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US Assets AB

Bond Investor Presentation

February 2024

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"Limited only by the speed of light"

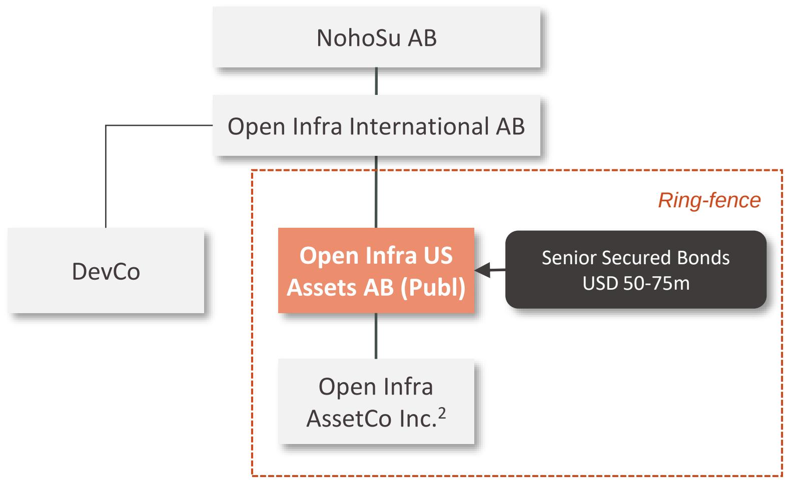
Background and transaction overview

Open Infra US is a pure infrastructure asset holding company

Transaction overview

- Open Infra US Assets AB (the “**Issuer**” together with its subsidiary, “**Open Infra US**” or the “**Company**”) is contemplating the issuance of senior secured bonds (the ”**Bonds**”) with an expected amount of USD 50-75m under the framework of USD 150m with a tenor of 3 years from issuance
- The Net Proceeds shall be used to (i) finance acquisitions of fiber assets, (ii) refinance existing intra-group debt, (iii) general corporate purposes and (iv) finance transaction costs[1]
- The purpose with the structure is to separate the development of new fiber connections from the operations of the existing fiber assets. Through this structure, Open Infra US is a pure fiber infrastructure asset holding company having no development risk, low to none maintenance with stable and predictable revenues and cash flows
- New active connections are acquired from DevCo to Open Infra US Assets AB at purchase price equivalent to the actual cost of connecting a new household in DevCo, however, not more than USD 4,000 per active connection
- The Bonds will be secured by way of share pledge in Open Infra AssetCo Inc.[2], Material Intra-Group Loans, Shareholder Loans, Vendor Loans and the Overfunding Account (the “**Security Package**”)
- The group structure is identical to the SEK-denominated outstanding bond in the affiliated company Open Infra AB (Publ)

Simplified group overview



Key metrics

Fiber assets	Run-rate EBITDA	Loan-to-value	Leverage	Homes active
67.6 (USDm)	4.9 (USDm)	54%	7.4x	9,151

Sources & Uses

Sources	USDm
Bond	50.0
Total	**50.0**

Uses	USDm
Acquisition of fiber networks	[24.4]
Repayment of group debt	[11.8]
Transaction costs	[1.5]
Overfunding account	[12.3]
Total	**50.0**

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Note:1) Full definitions included in Terms & Conditions; 2) Open Infra East Inc. under change of name to Open Infra AssetCo Inc.

Key indicative terms[1]

Issuer	Open Infra US Assets AB (publ)
Status	Senior Secured Bond
Security	Pledge over all shares in Open Infra East Inc.[2], Material Intra-Group Loans, Shareholder Loans, Vendor Loans and the Overfunding Account
Amount / Framework	USD exp. [50-75]m under a framework amount of USD 150m
Denomination	USD 200,000
Use of proceeds	The Net Proceeds shall be used to (i) finance acquisitions of fiber assets, (ii) refinance existing intra-group debt, (iii) general corporate purposes and (iv) finance transaction costs
First issue date	[•] February 2024
Final redemption date	[•] February 2027
Coupon	Fixed coupon. Coupon frequency S/A
Issue price	100% of par amount
Maintenance covenants	• Net debt / EBITDA < 8.00x until and including 28 Feb '25, < 7.00x until and including 28 Feb '26, < 6.00x thereafter • ICR > 1.25 until and including 28 Feb '25, > 1.50x until and including 28 Feb '26, > 1.75x thereafter
Incurrence covenants	• Net debt / EBITDA < 6.50x until and including 28 Feb '25, < 5.50x until and including 28 Feb '26, < 4.50x thereafter • ICR > 1.50x until and including 28 Feb '25, > 1.75x until and including 28 Feb '26, > 2.00x thereafter
Other undertakings	• Covenants to be calculated on Run-rate EBITDA, adjusted for amongst others: (i) number of active users to be based on the last day of the relevant Reference Period, and (ii) revenue and operating cost levels to be based on each user for the last calendar month multiplied by twelve • Monthly purchase of deployed HC for a fixed acquisition price of actual cost but not grater than USD 4,000 per active household. Payable in cash, otherwise accumulates as subordinated vendor loans/subordinated shareholder loans • Negative pledge (subject to hedging), cross acceleration USD 5m • Permitted debt: General basket USD 5m
CSD	Euronext Securities Oslo / VPS
Agent	Nordic Trustee & Agency AB (publ)
Paying agent	Nordic Trustee Services AS
Listing	Nasdaq Stockholm within 12 months
Sole manager	DNB Markets

Note: 1) Indicative terms based on draft full Terms & Conditions, including definitions. For full terms please see the draft Terms & Conditions. 2) Open Infra East Inc. under change of name to Open Infra AssetCo Inc.

The digital society relies on fiber-based internet as a utility-like service

- Increased demand for bandwidth and internet in general, as society becomes more connected and data consumption increases in a fast pace
- Covid-19 and the remote work trend has proven the critical importance of strong connectivity infrastructure

High barriers to entry due to first-mover advantage

- Open Infra US's established presence creates core infrastructure characteristics with a natural monopoly and limits overbuild due to unattractive economics for competitors to enter the same geographical area
- Open Infra US has a cost-efficient role out process that competitors cannot match in rural areas

Fiber infrastructure market with high demand driven by growth from policy initiatives[1]

- Fiber is considered an important infrastructure when providing sufficient internet access across the US
- Market tailwinds for fiber proven by investments by the government into fiber roll-out. The Biden-Harris administration has announced grants of USD 930m to expand rural internet access, while >USD 60bn[2] has been announced in grants from funds and programs in total, underpinning fiber as the favoured technology

