

2023-Q1

Interim financial report

open infra

## Overview January – March 2023<sup>1</sup>

- Network revenue amounted to SEK 72.9m (64.0) which represents an increase of 14% compared to last year and 6% compared to the last quarter.
- Adjusted Network revenue proforma amounted to SEK 74.1m (64.3), which equals a growth of 15% compared to last year proforma and 8% compared to the last quarter.
- Adjusted Network EBITDA amounted to SEK 65.6m (55.4) and a corresponding margin of 89% (86), an increase of 18% since last year and 10% since last quarter.
- The corresponding Network EBITDA Run Rate amounted to SEK 260.6m (220.4), an increase of 18% since last year and 10% since the previous quarter.
- ARPU for the period was SEK 336 (307), an increase of 9% compared to last year and 3% compared to last quarter.
- Number of households connected was 81,156 (75,033), representing an increase of 9% compared to last year and 5% compared to last quarter.
- Net Debt / EBITDA was 8.34x (7.04), compared to bond terms and conditions incurrence level of 10.00x, and a maintenance level of 12.00x.
- Interest Coverage Ratio was 2.07x (2.63), compared to bond terms and conditions incurrence level of 2.00x, and a maintenance level of 1.75x.

Overview, Open Infra AB (publ)	2022 Apr - Jun	2022 Jul - Sep	2022 Oct - Dec	2023 Jan - Mar	2022 Jan - Mar	Change
Network revenue	64,6	66,3	68,7	72,9	64,0	14%
Adjusted network revenue	65,0	66,1	68,7	74,1	64,3	15%
<b>Adjusted network EBITDA*</b>	<b>55,1</b>	<b>57,6</b>	<b>60,2</b>	<b>65,6</b>	<b>55,4</b>	<b>18%</b>
<i>Adjusted network EBITDA-margin</i>	<i>85%</i>	<i>87%</i>	<i>88%</i>	<i>89%</i>	<i>86%</i>	<i>3 pp</i>
Network EBITDA run rate, yearly	224,5	236,4	237,2	260,6	220,4	18%
Net debt	1 733,6	1 772,3	1 782,3	2 079,4	1 526,2	36%
Fiber asset value	5 211,9	5 236,8	5 251,4	5 350,0	5 124,2	4%
LTV	33%	34%	34%	39%	30%	9 pp
ARPU (SEK)	306	326	326	336	307	9%
Number of households connected, EOP	76 297	77 400	77 425	81 156	75 033	8%
Net debt / EBITDA	7,04x	7,68x	7,79x	8,34x	7,04x	19%
Interest coverage ratio	2,63x	2,45x	2,61x	2,07x	2,63x	-21%

\* 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

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

On the 9<sup>th</sup> of February the Patent and Market Court (Sw. Patent och marknadsdomstolen) announced its judgment regarding the legal action initiated by the Consumer Ombudsman (Konsumentombudsmannen, "KO") regarding the use of certain terms and conditions with the respect to cancellation terms, which we no longer apply. The verdict was in line with our expectations meaning that the old cancellation terms were prohibited with a fine of SEK 500,000. Reservations made cover legal costs of SEK 54,000.

On 28<sup>th</sup> of March the tap issue prospectus was approved by the Swedish Financial Supervisory Authority and the issued bonds were listed on Nasdaq OMX.

No significant events have been recorded after the reporting period.

## CEO's comment

Dear reader,

We continue to deliver on our plan. On the 2<sup>nd</sup> of February we closed a tap issue to fund the acquisition of Open Infra Core 2022 AB, which is an intra group transaction that transfers 5,675 connected households which were deployed during last year. Many were connected during the end of 2022 and c. 2,000 houses were yet to be activated by the time of the acquisition. This is normal course of business and the households are expected to be activated during Q2. The corresponding loan amount is held in escrow.

We continue to develop our financial risk strategy and will expand the hedging horizon beyond the refinancing date of the outstanding bonds, which will decrease our refinancing risk.

### Customer demand

Many indicators show that households are starting to cut down on expenses in order to cope with the inflation and higher interest rates. We are yet to see any changes in customer demand regarding internet speeds, even though a price increase were effective on 1<sup>st</sup> of January as communicated earlier. Given an expected higher price sensitivity, we will keep a close eye on changes in customer demand.

