

A photograph of a sunset over a field. The sun is low on the horizon, casting a warm, golden glow across the sky and the field. The sky is filled with soft, wispy clouds. The field in the foreground is a mix of green and brown grass, with a path leading towards the horizon. In the distance, there are silhouettes of trees and a few buildings.

2022-Q3

Interim financial report

open infra

Overview January – September 2022¹

- Network revenue amounted to SEK 194.4m (72.9) which represents an increase of 167% compared to last year and 2% compared to the second quarter.
- Adjusted Network revenue proforma amounted to SEK 198.5m (155.8), which equals a growth of 27% compared to last year proforma and 2% compared to the second quarter.
- Adjusted Network EBITDA amounted to SEK 172.3m (136.9) and a corresponding margin of 87% (88). An increase of 26% since last year and 5 % since last quarter.
- The corresponding Network EBITDA Run Rate amounted to SEK 236.4m (201.0), an increase of 18% since last year and 5% since the previous quarter.
- ARPU for the period was SEK 326 (303), an increase of 8% compared last year and 7% compared to last quarter.
- Number of households connected was 77,400 (65,166), an increase of 19% compared to last year and 1% compared to last quarter.
- Net Debt / EBITDA was 7.79x, compared to bond terms and conditions incurrence level of 10.00x, and a maintenance level of 12.00x.
- Interest Coverage Ratio was 2.61x, compared to bond terms and conditions incurrence level of 2.00x, and a maintenance level of 1.75x.

Overview	2022 Jan - Mar	2022 Apr - Jun	2022 Jul - Sep	2022 Jan - Sep	2021 Jan - Sep	Change
Network revenue	64.0	64.6	65.8	194.4	72.9	167%
Adjusted network revenue	64.3	65.0	66.5	198.5	155.8	27%
Adjusted network EBITDA	55.4	55.1	58.0	172.3	136.9	26%
<i>Adjusted network EBITDA-margin</i>	<i>86%</i>	<i>85%</i>	<i>87%</i>	<i>87%</i>	<i>88%</i>	<i>-1 pp</i>
Network EBITDA run rate, yearly	220.4	224.5	236.4	236.4	201.0	18%
Net debt	1,526.2	1,733.6	1,772.3	1,772.3	691.8	156%
Fiber asset value	5,124.2	5,211.9	5,236.8	5,236.8	3,355.4	56%
LTV	30%	33%	34%	34%	21%	13 pp
ARPU (SEK)	307	306	326	326	303	8%
Number of households connected, EOP	75,033	76,297	77,400	77,400	65,166	19%
Net debt / EBITDA	7.04x	7.68x	7.79x	7.79x	-	-
Interest coverage ratio	2.63x	2.45x	2.61x	2.61x	-	-

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

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

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

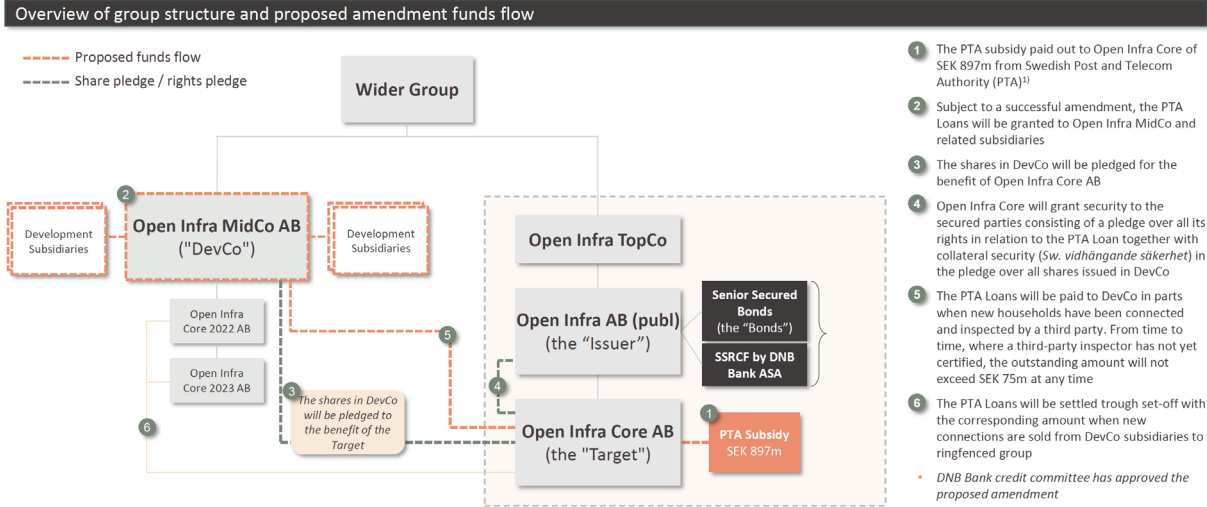
Significant events and events after reporting period