Robust financial profile with predictable and stable cash flows

- Predetermined cost base and sticky customer base due to lack of other sufficient alternatives of internet sources lead to recurring revenue streams enabling predictability in cash flows
- New connections are acquired at cost with substantial equity cushion

Strong and proven track-record from Sweden

- Open Infra has a proven concept and a successful track-record from Sweden, which the Company leverages in their roll-out in the US
- Open Infra US has strategically chosen to enter the Texas and Florida markets as the proven track record of rural areas in Sweden is a perfect fit for rural areas in these states - the strategy in the US is a replica of the successful build-out and operating AssetCo in Sweden

Note: 1) Open Infra US has not applied for any grants; 2) Including grants from the Broadband Equity, Access & Deployment Program, the Connect America Fund and the Rural, Digital Opportunity Fund

Introduction to today's presenters

Erik Stiernstedt
CEO Open Infra US Assets AB

Erik Rothman
CFO Open Infra US Assets AB

Carl Åhslund
Head of US Operations

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"Limited only by the speed of light"

"Open Infra US is a pure fiber infrastructure asset holding company, *with no development risk, low to none maintenance, with stable and predictable revenues and cash flows"*

Overview of Open Infra US

Leading fiber infrastructure provider with 11,104 homes connected

Key figures and geographic footprint

2021
Open Infra established in USA

11,104
Homes Connected ("HCs")

~25,000
Homes Passed ("HPs")

Texas & Florida
Network in two states

~146,000
HCs in pipeline until 2027

USD 56[1]
Current ARPU

USD 99
New contract sales

100%
Single dwelling units / Fiber-to-the-home (FTTH)

USD 4.9m[1]
Run-rate Network EBITDA

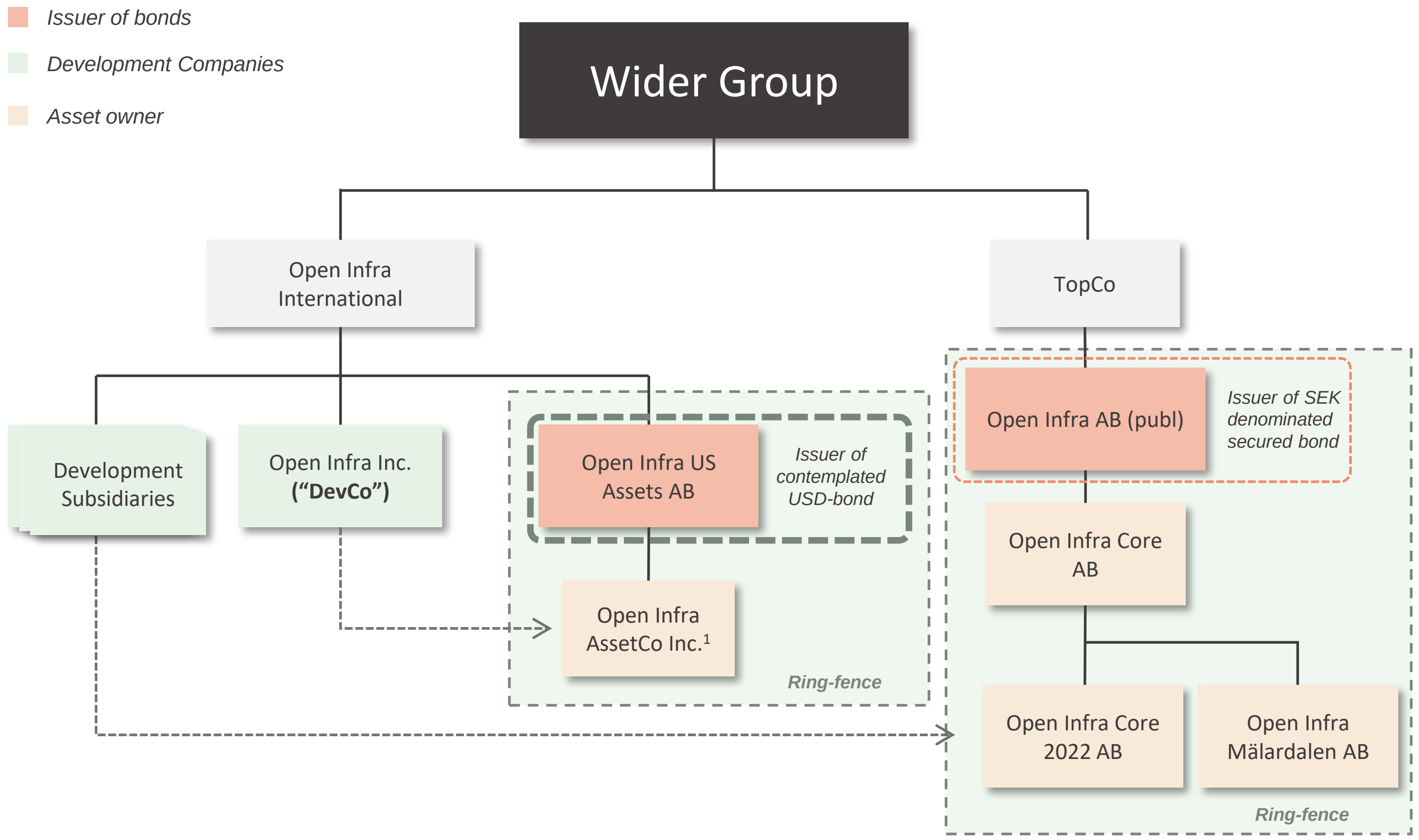
Business overview

- Open Infra US owns fiber networks serving single-dwelling units (SDUs) providing last mile connection between households and the regional and national fiber network (fiber-to-the-home, "FTTH")
- Via the fiber network, Open Infra US provides access to internet service providers ("ISPs") who in turn provide internet access and other IP services to end-customers
- Well-invested asset base with a total of ~900 km fiber network able to handle a capacity of up to 10 Gbit/s
- Long life-time of components having a theoretical lifetime of up to 40 years (and potentially longer)
- Low credit risk on ISPs and end-customers being homeowners with limited access to other reliable fiber options
- Current penetration level of ca. 46% expected to increase in line with other peers in mature markets once networks mature through growth in homes connected
- ARPU has increased from USD 34 in 2021 to USD 56 in January 2024, and is expected to increase further as a result of higher prices on new sales, discretionary price increases, and a shift towards rural areas where ARPU is higher

Note: 1) As of 31 January 2024

Group structure and function of the different entities

Structure overview



- Open Infra US Assets AB is a holding company within the Wider Group, which owns passive fiber infrastructure in the US
- The structure is a replica of the group’s Swedish structure where Open Infra AB (publ) is the issuer of the senior secured notes which eliminates all development risk in the issuing entity
- New active connections are acquired from Open Infra Inc. (“DevCo”) to Open Infra US Assets AB (AssetCo) at a purchase price equivalent to the actual cost of connecting a new household in DevCo, however, not greater than USD 4,000 per connection
- The Company pays a monthly fee to DevCo which is predetermined over the tenor of the bond and covers all Opex and maintenance Capex in Open Infra US Assets AB. The cost ratchet is as follows:
    - < 15,000 active households = USD 11
    - < 25,000 active households = USD 8
    - > 25,000 active households = USD 6
- The cost decreases due to significant economies of scale when connecting new households
- Any external costs, fees or expenses will be covered by DevCo. For the avoidance of doubt, if Open Infra US Assets AB (AssetCo) becomes subject to any fines or similar costs from regulatory bodies, these will be passed on to DevCo

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Note 1) Open Infra East Inc. under change of name to Open Infra AssetCo Inc.