### Sustainability

During the last twelve months we have helped c, 7,000 households overcoming the digital divide in society. Many of which previously only had access to 3/4G or ADSL making work from home or everyday streaming of entertainment constrained.

Our work with Governance is ever ongoing and we will within short release new updated framework agreements for all subcontractors which will be aligned with Global Compact which we signed in December. We continuously aim at enhancing and strengthening our ESG organization with improved competencies and processes.

Best regards,

Open Infra AB (publ)



**Erik Stiernstedt**

CEO



## Financial Development January - December

### Income statement

Net sales amounted to SEK 74.3m (91.4) whereof SEK 74.0m (64.3) is related to network revenue. 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. Part of the installation revenue is deferred for up to three years following deployment to match the campaign element of internet services provided with the installation. Please see note 4 for a proforma bridge.

EBITDA amounted to SEK 63.8m (80.7). Net financial cost amounted to SEK 45.2m (24.5) whereof SEK 35.3m (23.7) pertained to interest paid to bondholders. Remaining financial costs relate to accrued costs from the refinancing and commitment fee for the super senior RCF. Please see note 5 regarding net financial costs.

### Balance sheet

Fair value of fiber assets amounted to SEK 5,388m (5,161) due to an increased number of HCs. The valuation principles is being refined for the annual report that will be made public during Q2.

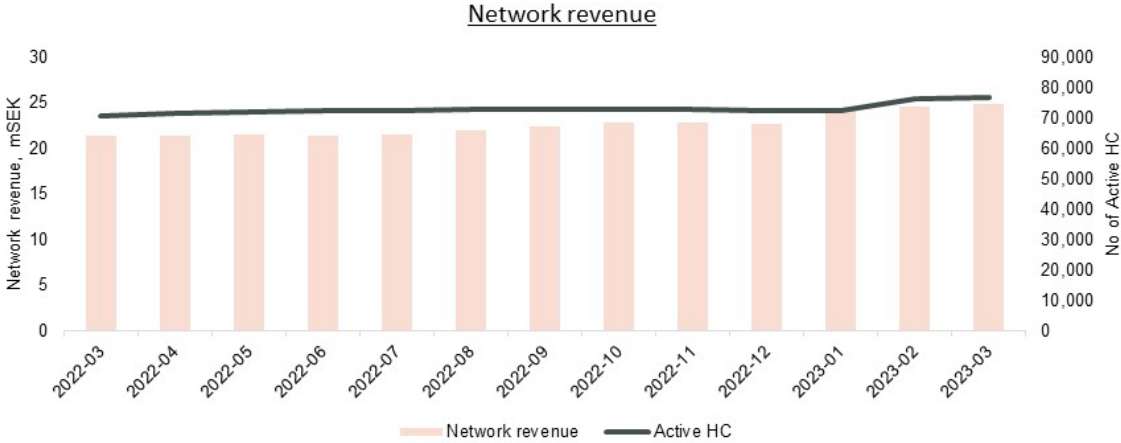
Intra group liabilities of SEK 268.2m have been repaid with proceeds held in escrow since December 2021, relating to anticipated HC, vacant HC and campaign amounts (initially SEK 361m). Amounts held in escrow relating to the acquisition of Open Infra Core 2022 AB equals to SEK 171.1m. Repayable vendor loan notes to Open Infra Group AB and Open Infra Midco AB amount to SEK 824.3m. Repayments are allowed if Net Debt / EBITDA is less than 8.0x. Intra group receivables relating to subsidies from Post- and Telecom Authorities (“PTA”), which are lent to Open Infra Midco AB amounts to SEK 55.8m. See note 7 for full schedule of intra group receivables and liabilities.

The subsidy from PTA is accounted for as a prepaid income on the debt-side of the balance sheet. The corresponding amount is accounted for as cash and equivalents and is held separate from other cash, see note 8.