No significant events were recorded during the reporting period.

On 19th of October the company initiated a written procedure to amend the bond Terms and Conditions with respect to the granted subsidy from PTA (Swedish Post- and Telecom Authority, in Swedish Post- och Telestyrelsen).

The subsidy was announced in November 2021 in close conjunction with the bond issue. However, the application was made in the Summer of 2021 before the bond structure was determined. Since the issuing group shall only be an owner of deployed fiber infrastructure and not carry out any deployments of new fiber networks, the subsidy cannot be used to finance the build-out. Therefore, an amendment for the possibilities of granting intra group loans to the developing group company, Open Infra Midco AB, is needed. Please see our investor page for more information and documentation, www.openinfra.com/investerare.

The written procedure ends on 14th of November.



CEO's comment

Dear reader,

It is now almost one year since Open Infra AB (publ) issued the outstanding bonds. Entering a public environment has created dialogues with new investors and we appreciate all the constructive dialogues to further strengthen our business, governance and other general ESG matters.



The last twelve months have also provided us with a paradigm shift regarding macro-economic conditions and (potentially) ending the long period with low interest rates and inflation. Owning fiber assets that generate a monthly recurring cash flow is a stable business, however capital intensive. Due to our defensive hedging policy (75 % of outstanding amount capped at 1 % Stibor 3m) the effects on our financial covenants are not substantial. We will increase the hedged amount during Q4 to cover the whole outstanding amount.

The inflation and its effect on customer demand is yet to be concluded. My personal opinion is that the probability for households cutting down on expenses for internet services is low due to:

1. A good internet connection is a requirement for other cost cutting initiatives, such as spending more time at home.
2. Choosing fewer content providers, before cutting down on internet speed.
3. Work from home-trend, at least partially, is still strong which makes the internet connection a key factor.
4. We still see a trend of higher speed-mix in the network YTD.

Sustainability

The sustainability report released in May describes our main ESG risks within the areas of deployment of new infrastructure, customer satisfaction and stability of service.

Most notably is the decrease for remarks at the Consumer Ombudsman (Konsumentombudsmannen, "KO") and the National Board for Consumer Disputes (Allmänna reklamationsnämnden, "ARN") with 90 % which now has been consecutive two quarters in a row, proving that our changed Terms and Conditions and policy of cancelled orders have had effect.

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The legal action from KO to Patent and Market Court (Sw. Patent och marknadsdomstolen) in April 2022 has not been processed and the status is the same as disclosed in our Q2 report. We expect the judgment from the Patent and Market Court to be rendered in Q4.

Roll out in PTA-projects

The granted subsidy from PTA in November 2021 for the deployment of fiber networks in rural areas is ongoing. The projects are very challenging with c. 200 meters per household passed and a high number of land-owner agreements needed. Regardless of the challenges, we have already connected customers in eight municipalities and deployed 354 000 meters of fiber-cable. More than 4,500 land owner agreements have been signed which is half of what is needed for all projects. The deadline for deployment is December 2024 for all the c. 36,000 addresses.

The response in the PTA-areas is very positive. These families often only have access to copper and 3G. Fiber represents a huge increase in the possibilities of living a modern digital life in rural Sweden in terms of working from home, digital contacts with authorities and health care, as well as streaming content for entertainment. This is how we contribute to a better society.

Acquisition of Open Infra Core 2022 AB

As set out in the bond terms and conditions the group will acquire all shares in Open Infra Core 2022 AB no later than 31st of January 2023. Open Infra Core 2022 AB will contain all deployed new fiber networks during 2022 and the purchase price is equal to 20x run rate EBITDA on the installed base. To finance the acquisition a tap issue is contemplated in the range of SEK 200 – 400m.