Group structure ensures a stability for Open Infra US

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

Wider Group

DevCo

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

Activity
Plan and develop the fiber offering by managing third party contractors that are performing the construction work, including further penetrate existing networks owned by Open Infra US Assets AB and its subsidiary

Client
Private homeowners and property managers

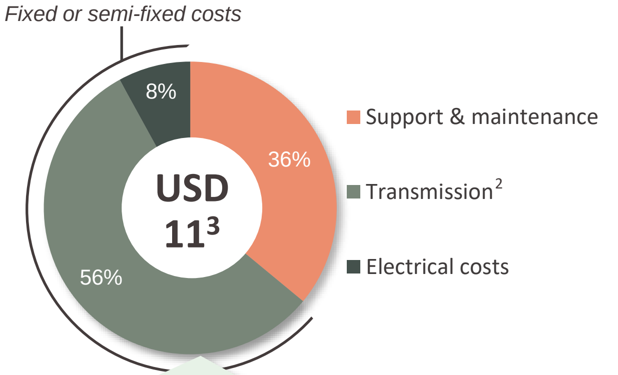
Main risks
Cost of deployment

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

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

Operational agreement

Maintenance services are charged at a cost equivalent of actual cost, but not more than USD 11 / HC per month[1]



The cost is expected to decrease over time (in the long run) as the number of HCs increases, given economies of scale especially relating to transmission costs which are highly scalable

Open Infra US Assets AB

Issuer of Senior Secured bonds

Purpose
Owning existing connections

Activity
Lease capacity in owned and connected networks to ISPs

Client
ISPs – leasing the capacity. Open Infra US receives a monthly recurring revenue from its ISP-clients[4]

Main risks
Regulation and alternative transmission media

Open Infra US maintains all contacts with ISPs, which in turn handles contacts with end customers/HC. Open Infra US receives a monthly recurring revenue from ISPs[4]. All maintenance costs and support will be outsourced to Development companies and charged as a fixed fee per HC (USD 11/month) to Open Infra US

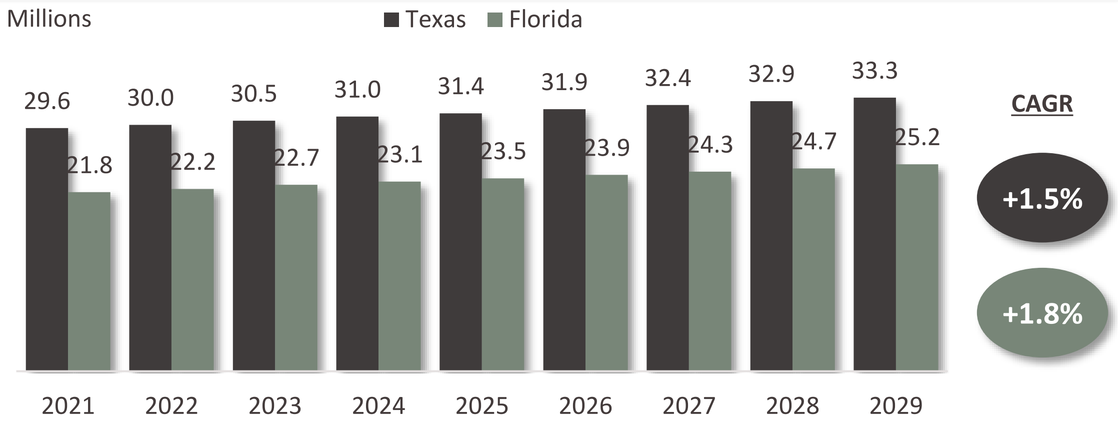
High revenue visibility with no exposure to variable costs resulting in strong risk mitigation

Note: 1) Based on cost coverage with no margin governed by an agreement between Development companies and Open Infra for a 5-year period and with an option to extend for an additional 3 years; 2) Transmission costs paid to owners of national, regional and connection networks; 3) The cost is expected to decrease over time as the number of HCs increases given economies of scale; 4) During the campaign period the ISP invoices the end-customer on behalf of Open Infra US Assets AB

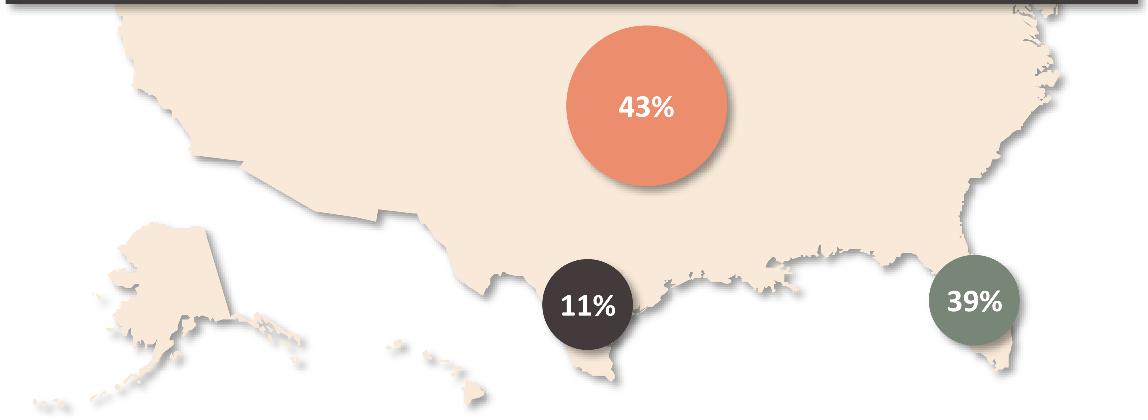
USA is a highly attractive market for fiber roll-out

Open Infra US is targeting growing states with an increasing need of high-speed internet infrastructure going forward