### Households Connected

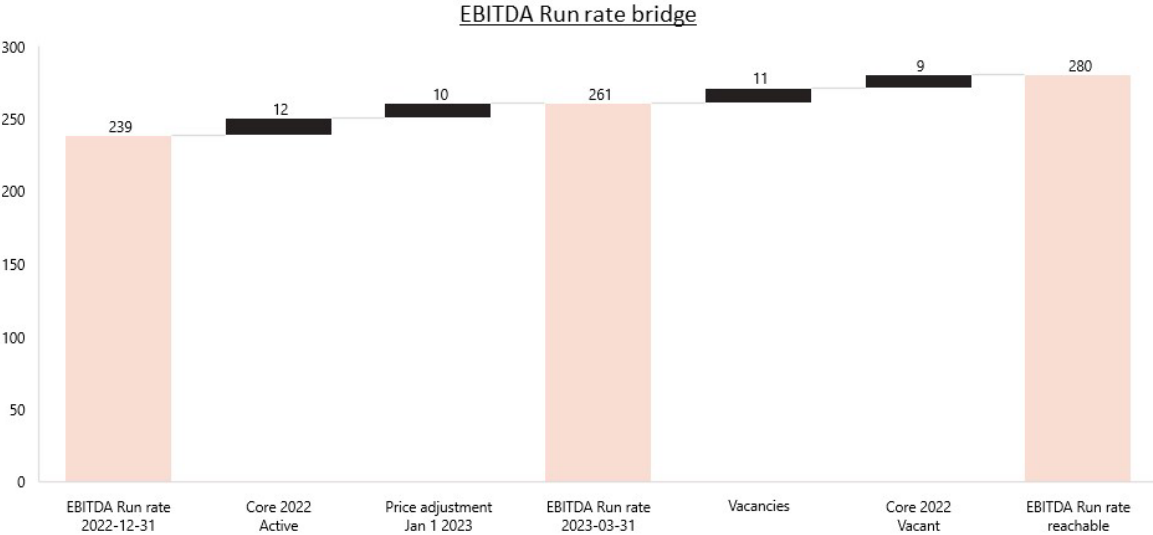
Total HCs per 31 March 2023 were 81,156 (75,033). Out of the households connected 76,587 (70,655) are owned by the Company. The residual, 4,569 (4,378) households, is owned by Uddevalla Energi but operated by the group and generating full revenue.

Open Infra AB (publ) 2023-Q1 Report



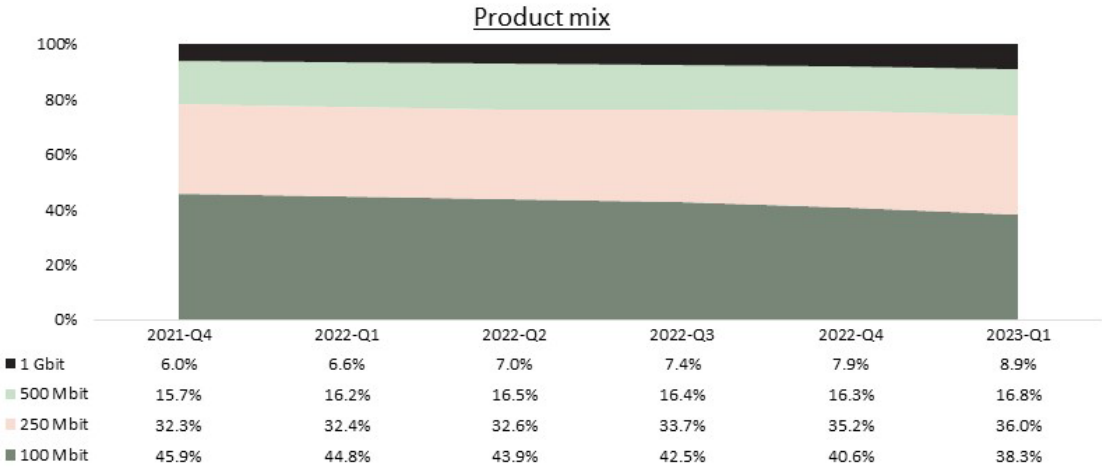
As shown in the chart above, the monthly recurring revenue is very stable and is a function of the total connected households, as well as the price increase in September 2022 and January 2023. The households connected in Open Infra Core 2022 AB are accounted for from 2<sup>nd</sup> of February.

Below is a bridge-chart showing the development of EBITDA run rate since year end of 2022. The effect from the acquisition of Open Infra Core 2022 AB is yet to be fully reflected in EBITDA. The customers tend to be activated 3 – 6 months after deployment, thus affecting run rate EBITDA by Q2 - Q3.