Best regards,

Open Infra AB (publ)



Erik Stiernstedt

CEO

Financial Development January - September

Income statement

Net sales amounted to SEK 206.4m (221.0) whereof SEK 194.4m (155.8) is related to network revenue (proforma for 2021). The increase in network revenue is due to an increased number of Households Connected (“HC”) while the restructuring made in connection with the bond issue which separated the installation business from the group, explains the decrease in total revenue. Please see note 4 for a proforma bridge.

EBITDA amounted to SEK 181.0m (191.3). Net financial cost amounted to SEK 51.8m (19.1) whereof SEK 63.6m (0) pertained to interest paid to bondholders. Remaining financial costs relate to accrued costs from the refinancing and commitment fee for the super senior RCF. The Stibor-cap has also been revaluated according to IFRS 9 amounting to a positive effect of SEK 55.4m. Please see note 5 regarding Net financial costs.

Balance sheet

Fiber assets amounted to SEK 5,237m (3,355) 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). The parameters have not been revised during 2022.

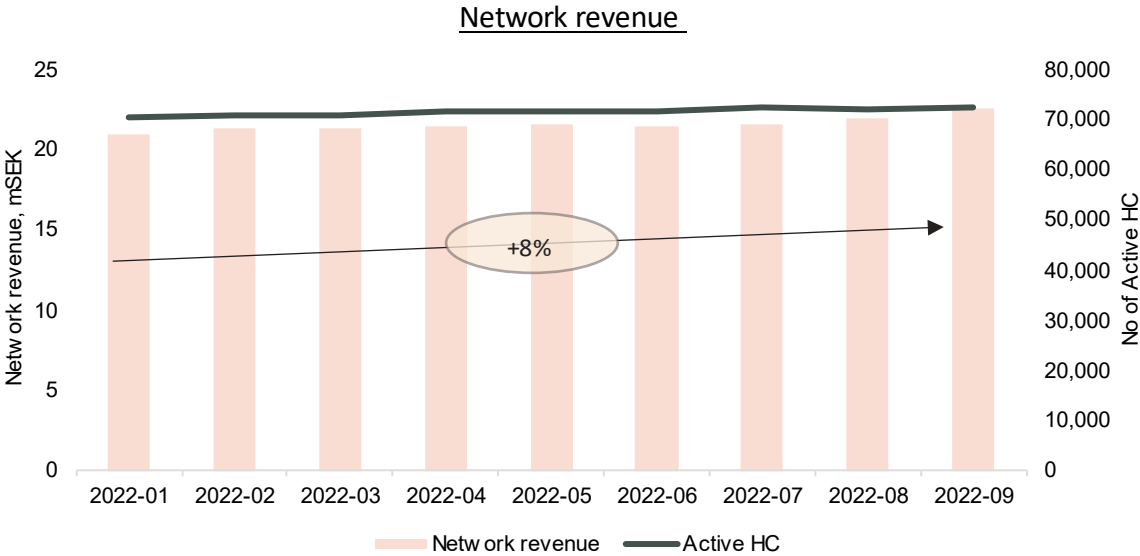
Intra group receivables have been repaid with SEK 207.5m since December 2021 with proceeds from escrow relating to anticipated and vacant HC, according to the terms and conditions for the bond. A repayment on the vendor loan note has been made of SEK 164m.