Growing populations in targeted states…



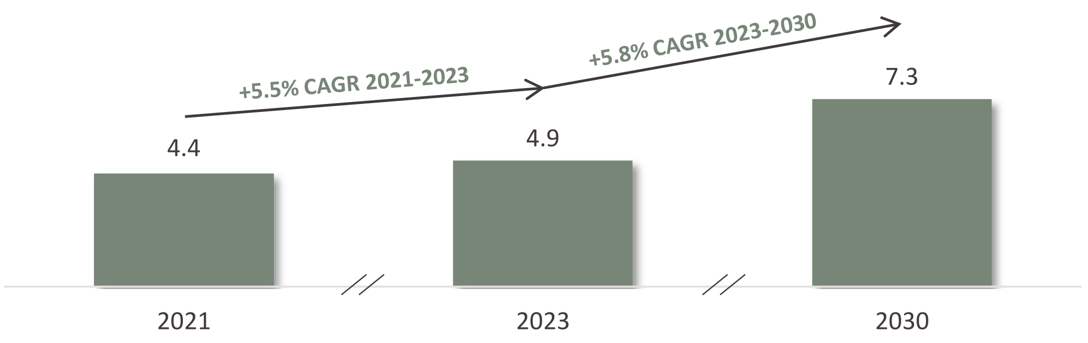
…with low current fiber coverage[1]…



…and governmental supports for fiber roll-out…

- ***USD 930m provided by the Biden-Harris administration to expand internet infrastructure***
- ***>USD 40bn provided by the Broadband, Equity, Access & Deployment Program to expand internet infrastructure***
- ***>USD 20bn allocated by the Connect America Fund and the Rural Digital Opportunity Fund to expand broadband access***

…leads to a significantly growing fiber market (USDbn)[2]



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Note: 1) Referring to homes passed; 2) North American fiber market

Tangible and considerate roll-out strategy…

Four fundamental criteria to successfully target untapped market potential

1. Rural areas

- The American market is dominated by a few larger players which are focused on securing a strong position in the urban areas
- To avoid substantial competition, **Open Infra US focuses on rural areas** where there are no fiber connections already and longer distances between the houses
- Rural areas are usually deemed unattractive by competitors, **but are Open Infra's expertise, as these have been the main focus for the Company and the wider group in all its geographies**

2. Lack of existing internet connection

- **Target areas where the existing connection** (such as wireless or cable etc.) is limited or poor, which increases the demand for fiber
- Aligns with the strategy of targeting rural areas, as these areas often suffer from a lack of internet connection
- 13%[2] of the US population does not have access to internet and only 43%[3] of households are passed by all-fiber networks, **there is an extensive untapped market for Open Infra US to target**

3. Economic strength and population growth

- Open Infra US thoroughly analyses and targets areas with an **economic strength to limit the possibility of households churning in the future once connected**
- Areas with a **growing population is targeted**, leading to an organic growth in the existing fiber networks as the community and the potential customer base grow

4. Limited time to connect new households

- Unlike many competitors that focus on landgrabs in urban areas, **Open Infra US sell the fiber first before drilling**, in order to be able to connect the customers as rapidly as possible (many competitors drill the fiber first without knowing how many customers are interested in the fiber offering, in order to secure an area, and sell the connection to the households afterwards)
- **This strategy limits the economic risk for Open Infra US** as new connections will become paying customers within a relatively limited time[1]

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Note: 1) Open Infra US Assets AB only acquires paying customers; 2) Forbes; 3) Fierce telecom

…proven by strong track-record in Sweden

Open Infra US's locations, operations, strategy and structure is a replica of Open Infra's successful Swedish branch

MARKET FACTORS		SWEDEN	USA
Open access networks	Arrangement in which the network is open to independent service providers (ISPs) to offer services to the end customer, and leases the transition from the fiber asset owner	✓	✓
Poor alternatives in rural areas	As USA is a geographically large county, connecting the sparsely populated areas has been costly and not prioritised. Therefore, many Americans have poor or no access to internet / broadband services. Historically, this was the same in Sweden	✓	✓
Large investments in fiber	Government grants have been a driver for the outbuild and has contributed to new connected homes, and has also shed a light on fiber as the premier source compared to other techniques	✓	✓
Main focus on SDUs	Open Infra focuses on the FTTH (fiber-to-the-home) or SDU market as the competition is lower and the willingness to pay / potential ARPU is higher	✓	✓
Immature fiber market	While the fiber market in Sweden is at a mature rate, the fiber build-out in USA is limited and lags most other Western countries	✗	✓
Speed / capacity	In the USA, the fiber companies can sell much higher speeds to its customers and therefore operate with higher ARPU compared to other markets (for example Sweden or Germany) where the customers generally demand lower speeds and the willingness to pay is lower	✗	✓

Why USA?

- Favourable country to conduct business in (permits, tax, legal considerations)
- Economically developed, with high market prices on internet services compared to other countries
- Untapped market with large potential

While many underlying features are alike in Sweden vs. USA, the market potential is extensive in the US, as many households lack reliable internet sources

For reference, in Sweden **80.5%** of all households and business had access to 1Gbt speed in rural areas in 2022[1)], while ca. **43%** of the households in the US were passed with fiber in 2022[2)], in both rural and urban areas. Out of all fixed broadband technologies, only 20% is fiber connections.[3] This creates opportunities to fiber developers and fiber asset owners

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Note: 1) Post- och Telestyrelsen 2) Fierce Telecom; 3) Broadband portal, OECD

Open Infra establishment in the US

Strong relationships with partners and local communities has enabled a smooth establishment and positive reactions

Considerations / stakeholders important in the build-up and day-to-day

Right-of-way

In USA 30 ft on each side of the road is reserved for infrastructure (such as VA, electricity, broadband cables etc.) and after approval from local authorities Open Infra is granted "right-of-way" in specific geographical areas

Open Infra has no land lord agreements with private individuals

Insurance

Open Infra US has property insurance and general liability insurance. The liability insurance provides financial protection against claims for damages resulting from personal injury or property damage as a result of operations/services performed by Open Infra

Open Infra is well protected through sufficient insurance

Transmission

Open Infra US cooperates with larger players with established regional fiber networks and buys transmission from partners before reaching its own access network (please see page 23)

The two most important transmission partners are Windstream and Zayo

Tech platform

The technical equipment (switches, nodes, fiber boxes etc.) are bought from Nokia and the optic cable is bought from Ahlsell. Ahlsell is an important partner to the whole Open Infra group, with seamless cooperation and tailor-made set-up to serve Open Infra US

NOKIA ahlsell

Strong focus and presence in the local communities

Open Infra US is well established in the rural communities where present, with positive reactions among FTTH clients and other stakeholders

(Articles from Fierce Telecom and Denton Record Chronicle)

Connecting rural communities!