ARPU

The ARPU for the quarter amounted to SEK 336, which is an increase by 9% compared to same period last year. The increase is mainly due to a price adjustment effective in September. The product mix has continued to shift towards higher speeds, with the lowest speed (100 Mbit/s) decreasing with 6.5 pp. Instead, the customers are migrating to 250 Mbit/s or higher which has a positive impact on ARPU. We do not see any signs that the customers structural demand for higher speeds is in decline.



### Sustainability

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

The outcome for these KPIs for Q1 2023 has been in line with the positive trend seen during 2022, particularly within customer satisfaction where the positive trend with a significant decrease in remarks with ARN and KO continues.



### Governance

In December 2022, we signed and committed to the Ten Principles of UN Global Compact in December 2022. Our work within governance has been focused on tying the Ten Principles of Global Compact to our sub contractors. We have received positive feedback on the changes and will implement them in full during Q2 2023. During 2023, we will start the process of measure green-house gas emissions according to Scope 1 and 2.



## Open Infra AB (publ) 2023-Q1 Report

### Consolidated income statement

<b>Open Infra, consolidated</b>	<b>2023</b>		<b>2022</b>
		<b>Jan - Mar</b>	<b>Jan - Mar</b>
Net sales	3,4	75,3	91,4
Other Revenue		0,0	0,6
<b>Total Revenue</b>		<b>75,3</b>	<b>92,0</b>
Cost of goods sold		-12,8	-9,6
Operational expenditure		0,0	-1,7
Personnel		0,0	0,0
<b>EBITDA</b>		<b>62,4</b>	<b>80,7</b>
Depreciation and amortization		-15,0	-11,4
<b>EBIT</b>		<b>47,5</b>	<b>69,3</b>
Net financial cost	5	-48,4	-24,5
<b>Earnings before tax</b>		<b>-0,9</b>	<b>44,8</b>
Appropriations		0,0	0,0
Tax		2,7	-0,4
<b>Result for the period</b>		<b>1,8</b>	<b>44,4</b>
Revaluation of fiber assets, net of tax		-61,1	29,3
Revaluation of financial assets, net of tax		-3,0	0,0
<b>Total comprehensive income for the period</b>		<b>-62,3</b>	<b>73,7</b>

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

## Consolidated balance sheet

<b>Open Infra, consolidated</b>		<b>2023</b>	<b>2022</b>
		<b>31 Mar</b>	<b>31 Mar</b>
Fiber assets	6	5 350,0	5 124,2
Leasing assets		38,2	36,5
<b>Tangible assets</b>		<b>5 388,2</b>	<b>5 160,7</b>
Financial assets		94,8	5,7
Intangible assets		0,6	1,0
<b>Total fixed assets</b>		<b>5 483,6</b>	<b>5 167,4</b>
Account receivable		44,7	13,6
Intra group receivables	7	80,2	1 290,5
Other short term receivables		5,6	4,3
Prepaid expenses and accrued income		21,7	33,8
Cash and equivalents	8	1 061,9	1 270,8
<b>Total current assets</b>		<b>1 214,2</b>	<b>2 613,1</b>
<b>Total assets</b>		<b>6 697,8</b>	<b>7 780,5</b>
<b>Total shareholders equity attributable to the parent company's shareholders</b>		<b>550,7</b>	<b>839,8</b>
Long term interest bearing liabilities		2 294,4	1 900,0
Deferred tax liabilities		954,5	947,6
Leasing long term debt		38,0	35,8
Intra group liabilities	7	2 016,0	3 136,3
<b>Total long term liabilities</b>		<b>5 302,9</b>	<b>6 019,7</b>
Leasing short term debt		2,3	2,2
Accounts payable		23,7	0,5
Current tax liabilities		0,0	0,0
Other liabilities		10,2	4,9
Accrued expenses and prepaid income		807,9	913,4
<b>Total short term liabilities</b>		<b>844,2</b>	<b>921,0</b>
<b>Total equity and liabilities</b>		<b>6 697,8</b>	<b>7 780,5</b>