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

Households Connected

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

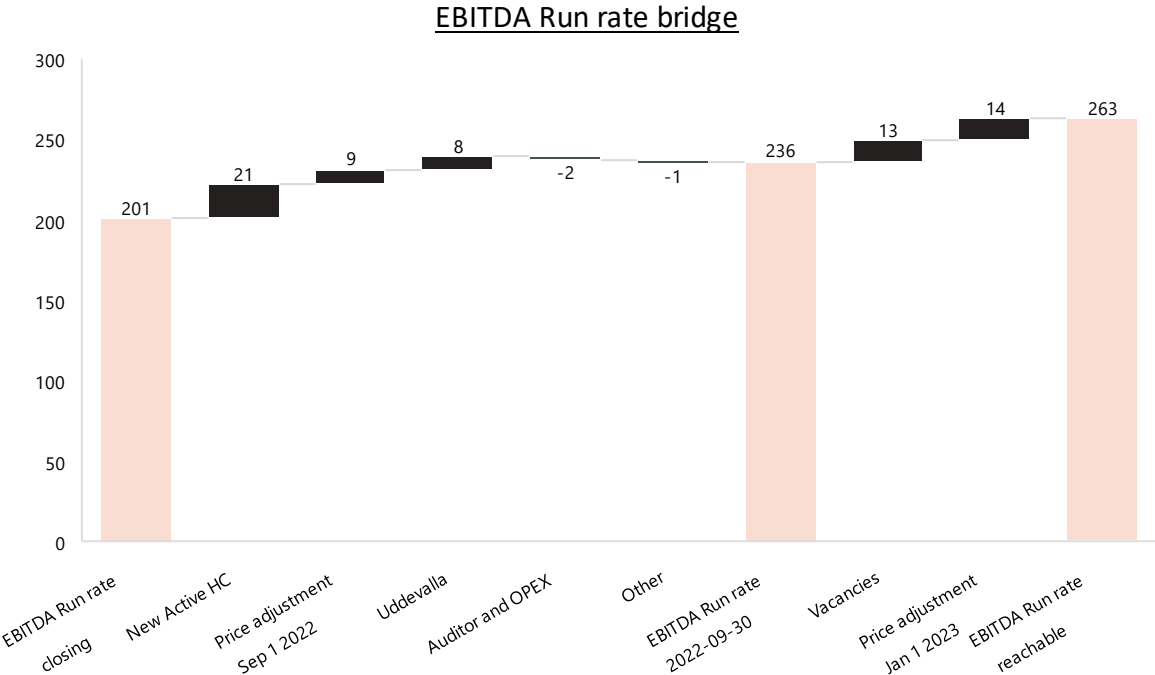
Total connected HC per 30 June 2022 were 77,400 (65,166). Out of the households connected 72,837 (65,166) are owned by the Company. The residual, 4,563 households, is owned by Uddevalla Energi but operated by the group and generating full revenue.



As shown in the chart above the monthly recurring revenue is very stable and is a function of the total connected households, except for September when the extra increase in revenue is due to the previously announced price adjustment.

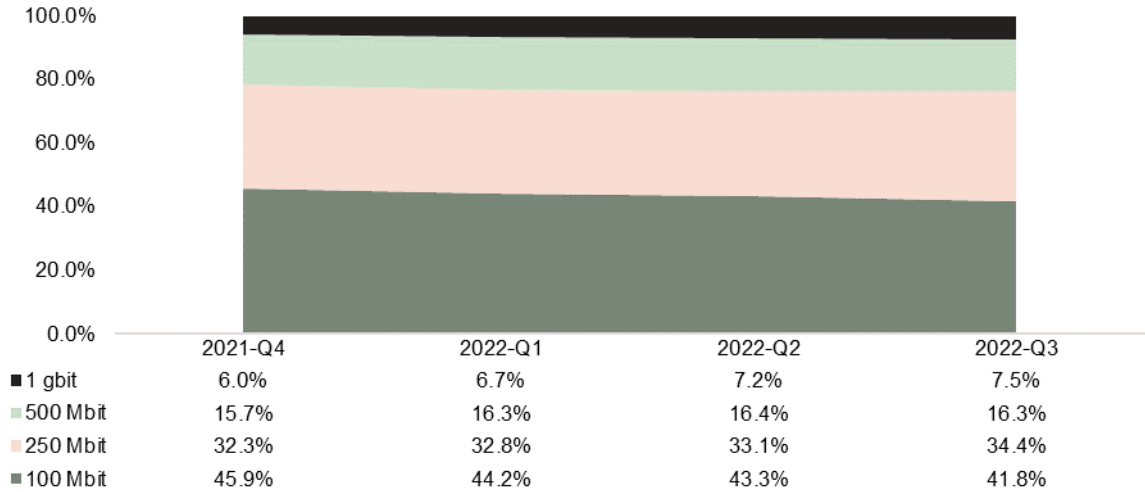
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Below is a bridge-chart showing the development of EBITDA run rate since closing of the bond in November 2021 to Q3 2022 plus an assumption on future run rate after January 1st, 2023. The majority of EBITDA-increase is derived from the deployment of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



ARPU

The ARPU for the quarter amounted to SEK 326, which is an increase by 8% compared to same period last year, mainly due to a price adjustment effective in September. The product mix has been positive the last twelve months with the lowest speed (100 Mbit/s) decreasing with 4,1 pp. Instead, the customers are migrating to 250 Mbit/s or higher which has a positive impact on ARPU. We do not see any signs yet that the customers structural demand for higher speeds is in decline.