Open Infra has a strong footprint in local communities, and has been met by positive response in both Texas and Florida

Many of these geographical areas have poor alternatives and receiving high speed internet has a positive impact on people's personal and professional lives

Standardized process enable rapid fiber asset growth

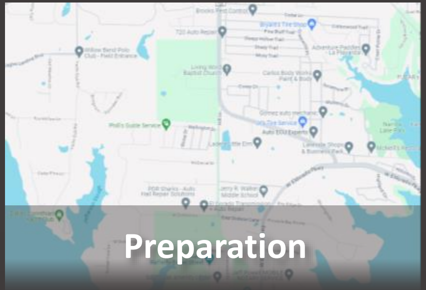
Swift and cost-effective process from start to deployed fiber that can be divested from DevCo to AssetCo

Analysis

- The process begins with surveys and analysis to identify attractive areas
- FCC National Broadband map is used to locate existing networks and identify competitors
- Demographic analysis and geological surveys are conducted
- Analysis on current and planned infrastructure to leverage on that
- Analysis on the distances between targeted houses is performed

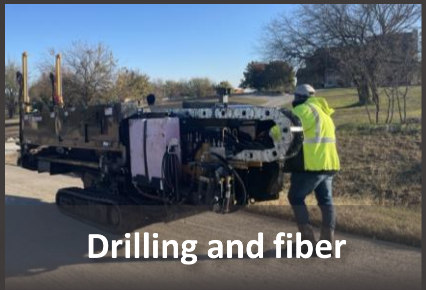
Sales

- After areas are chosen, Open Infra US starts selling
- Digital marketing and ads as well as community meetings and calls is used to reach customers
- On average, it takes 6-8 weeks from sale start to penetration target on each project / geographical area
- When the sales force has reached ca. 50% penetration, the next phases can be initiated



Preparation

- Preparation process involves detailed design of the fiber network, that is performed off-shore from Sweden with the same individuals that design the network in Open Infra's other geographies
- External transmission is acquired from Windstream and Zayo
- Drilling and deployment is planned and procured



Drilling and fiber

- Next phase includes drilling and installing the cabinets
- In the USA, the fiber is drilled instead of dug into the ground, which limits the impact on the surroundings
- The drilling is inspected to make sure it complies with requirements and standards
- Customer installation and fiber installation is performed
- The process is relatively short compared to Open Infra US's peers in order to minimize the financial risk during development and ensuring early cashflow generation

Deployments

- Deployment phase includes house jetting and fiber splice
- Installations are inspected to ensure Open Infra US complies with requirements and standards
- Sub-contractors invoices are handled
- Thereafter, the fiber is activated and network cash flows are collected

Once a new HC is deployed, it's divested from DevCo to Open Infra US (AssetCo) at cost and up to USD 4,000 / HC

April

June-July

August-November

September-December

December

To minimize the financial risk during the development process DevCo always sells and make sure to reach the opening target penetration rate before starting the drilling and deployment.
This strategy also ensures early cashflow generation for the AssetCo

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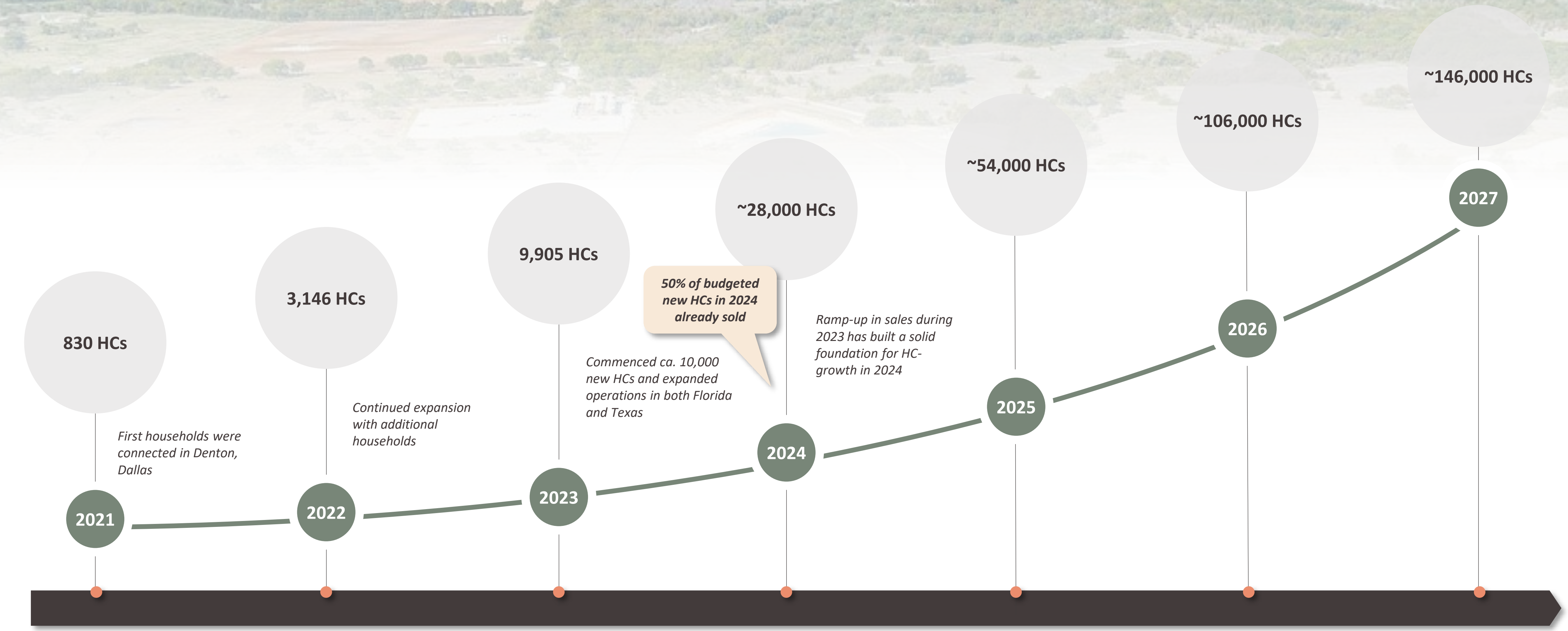
Strong pipeline to increase HCs going forward