## Consolidated cash flow statement

Open Infra, consolidated	2023	2022
	Jan - Mar	Jan - Mar
EBITDA	62,4	80,7
Adjustment for non cash items	0,6	3,3
Net interest paid	-30,2	-24,5
Tax paid	-0,4	-3,3
<b>Cashflow from operating activities</b>	<b>32,5</b>	<b>56,2</b>
Change in accounts receivable	-15,6	3,6
Change in other current receivables	1,8	-8,4
Change in accounts payable	18,5	8,3
Change in other current liabilities	-24,4	2,0
<b>Changes in working capital</b>	<b>-19,8</b>	<b>5,5</b>
<b>Cashflow from operating activities after changes in net working capital</b>	<b>12,7</b>	<b>61,7</b>
Investments in fiber assets	0,0	-33,4
Investments in other tangible and intangible assets	0,0	0,0
Investments in other financial assets	-443,7	0,0
<b>Cashflow from investing activities</b>	<b>-443,7</b>	<b>-33,4</b>
Net change interest bearing debt	394,4	0,0
Net change intra group debt	163,0	-85,3
Permitted repayment vendor loan note	-22,0	0,0
<b>Cashflow from financing activities</b>	<b>535,4</b>	<b>-85,3</b>
<b>Cashflow for the period</b>	<b>104,4</b>	<b>-57,0</b>
Whereof released from escrow	-17,6	0,0
Opening cash and equivalents	957,5	1 327,8
<b>Closing cash and equivalents</b>	<b>1 061,9</b>	<b>1 270,8</b>

The cash flow for the period is positive amounting to SEK 104.4m whereof released escrow amounts to SEK -17.6m, new escrow amount to SEK 171.1m, repaid PTA-subsidies amount to SEK -48.2m and granted PTA-loans to Development companies amounting to SEK -24.3m. The remaining SEK 23.4m is generated cash from operations.

## 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>2022-01-01</b>	<b>0,5</b>	<b>3 013,3</b>	<b>-2 247,7</b>	<b>766,1</b>
Result for the period	0,0	0,0	44,4	44,4
Net investment in subsidiaries	0,0	0,0	0,0	0,0
Revaluation of fiber assets, net of tax	0,0	29,3	0,0	29,3
Revaluation of financial assets, net of tax	0,0	0,0	0,0	0,0
<b>Total change in equity for the period</b>	<b>0,0</b>	<b>29,3</b>	<b>44,4</b>	<b>73,7</b>
<b>2022-03-31</b>	<b>0,5</b>	<b>3 042,6</b>	<b>-2 203,3</b>	<b>839,8</b>
<b>2023-01-01</b>	<b>0,5</b>	<b>3 167,1</b>	<b>-2 553,3</b>	<b>614,2</b>
Result for the period	0,0	0,0	1,8	1,8
Net investment in subsidiaries	0,0	0,0	-1,2	-1,2
Revaluation of fiber assets, net of tax	0,0	-61,1	0,0	-61,1
Revaluation of financial assets, net of tax	0,0	-3,0	0,0	-3,0
<b>Total change in equity for the period</b>	<b>0,0</b>	<b>-64,1</b>	<b>0,6</b>	<b>-63,5</b>
<b>2023-03-31</b>	<b>0,5</b>	<b>3 103,0</b>	<b>-2 552,8</b>	<b>550,7</b>

## Open Infra AB (publ) 2023-Q1 Report

### Parent company income statement

Open Infra AB	2022	2021
	Jan - Mar	Jan - Mar
Net sales	0,0	0,0
Other Revenue	0,0	0,0
<b>Total Revenue</b>	<b>0,0</b>	<b>0,0</b>
Cost of goods sold	0,0	0,0
Operational expenditure	-0,1	-0,2
Personnel	0,0	0,0
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>-0,1</b>	<b>-0,2</b>
Depreciation and amortization	0,0	0,0
<b>Operating profit</b>	<b>-0,1</b>	<b>-0,2</b>
Net financial cost	-53,2	-24,2
<b>Earnings before tax</b>	<b>-53,3</b>	<b>-24,4</b>
Appropriations	0,0	0,0
Tax	0,0	0,0
<b>Result for the period</b>	<b>-53,3</b>	<b>-24,4</b>