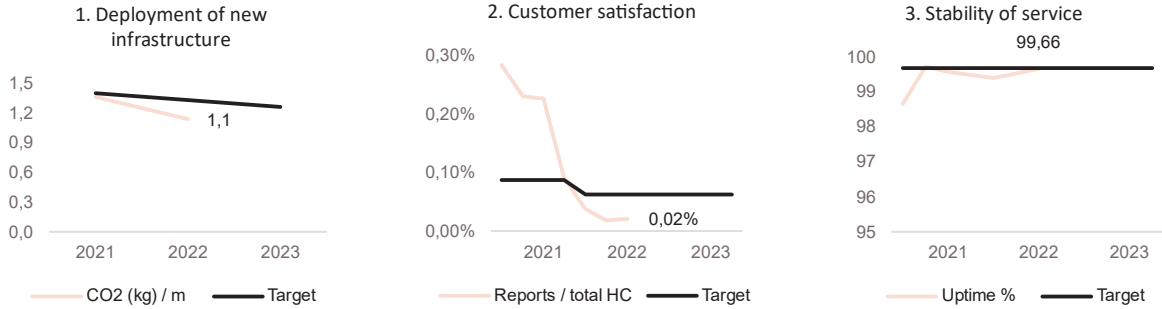
Sustainability

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

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

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

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



Governance

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

Further we are in the process of signing and committing to UN Global Compact. We have also started the recruitment process of a full-time employee to put even more focus on ESG-issues for the group. This person will be a member of the Group Management and have a far-reaching mandate to implement actions in the ESG-area.

Open Infra AB (publ) 2022-Q3 Report

Consolidated income statement

Open Infra, consolidated		2022	2021
		Jan - Sep	Jan - Sep
Net sales	3,4	206.4	221.0
Other Revenue		0.2	0.6
Total Revenue		206.6	221.6
Cost of goods sold		-26.0	-13.4
Operational expenditure		0.3	-16.9
Personnel		0.0	0.0
EBITDA		181.0	191.3
Depreciation and amortization		-48.0	-25.3
EBIT		133.0	166.0
Net financial cost	5	-51.8	-19.1
Earnings before tax		81.2	146.9
Appropriations		0.0	0.0
Tax		-5.9	-14.8
Result for the period		75.2	132.1
Revaluation of fiber assets, net of tax		147.0	260.6
Total comprehensive income for the period		222.2	392.7

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

Consolidated balance sheet

Open Infra, consolidated	2022	2021
	30 Sep	30 Sep
Fiber assets	6	5,236.8
Leasing assets		3,355.4
Tangible assets	5,273.6	3,397.7
Financial assets		36.8
Intangible assets		42.3
Total fixed assets	5,336.2	3,399.0
Account receivable		61.8
Intra group receivables		0.2
Other short term receivables		0.8
Prepaid expenses and accrued income		33.7
Cash and equivalents	7	976.0
Total current assets	2,063.8	693.4
Total assets	7,400.0	4,092.3
Total shareholders equity attributable to the parent company's shareholders	777.3	2,284.7
Long term interest bearing liabilities		1,900.0
Deferred tax liabilities		984.0
Leasing long term debt		36.0
Intra group liabilities		2,812.8
Total long term liabilities	5,732.8	1,601.4
Overdraft		0.0
Leasing short term debt		2.2
Accounts payable		8.6
Current tax liabilities		0.0
Other liabilities		5.2
Accrued expenses and prepaid income		873.9
Total short term liabilities	890.0	206.3
Total equity and liabilities	7,400.0	4,092.3