The owners have invested almost SEK 600m into its growing American business



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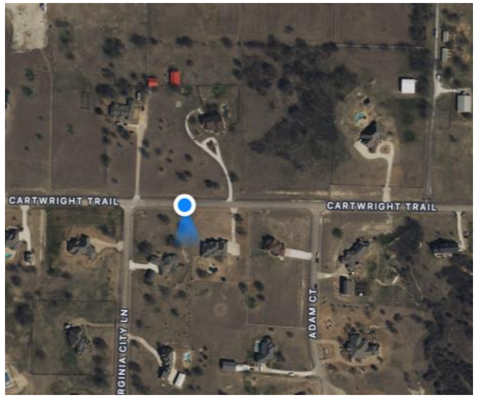
Note: Indicative Capex estimation for illustrative purposes

Case study – New campaign HC in Ponder, Texas

All new sales in rural areas has the same campaign structure and tenor as in Ponder

Overview of campaign set-up



2 years
Campaign period

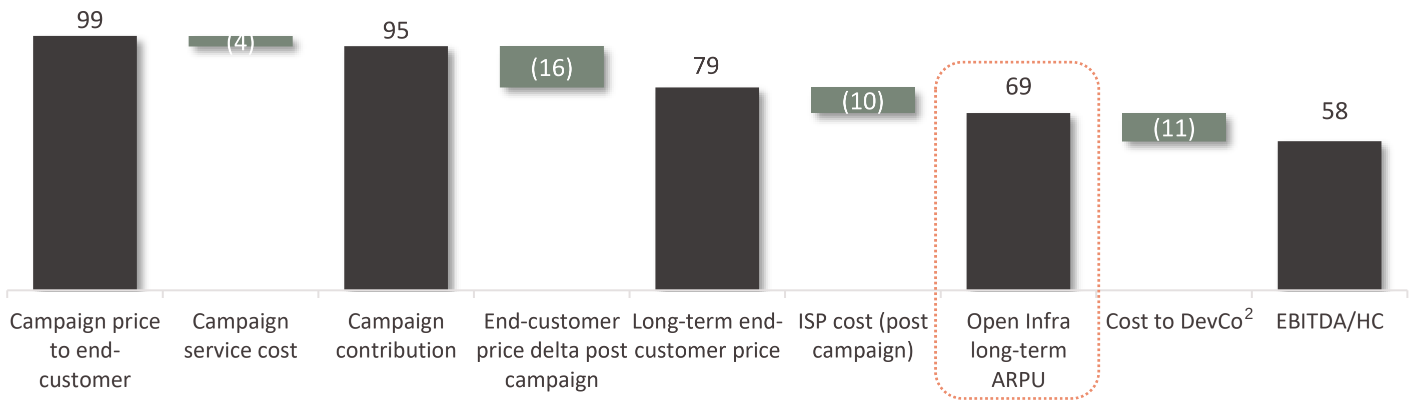
99 USD
Monthly cost

79 USD
Long term end-customer price (post the campaign period)

USD 3,000 - 4,000[1]
Capex for connecting (taken by DevCo)

USD 696
Annual long-term EBITDA

Illustrative campaign economics and rationale



- End-customers sign up for a campaign period of 24 months and pays USD 99 / month for a 2 Gbit/s connection
- After 24 months client typically resume the same speed as they had during the campaign period, but the price is reduced. As new HCs don't pay any upfront fee for the connection and installation, Open Infra can without complaints charge the higher price for the first two years
- During the campaign period the ISP receives USD 4 from Open Infra , which is enough to cover the ISP's costs. The ISP is break-even during this period, but has no acquisition cost for new HCs. After the campaign period, the ISP charges USD 10 (and therefore has a larger mark-up but has acquired this customer "for free")

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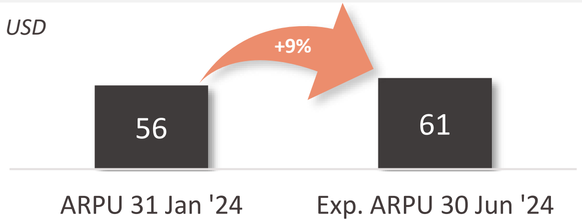
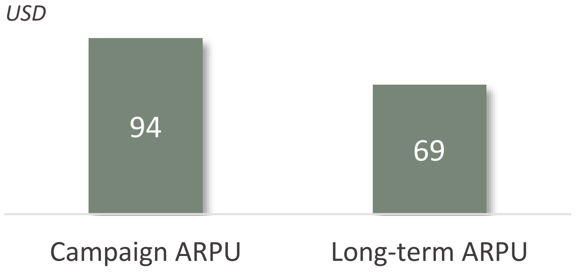
Note: 1) Capex varies on a project basis; 2) According to operational service agreement between AssetCo and DevCo the service cost will be reduced as active HCs increases

