted network EBITDA	212.7
<b>Net debt / EBITDA</b>	<b>7.18x</b>
Adjusted network EBITDA	212.7
Adjusted net finance charges	80.8
<b>Interest coverage ratio</b>	<b>2.63x</b>
Net debt	1,526.5
Fair value measurement of fiber assets	5,088.7
<b>Loan to value</b>	<b>30%</b>

## **Note 1 Significant accounting principles**

### **General disclosure**

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

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

### **Principles for the financial statement**

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

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

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

### **Currency**

#### *Reporting currency*

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

### **Tangible assets**

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

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

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

#### *Additional cost*

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

#### *Fair value measurement*

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

#### *Depreciation and utilization periods*

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

- Fiber assets	30 years
- Machines and inventory	5 years

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

**Note 2 Substantial estimates and assessments**

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

*Fair value measurement for fiber assets*

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

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

*Amortization of tangible assets*

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

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



### Note 3 Segment reporting

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

2022-01-01 - 2022-03-31	Installation	Network	Intra group	Total
Net sales	#VALUE!	#VALUE!	0.0	#VALUE!
Other revenue	0.6	0.0	0.0	0.6
<b>Total revenue</b>	<b>#VALUE!</b>	<b>#VALUE!</b>	<b>0.0</b>	<b>#VALUE!</b>
Cost of goods sold	#VALUE!	#VALUE!	0.0	#VALUE!
Other operational expenditure	#VALUE!	#VALUE!	0.0	#VALUE!
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>#VALUE!</b>	<b>#VALUE!</b>	<b>0.0</b>	<b>#VALUE!</b>
Depreciation and amortization	-11.4	0.0	0.0	-11.4
<b>Operating profit</b>	<b>#VALUE!</b>	<b>#VALUE!</b>	<b>0.0</b>	<b>#VALUE!</b>
Net financial cost	-24.5	0.0	0.0	-24.5
<b>Earnings before tax</b>	<b>#VALUE!</b>	<b>#VALUE!</b>	<b>0.0</b>	<b>#VALUE!</b>

2021-01-01 - 2021-03-31	Installation	Network	Intra group	Total
Net sales	#VALUE!	#VALUE!	0.0	#VALUE!
Other revenue	0.3	0.0	0.0	0.3
<b>Total revenue</b>	<b>#VALUE!</b>	<b>#VALUE!</b>	<b>0.0</b>	<b>#VALUE!</b>
Cost of goods sold	#VALUE!	#VALUE!	0.0	#VALUE!
Other operational expenditure	#VALUE!	#VALUE!	0.0	#VALUE!
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>#VALUE!</b>	<b>#VALUE!</b>	<b>0.0</b>	<b>#VALUE!</b>
Depreciation and amortization	-8.0	0.0	0.0	-8.0
<b>Operating profit</b>	<b>#VALUE!</b>	<b>#VALUE!</b>	<b>0.0</b>	<b>#VALUE!</b>
Net financial cost	-5.7	0.0	0.0	-5.7
<b>Earnings before tax</b>	<b>#VALUE!</b>	<b>#VALUE!</b>	<b>0.0</b>	<b>#VALUE!</b>

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

### Note 4 Proforma bridge consolidated income statement

	2022 Jan - Mar	2021 Jan - Mar
<b>Adjustments</b>		
Net sales	-23.0	-17.7
Other Revenue	-0.6	-0.3
<b>Total Revenue</b>	<b>-23.6</b>	<b>-18.0</b>
Cost of goods sold	#VALUE!	-4.1
Operational expenditure	#VALUE!	5.2
Personnel	0.0	0.0
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>#VALUE!</b>	<b>-16.9</b>

	2022 Jan - Mar	2021 Jan - Mar
<b>Proforma</b>		
Net sales	68.4	53.9
Other Revenue	0.0	0.0
<b>Total Revenue</b>	<b>68.4</b>	<b>53.9</b>
Cost of goods sold	#VALUE!	-5.8
Operational expenditure	#VALUE!	0.0
Personnel	0.0	0.0
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>#VALUE!</b>	<b>48.1</b>

## Note 5 Tangible assets

	Machines and inventory	Fiber assets
January 1 2022		
Acquisition value or fair value	40.8	5,100.7
Acquisitions for the period	0.0	33.4
Sale and disposals	0.0	0.0
Revaluation	0.0	36.9
<b>Book value</b>	<b>40.8</b>	<b>5,171.0</b>
Opening balance accumulated depreciation	-4.2	-71.9
Depreciation for the period	-1.1	-10.4
Book value accumulated depreciation	-5.2	-82.3
<b>Book value March 31 2022</b>	<b>35.5</b>	<b>5,088.7</b>

  

	Machines and inventory	Fiber assets
January 1 2021		
Acquisition value or fair value	3.2	2,936.1
Acquisitions for the period	0.0	28.4
Sale and disposals	0.0	0.0
Revaluation	0.0	166.9
<b>Book value</b>	<b>3.2</b>	<b>3,131.5</b>
Opening balance accumulated depreciation	-2.2	-46.2
Depreciation for the period	-0.3	-7.7
Book value accumulated depreciation	-2.5	-53.9
<b>Book value March 31 2021</b>	<b>0.6</b>	<b>3,077.6</b>

### Fair value measurement

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

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.  
Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.  
Level 3 - unobservable inputs for the asset or liability.

The disclosed amount has been valued according to level 3. Management has set out the valuation based on the following estimates. The valuation is made on the basis of future estimated cashflows for the houses connected by the time of the valuation, 70,655 (60,717). Cash flows are calculated from average revenue per user for the last quarter in the last full audited year, 303 SEK/month (245), average operating cost per house connected, 34 SEK/month (35) and assumption of future growth, 0 % (0).

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

The estimated factors affect the fair value as follows:

- Revenue correlates positively, higher revenue means higher fair value
- Operating costs correlates negatively, higher costs means lower fair value
- Discount rate correlated negatively, a lower discount rate means a higher fair value.

## Note 6 Cash and equivalents

	2022-03-31	2021-03-31
Cash and equivalents	97.8	0.9
Escrow cash amount	275.7	0.0
Cash related to subsidies from Post and Telecommunication Authority (PTS)	897.4	0.0
<b>Total</b>	<b>1,270.8</b>	<b>0.9</b>

## Board declaration

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

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

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

The interim financial report has not been audited. This information is information that Open Infra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 14.00 CET on May 13<sup>th</sup> 2022.

Erik Stiernstedt  
CEO  
+46 70-550 30 73

Stockholm, 13<sup>th</sup> of May

**Gunnar Brundin**  
Chairman

**Erik Stiernstedt**  
CEO and member of the Board

**Sverker Bonde**  
Member of the Board

**Fredrik Karlsson**  
Member of the Board