Parent company balance sheet

<b>Open Infra AB</b>	<b>2023</b>	<b>2021</b>
	<b>31 Mar</b>	<b>31 Dec</b>
Tangible assets	0,0	0,0
Financial assets	4 040,3	3 839,3
Intangible assets	0,0	0,0
<b>Total fixed assets</b>	<b>4 040,3</b>	<b>3 839,3</b>
Account receivable	14,6	0,0
Intra group receivables	886,3	1 901,5
Other short term receivables	0,0	0,0
Prepaid expenses and accrued income	29,2	41,7
Cash and equivalents	279,4	276,4
<b>Total current assets</b>	<b>1 209,5</b>	<b>2 219,6</b>
<b>Total assets</b>	<b>5 249,8</b>	<b>6 058,9</b>
<b>Total shareholders equity attributable to the parent company's shareholders</b>	<b>917,4</b>	<b>945,7</b>
Long term interest bearing liabilities	2 294,4	1 900,0
Deferred tax liabilities	0,0	0,0
Leasing long term debt	0,0	0,0
Intra group liabilities	2 026,7	3 212,7
<b>Total long term liabilities</b>	<b>4 321,0</b>	<b>5 112,7</b>
Leasing short term debt	0,0	0,0
Accounts payable	0,0	0,2
Current tax liabilities	0,0	0,0
Other liabilities	0,0	0,0
Accrued expenses and prepaid income	11,4	0,4
<b>Total short term liabilities</b>	<b>11,4</b>	<b>0,5</b>
<b>Total equity and liabilities</b>	<b>5 249,8</b>	<b>6 058,9</b>

## Parent company cash flow statement

Open Infra AB	2022		2021
	Jan - Mar	Jan - Mar	Jan - Mar
EBITDA	-0,1	-0,2	-0,2
Adjustment for non cash items	-0,5	0,4	0,4
Interest paid	-30,2	-24,5	-24,5
Tax paid	0,0	0,0	0,0
<b>Cashflow from operating activities</b>	<b>-30,8</b>	<b>-24,3</b>	<b>-24,3</b>
Change in accounts receivable	0,0	0,0	0,0
Change in other current receivables	-3,1	0,0	0,0
Change in accounts payable	0,0	0,2	0,2
Change in other current liabilities	-11,0	0,0	0,0
<b>Changes in working capital</b>	<b>-14,1</b>	<b>0,1</b>	<b>0,1</b>
<b>Cashflow from operating activities</b>	<b>-44,9</b>	<b>-24,2</b>	<b>-24,2</b>
Investments in fiber assets	0,0	0,0	0,0
Investments in other tangible and intangible assets	0,0	0,0	0,0
Investments in other financial assets	-22,3	0,0	0,0
<b>Cashflow from investing activities</b>	<b>-22,3</b>	<b>0,0</b>	<b>0,0</b>
Net change interest bearing debt	394,4	0,0	0,0
Net change intra group debt	-152,0	-64,8	-64,8
Permitted repayment vendor loan note	-22,0	0,0	0,0
<b>Cashflow from financing activities</b>	<b>220,4</b>	<b>-64,8</b>	<b>-64,8</b>
<b>Cashflow for the period</b>	<b>153,2</b>	<b>-89,0</b>	<b>-89,0</b>
Whereof released from escrow	-17,6	-64,8	-64,8
Opening cash and equivalents	126,2	365,4	365,4
<b>Closing cash and equivalents</b>	<b>279,4</b>	<b>276,4</b>	<b>276,4</b>

## Parent company change in equity

Equity attributable to the parent company's shareholders				
	Share capital	Reserves	Accumulated profit including result for the period	Total equity
<b>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
Other contributed capital	0,0	0,0	0,0	0,0
<b>Total change in equity for the period</b>	<b>0,0</b>	<b>0,0</b>	<b>-24,3</b>	<b>-24,3</b>
<b>2022-03-31</b>	<b>0,5</b>	<b>0,0</b>	<b>945,2</b>	<b>945,7</b>
<b>2023-01-01</b>	<b>0,5</b>	<b>0,0</b>	<b>970,2</b>	<b>970,7</b>
Result for the period	0,0	0,0	-53,3	-53,3
Other contributed capital	0,0	0,0	0,0	0,0
<b>Total change in equity for the period</b>	<b>0,0</b>	<b>0,0</b>	<b>-53,3</b>	<b>-53,3</b>
<b>2023-03-31</b>	<b>0,5</b>	<b>0,0</b>	<b>916,9</b>	<b>917,4</b>