Financial metrics – Open Infra US Assets AB

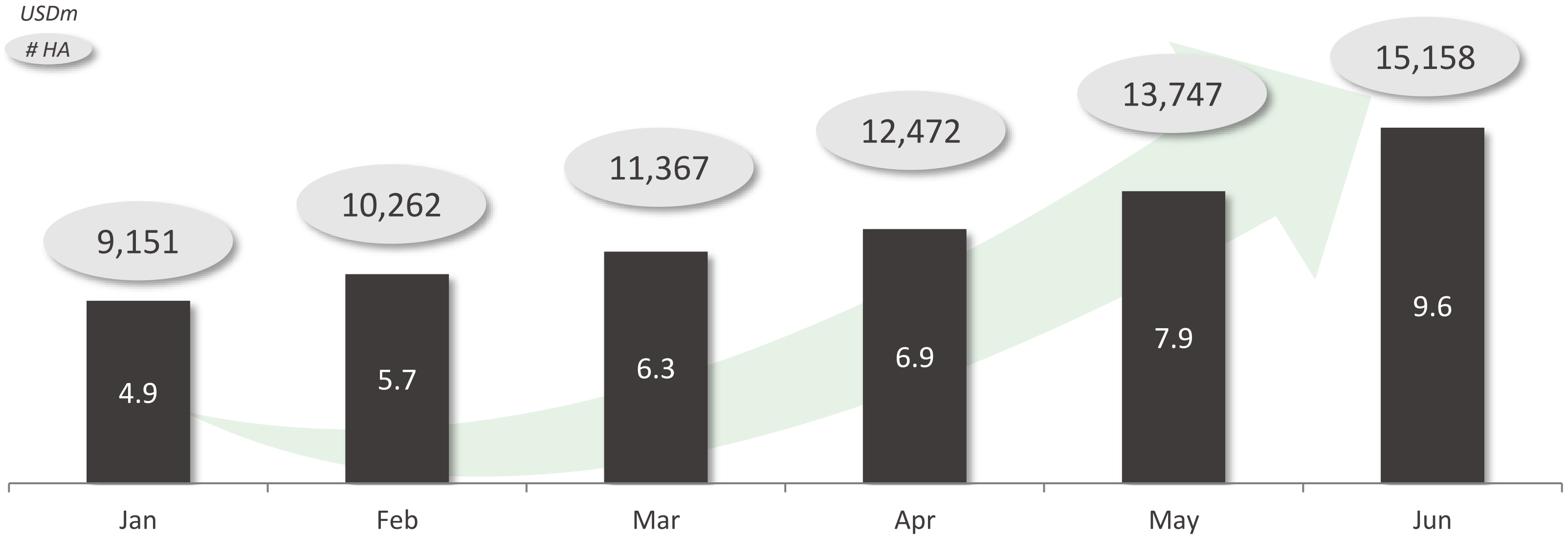


- Current ARPU is lower than USD 95 as the back-book of contracts were sold at lower prices when Open Infra established in the US
- All new contracts are sold at USD 99 (campaign contribution of USD 95), therefore the contribution from these contracts will have a big effect on the average revenue for Open Infra, as the pipeline of HCs coming online is substantial in the coming months and years



- The long-term ARPU on new contracts is higher than the current ARPU, which means that ARPU will stabilise over time at a high level

Indicative EBITDA bridge from 31 Jan to 30 Jun (run-rate)[1]



Debt **USD 36.6m**

Gross leverage **7.4x**

Deleveraging expected during H1 2024

Debt **USD 60.6m**

Gross leverage **6.3x**[2]

Due to the rapid dilution of lower priced back-book contracts through hefty growth added in active households near term, the deleveraging profile of Open Infra US Assets is tangible and strong

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Note: 1) Used for illustrative purposes 2) Assuming a purchase price from DevCo of USD 4,000 / new HC

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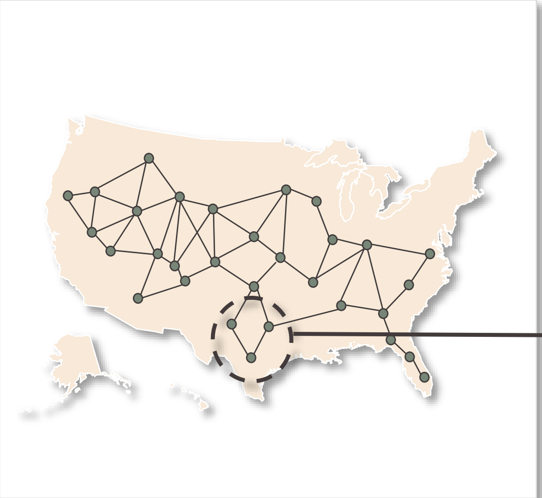
"Limited only by the speed of light"

Open Infra US provides "last mile" fiber connections

National network

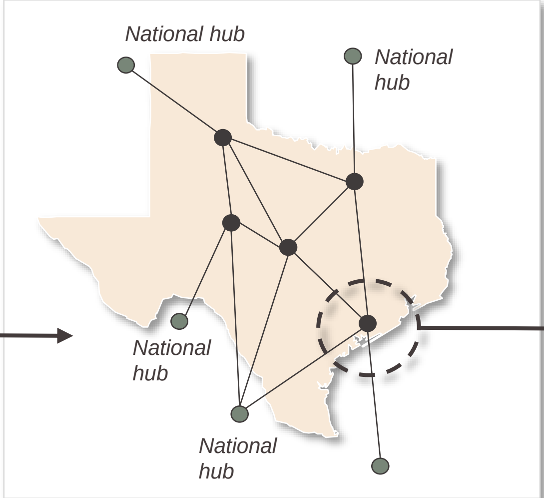


The national fiber network extends throughout USA and connects all states

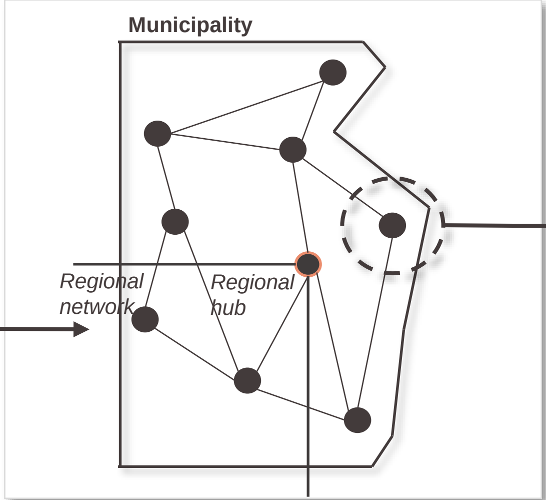
Selected operators

verizon, CenturyLink, AT&T, windstream, Frontier Communications, Spectrum, zayo

Regional / Connection network



The regional fiber network connects different cities in each region

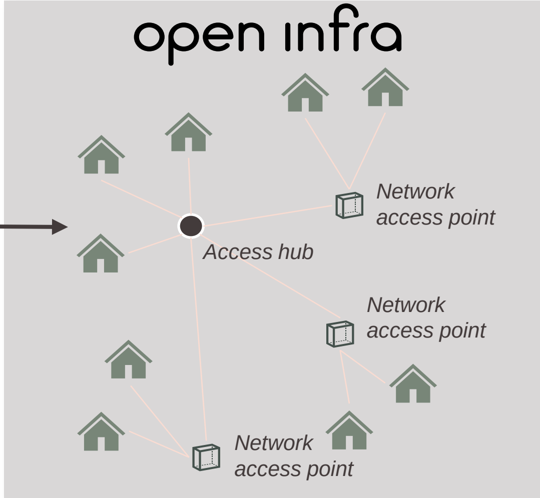


Local fiber networks interconnects the different areas in a city

Selected operators

FiberLight, Crown Castle, Google Fiber, VEXUS Fiber, Nextlink Internet & Phone

Access network



Connects households and companies to USA's fiber network

Selected operators

AT&T, CenturyLink, Google Fiber, verizon, open infra, VEXUS, Frontier Communications, Spectrum, Nextlink