Consolidated cash flow statement

Open Infra, consolidated	2022	2021
	Jan - Sep	Jan - Sep
EBITDA	181.0	191.3
Adjustment for non cash items	-1.4	-3.1
Interest paid	-65.2	-19.1
Tax paid	-1.3	-0.8
Cashflow from operating activities	113.1	168.4
Change in accounts receivable	-15.6	-3.6
Change in other current receivables	24.4	6.3
Change in accounts payable	6.6	29.3
Change in other current liabilities	-41.7	-7.7
Changes in working capital	-26.2	24.2
Cashflow from operating activities after changes in net working capital	86.9	192.6
Investments in fiber assets	-33.4	-105.5
Investments in other tangible and intangible assets	0.0	-44.2
Investments in other financial assets	-4.3	0.0
Cashflow from investing activities	-37.7	-149.7
Net change interest bearing debt	0.0	187.7
Net change intra group debt	-174.6	-234.1
Permitted repayment vendor loan note	-164.0	0.0
Cashflow from financing activities	-338.6	-46.4
Cashflow for the period	-289.4	-3.5
Whereof released from escrow	-207.7	-
Opening cash and equivalents	1,313.9	4.3
Closing cash and equivalents	1,024.5	0.9

The cash flow for the period is negative amounting to SEK -289m whereof released escrow amounts to SEK -208m and repaid PTA-subsidies amount to SEK -29m. The remaining SEK 52m is surplus cash from opening balance in January that has been distributed as Vendor loan repayment along with other surplus cash generated from the network.

Consolidated change in equity

	Equity attributable to the parent company's shareholders			
	Share capital	Reserves	Accumulated profit including result for the period	Total equity
2021-01-01	0.1	1,526.3	365.7	1,892.0
Result for the period	0.0	0.0	132.0	132.0
Revaluation of fiber assets, net of tax	0.0	260.6	0.0	260.6
Total comprehensive income for the period	0.0	260.6	132.0	392.6
2021-09-30	0.1	1,786.9	497.7	2,284.7
2022-01-01	0.5	3,013.3	-2,247.9	765.9
Result for the period	0.0	0.0	75.2	75.2
Net investment in subsidiaries	0.0	0.0	-210.8	-210.8
Revaluation of fiber assets, net of tax	0.0	147.0	0.0	147.0
Total comprehensive income for the period	0.0	147.0	-135.6	11.4
2022-09-30	0.5	3,160.2	-2,383.4	777.3

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Parent company income statement

Open Infra AB	2022	N/A
	Jan - Sep	
Net sales	0.0	
Other Revenue	0.0	
Total Revenue	0.0	
Cost of goods sold	0.0	
Operational expenditure	-1.1	
Personnel	0.0	
Earnings before interest, tax, depreciation and amortization	-1.1	
Depreciation and amortization	0.0	
Operating profit	-1.1	
Net financial cost	-106.0	
Earnings before tax	-107.1	
Appropriations	0.0	
Tax	6.8	
Result for the period	-100.4	
Revaluation of fiber assets, net of tax	0.0	
Total comprehensive income for the period	-100.4	

Parent company balance sheet

Open Infra AB	2022	N/A
	30 Sep	
Tangible assets	0.0	
Financial assets	3,961.5	
Intangible assets	0.0	
Total fixed assets	3,961.5	
Account receivable	0.0	
Intra group receivables	1,417.0	
Other short term receivables	6.8	
Prepaid expenses and accrued income	36.7	
Cash and equivalents	154.0	
Total current assets	1,614.4	
Total assets	5,575.9	
Total shareholders equity attributable to the parent company's shareholders	869.6	
Long term interest bearing liabilities	1,900.0	
Deferred tax liabilities	0.0	
Leasing long term debt	0.0	
Intra group liabilities	2,805.9	
Total long term liabilities	4,705.9	
Overdraft	0.0	
Leasing short term debt	0.0	
Accounts payable	0.0	
Current tax liabilities	0.0	
Other liabilities	0.0	
Accrued expenses and prepaid income	0.4	
Total short term liabilities	0.4	
Total equity and liabilities	5,575.9	

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Parent company cash flow statement