## Definition of key figures

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

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<b>Key figures</b>	<b>2023</b>
	<b>Jan - Mar</b>
<b>Net sales</b>	<b>75,3</b>
<b>EBITDA</b>	<b>62,4</b>
Depreciation	-15,0
<b>Operating profit</b>	<b>47,5</b>
Network revenue, last twelve months	275,0
Operational fee, proforma	-34,8
Other costs, last twelve months	-1,7
Adjustment HC owned less than 12 months	10,8
<b>Adjusted network EBITDA</b>	<b>249,2</b>
Network revenue, run rate EOP	297,2
Operational fee, run rate EOP	-34,8
Other costs, last twelve months	-1,7
<b>Network EBITDA run rate</b>	<b>260,6</b>
Debt	2 294,4
Cash	-1 061,9
Less cash eligible for release from Escrow	72,9
Less cash attributable to campaign amounts	24,5
Less cash attributable to PTS subsidy	749,5
<b>Net debt</b>	<b>2 079,4</b>
Net finance charges	48,4
Interest on intra group debt (PIK)	-13,9
IFRS 16 financial cost	-0,3
Accrued financial costs (up front financing fee)	-4,0
Adjustment proforma	90,5
<b>Adjusted net finance charges</b>	<b>120,6</b>
Net debt	2 079,4
Adjusted network EBITDA	249,2
<b>Net debt / EBITDA</b>	<b>8,34x</b>
Adjusted network EBITDA	249,2
Adjusted net finance charges	120,6
<b>Interest coverage ratio</b>	<b>2,07x</b>
Net debt	2 079,4
Fair value measurement of fiber assets	5 350,0
<b>Loan to value</b>	<b>39%</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.

2023-01-01 - 2023-03-31	Installation	Network	Intra group	Total
Net sales	0,6	74,7	0,0	75,3
Other revenue	0,0	0,0	0,0	0,0
<b>Total revenue</b>	<b>0,6</b>	<b>74,7</b>	<b>0,0</b>	<b>75,3</b>
Cost of goods sold	0,0	-12,8	0,0	-12,8
Other operational expenditure	0,0	0,0	0,0	0,0
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>0,6</b>	<b>61,8</b>	<b>0,0</b>	<b>62,4</b>
Depreciation and amortization	-15,0	0,0	0,0	-15,0
<b>Operating profit</b>	<b>-14,4</b>	<b>61,8</b>	<b>0,0</b>	<b>47,5</b>
Net financial cost	-48,4	0,0	0,0	-48,4
<b>Earnings before tax</b>	<b>-62,8</b>	<b>61,8</b>	<b>0,0</b>	<b>-0,9</b>

2022-01-01 - 2022-03-31	Installation	Network	Intra group	Total
Net sales	27,4	64,0	0,0	91,4
Other revenue	0,6	0,0	0,0	0,6
<b>Total revenue</b>	<b>28,0</b>	<b>64,0</b>	<b>0,0</b>	<b>92,0</b>
Cost of goods sold	-0,7	-8,9	0,0	-9,6
Other operational expenditure	-1,6	-0,1	0,0	-1,7
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>25,7</b>	<b>55,0</b>	<b>0,0</b>	<b>80,7</b>
Depreciation and amortization	-11,4	0,0	0,0	-11,4
<b>Operating profit</b>	<b>14,3</b>	<b>55,0</b>	<b>0,0</b>	<b>69,3</b>
Net financial cost	-24,5	0,0	0,0	-24,5
<b>Earnings before tax</b>	<b>-10,2</b>	<b>55,0</b>	<b>0,0</b>	<b>44,8</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

Adjustments	2023	2022
	Jan - Mar	Jan - Mar
Net sales	-1,2	-27,2
Other Revenue	0,0	-0,6
<b>Total Revenue</b>	<b>-1,2</b>	<b>-27,8</b>
Cost of goods sold	4,2	1,8
Operational expenditure	-0,2	1,6
Personnel	0,0	0,0
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>2,8</b>	<b>-24,3</b>