Open Infra AB	2022	
	Jan - Sep	N/A
EBITDA	-1.1	
Adjustment for non cash items	0.0	
Interest paid	-65.2	
Tax paid	0.0	
Cashflow from operating activities	-66.3	
Change in accounts receivable	0.0	
Change in other current receivables	0.0	
Change in accounts payable	0.2	
Change in other current liabilities	3.5	
Changes in working capital	3.6	
Cashflow from operating activities	-62.6	
Investments in fiber assets	0.0	
Investments in other tangible and intangible assets	0.0	
Investments in other financial assets	0.0	
Cashflow from investing activities	0.0	
Net change interest bearing debt	0.0	
Net change intra group debt	15.2	
Permitted repayment vendor loan note	-164.0	
Cashflow from financing activities	-148.8	
Cashflow for the period	-211.4	
Whereof released from escrow	-207.7	
Opening cash and equivalents	365.4	
Closing cash and equivalents	154.0	

Parent company change in equity

	Equity attributable to the parent company's shareholders			
	Share capital	Reserves	Accumulated profit including result for the period	Total equity
2021-01-01	-	-	-	0.0
Result for the period	-	-	-	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0
2021-09-30	0.0	0.0	0.0	0.0
2022-01-01	0.5	0.0	969.5	970.0
Result for the period	0.0	0.0	-100.4	-100.4
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	-100.4	-100.4
2022-09-30	0.5	0.0	869.1	869.6

Definition of key figures

Key figure	Definition	Purpose
Net sales	Total net revenue less other revenue.	Net sales shows the revenue attributable to the core business.
EBITDA	Earnings before interest, tax, depreciation and amortization.	EBITDA is used to visualize the underlying cash flow generated from the core business.
Operating profit	Earnings before interest and tax.	Operating profit is used to visualize the business operations profitability.
Adjusted Network EBITDA	Adjustments made to reported figures according to the restructuring following the establishment of Open Infra AB (publ)-group and according terms and conditions for issued bonds.	Proforma figures visualizes the current core business after Installation operations has been excluded. Revenue from installations made the last twelve months are annualised.
Network EBITDA run rate	End of period, monthly Adjusted Network EBITDA * 12	Visualize the current cash flow generated from the core business as a forward looking measure.
Net debt	External financial debt (bank and bond) less cash (less cash attributable to PTS subsidy).	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.

Key figures	2022 Jan - Sep
Net sales	206.4
EBITDA	181.0
Depreciation	-48.0
Operating profit	133.0
Network revenue, last twelve months	200.5
Operational fee, proforma	-31.1
Other costs, last twelve months	-1.6
Proforma campaign contribution, last twelve months	53.0
Adjustment HC owned less than 12 months	6.6
Adjusted network EBITDA	227.4
Network revenue, run rate EOP	271.5
Operational fee, run rate EOP	-33.6
Other costs, last twelve months	-1.6
Network EBITDA run rate	236.4
Debt	1,900.0
Cash	-1,024.5
Less cash eligible for release from Escrow	28.7
Less cash attributable to PTS subsidy	868.0
Net debt	1,772.3
Net finance charges	51.8
Less revaluation of financial assets	55.4
Less interest on intra group liabilities (PIK)	-32.9
Adjustment proforma	12.8
Adjusted net finance charges	87.1
Net debt	1,772.3
Adjusted network EBITDA	227.4
Net debt / EBITDA	7.79x
Adjusted network EBITDA	227.4
Adjusted net finance charges	87.1
Interest coverage ratio	2.61x
Net debt	1,772.3
Fair value measurement of fiber assets	5,236.8
Loan to value	34%

Note 1 Significant accounting principles

General disclosure

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

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

Principles for the financial statement

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

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

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

Currency

Reporting currency

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

Tangible assets

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

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

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

Additional cost

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

Fair value measurement

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

Depreciation and utilization periods

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

- Fiber assets	30 years
- Machines and inventory	5 years

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

Note 2 Substantial estimates and assessments

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

Fair value measurement for fiber assets

Fiber assets are disclosed according to IFRS 13 Fair value measurement. The disclosed amount is a sum of the fair value less accumulated depreciation and amortization if applicable. The 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 - 2022-09-30	Installation	Network	Intra group	Total
Net sales	11.9	194.5	0.0	206.4
Other revenue	0.2	0.0	0.0	0.2
Total revenue	12.1	194.5	0.0	206.6
Cost of goods sold	0.0	-26.0	0.0	-26.0
Other operational expenditure	0.0	0.3	0.0	0.3
Earnings before interest, tax, depreciation and amortization	12.1	168.8	0.0	181.0
Depreciation and amortization	-48.0	0.0	0.0	-48.0
Operating profit	-35.9	168.8	0.0	133.0
Net financial cost	-51.8	0.0	0.0	-51.8
Earnings before tax	-87.6	168.8	0.0	81.2