Proforma	2023	2022
	Jan - Mar	Jan - Mar
Net sales	74,1	64,2
Other Revenue	0,0	0,0
<b>Total Revenue</b>	<b>74,1</b>	<b>64,2</b>
Cost of goods sold	-8,6	-7,8
Operational expenditure	-0,2	-0,1
Personnel	0,0	0,0
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>65,2</b>	<b>56,4</b>

### Note 5 Net financial costs

	2023	2022
	Jan - Mar	Jan - Mar
Financial revenue	5,6	0,0
Interest for issued bond	-35,3	-20,6
Interest for other external interest bearing debt	-0,5	-0,5
IFRS 16 financial cost	-0,3	-0,3
Interest on intra group debt (PIK)	-13,9	0,0
Accrued financial costs (up front financing fee)	-4,0	-3,1
<b>Net financial cost</b>	<b>-48,4</b>	<b>-24,5</b>

## Note 6 Tangible assets

	Fiber network	Machines and equipment	Total fiber assets
<b>2023-01-01</b>			
Acquisition value or fair value	5 519,3	44,2	5 563,5
Acquisitions for the period	0,0	0,0	0,0
Sale and disposals	0,0	0,0	0,0
Revaluation	-61,1	0,0	-61,1
<b>Total acquisition value</b>	<b>5 458,2</b>	<b>44,2</b>	<b>5 502,4</b>
Opening balance accumulated depreciation	-115,5	-22,4	-137,9
Depreciation for the period	-11,5	-3,0	-14,5
Book value accumulated depreciation	-127,0	-25,4	-152,4
<b>Book value 2023-03-31</b>	<b>5 331,3</b>	<b>18,7</b>	<b>5 350,0</b>

	Fiber network	Machines and equipment	Total fiber assets
<b>2022-01-01</b>			
Acquisition value or fair value	5 100,7	40,8	5 141,5
Acquisitions for the period	33,4	0,0	33,4
Sale and disposals	0,0	0,0	0,0
Revaluation	36,9	0,0	36,9
<b>Total acquisition value</b>	<b>5 171,0</b>	<b>40,8</b>	<b>5 211,8</b>
Opening balance accumulated depreciation	-71,9	-4,2	-76,1
Depreciation for the period	-10,4	-1,1	-11,5
Book value accumulated depreciation	-82,3	-5,3	-87,6
<b>Book value 2022-03-31</b>	<b>5 088,7</b>	<b>35,5</b>	<b>5 124,2</b>

### Fair value measurement

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

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

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

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

The estimated factors affect the fair value as follows:

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

## Note 7 Intra group loans

	2023-03-31	2022-03-31
<b>Receivables</b>		
Open Infra Midco AB (PTA Loans)	55,8	0,0
Open Infra Topco AB	0,0	969,5
Open Infra Group AB	0,0	0,0
Other developing companies	24,4	2,1
<b>Total</b>	<b>80,2</b>	<b>971,6</b>
<b>Liabilities</b>		
Open Infra Topco AB	971,1	0,0
Open Infra Group AB	846,5	2 939,0
Open Infra Midco AB	198,4	0,0
Other developing companies	0,0	0,0
<b>Total</b>	<b>2 016,0</b>	<b>2 939,0</b>
<i>Whereof repayable vendor loan note</i>	<i>824,3</i>	<i>1 000,0</i>

## Note 8 Cash and equivalents

	2023-03-31	2022-03-31
Cash and equivalents	34,2	12,4
Escrow cash amount	278,2	361,0
Cash related to subsidies from Post and Telecommunication Authority (PTS)	749,5	897,4
<b>Total</b>	<b>1 061,9</b>	<b>1 270,8</b>

# Open Infra AB (publ) 2023-Q1 Report

## Board declaration

The Chief Executive Officer and the Members of the Board hereby assure that the interim financial report for the first quarter of 2023 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 April 20<sup>th</sup>, 2022.

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CEO  
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Stockholm, April 20<sup>th</sup>, 2023

**Gunnar Brundin**  
Chairman

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

**Sverker Bonde**  
Member of the Board

**Fredrik Karlsson**  
Member of the Board