2021-01-01 - 2021-09-30	Installation	Network	Intra group	Total
Net sales	221.0	0.0	0.0	221.0
Other revenue	0.6	73.6	0.0	74.2
Total revenue	221.6	73.6	0.0	295.2
Cost of goods sold	-2.9	-10.5	0.0	-13.4
Other operational expenditure	-77.0	60.1	0.0	-16.9
Earnings before interest, tax, depreciation and amortization	141.7	123.1	0.0	264.9
Depreciation and amortization	-25.3	60.1	0.0	34.8
Operating profit	116.4	183.2	0.0	299.6
Net financial cost	-19.1	60.1	0.0	41.0
Earnings before tax	97.3	243.3	0.0	340.6

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	2021
Adjustments	Jan - Sep	Jan - Sep
Net sales	-11.9	-65.2
Other Revenue	-0.2	-0.6
Total Revenue	-12.2	-65.8
Cost of goods sold	1.3	-5.5
Operational expenditure	-1.9	16.9
Personnel	0.0	0.0
Earnings before interest, tax, depreciation and amortization	-12.7	-54.5

Proforma	2022	2021
	Jan - Sep	Jan - Sep
Net sales	194.4	155.8
Other Revenue	0.0	0.0
Total Revenue	194.4	155.8
Cost of goods sold	-24.6	-18.9
Operational expenditure	-1.6	0.0
Personnel	0.0	0.0
Earnings before interest, tax, depreciation and amortization	168.2	136.9

Note 5 Net financial costs

	2022	2021
	Jan - Sep	Jan - Sep
Revaluation of financial assets	55.4	0.0
Interest on intra group debt (PIK)	-32.9	0.0
Interest for issued bond	-63.6	0.0
Interest for other external interest bearing debt	-1.6	-18.2
IFRS 16 financial cost	-1.1	-0.9
Accrued financial costs (up front financing fee)	-8.1	0.0
Net financial cost	-51.8	-19.1

Note 6 Tangible assets

	Fiber network	Machines and equipment	Total fiber assets
January 1 2022			
Acquisition value or fair value	917.1	44.2	961.3
Acquisitions for the period	33.3	0.0	33.3
Sale and disposals	0.0	0.0	0.0
Revaluation	4,356.6	0.0	4,356.6
Book value	5,307.0	44.2	5,351.2
Opening balance accumulated depreciation	-67.4	-8.7	-76.1
Depreciation for the period	-23.5	-14.8	-38.3
Book value accumulated depreciation	-90.9	-23.5	-114.4
Book value September 30 2022	5,216.1	20.7	5,236.8

	Fiber network	Machines and equipment	Total fiber assets
January 1 2021			
Acquisition value or fair value	623.7	0.0	623.7
Acquisitions for the period	105.5	44.2	149.7
Sale and disposals	0.0	0.0	0.0
Revaluation	2,650.9	0.0	2,650.9
Book value	3,380.1	44.2	3,424.3
Opening balance accumulated depreciation	-43.2	-0.3	-43.5
Depreciation for the period	-19.6	-5.8	-25.4
Book value accumulated depreciation	-62.8	-6.1	-68.9
Book value September 30 2021	3,317.3	38.1	3,355.4

Fair value measurement

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

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

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

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

The estimated factors affect the fair value as follows:

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

Note 7 Cash and equivalents

	2022-09-30	2021-09-30
Cash and equivalents	3.0	0.9
Escrow cash amount	153.5	0.0
Cash related to subsidies from Post and Telecommunication Authority (PTS)	868.0	0.0
Total	1,024.5	0.9

Open Infra AB (publ) 2022-Q3 Report

Board declaration

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

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

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

The interim financial report has not been audited. This information is information that Open Infra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 14.00 CET on November 8th, 2022.

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Stockholm, November 8th, 2022

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Chairman

Erik Stiernstedt
CEO and member of the Board

Sverker Bonde
Member of the Board

Fredrik Karlsson
Member of the Board