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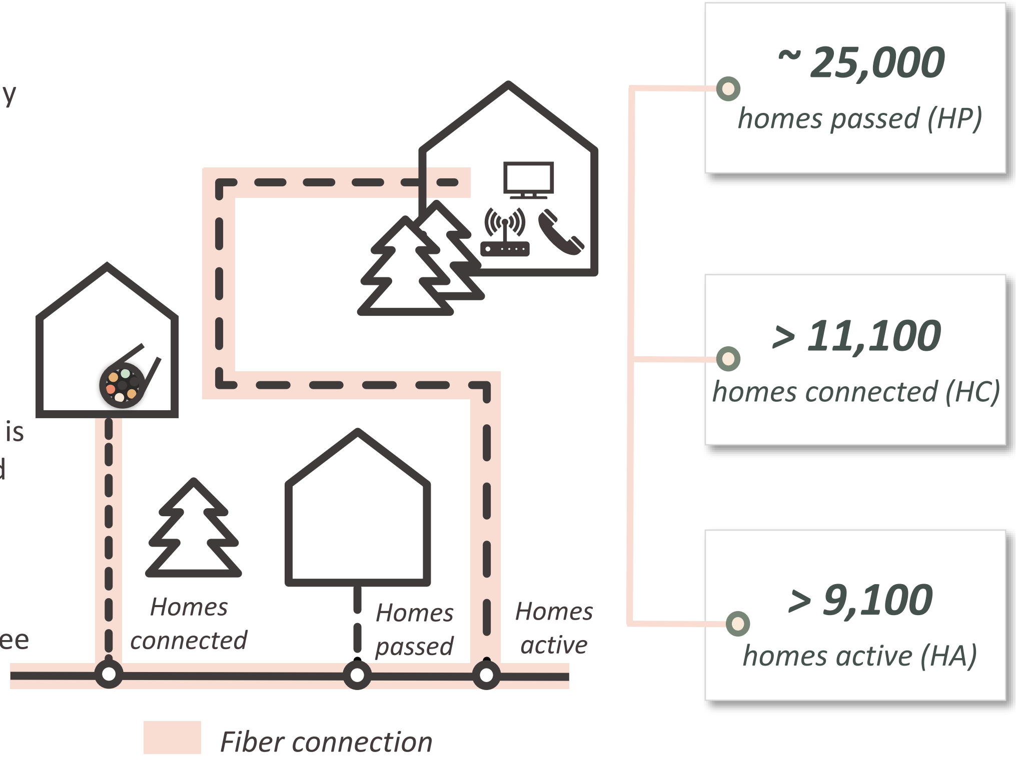
Uniquely positioned in a stable, low-churn market

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

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

- When the fiber is brought into the customer’s building, the home is considered connected (“homes connected” or “HC”)
- When connecting a new house, the DevCo Capex is on average USD 3,000-4,000[1] depending on the distance between houses and the material
  - **Having all passive and active fiber equipment installed lead to customer stickiness** as it is unlikely that customers want to switch technique or having the same equipment installed twice

- Once the customer has signed up for a subscription with ISPs, homes are considered active (“homes active” or “HA”), and Open Infra US receives an average monthly ARPU of USD 50 as a fee from the chosen ISP securing predictable cash flows
  - **Once the homes are connected the churn is close to non-existing** due to the superior speed of fiber compared to other options (fixed wireless for example), as well as lack of alternative fiber providers in the same area



Long-term potential of reaching 85% network penetration

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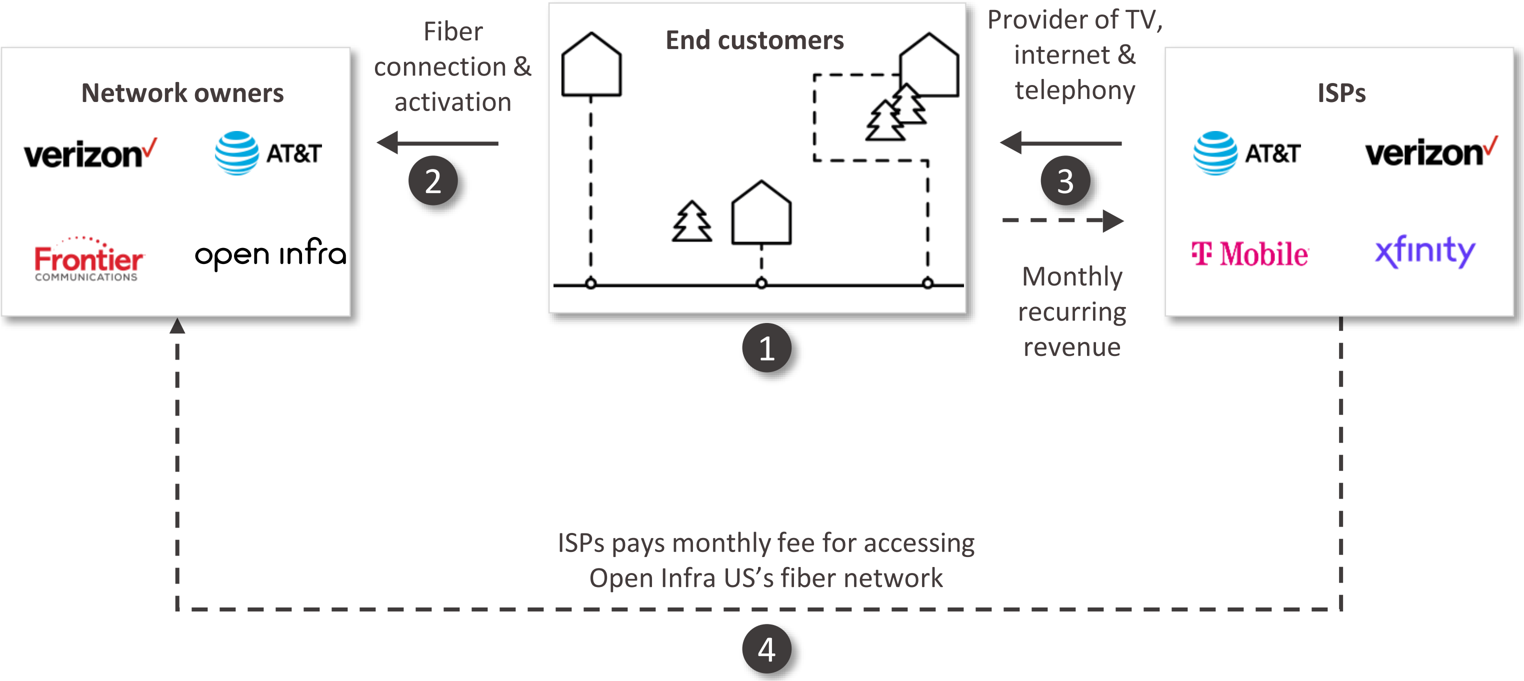
Note: 1) The company estimates capex to vary going, depending on the distance between houses and the material. However, historical capex has been significantly higher

Business model with high revenue visibility

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



DevCo *AssetCo*

1. Connecting fiber to end-customers who signs a binding contract. For the customer, connecting its household to the fiber grid is free of charge (i.e. no upfront fee for the installation)

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

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

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

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

Open Infra US maintains a superior product offering

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

Significant in the US and often substituted by fiber (Satellite, Fixed wireless)

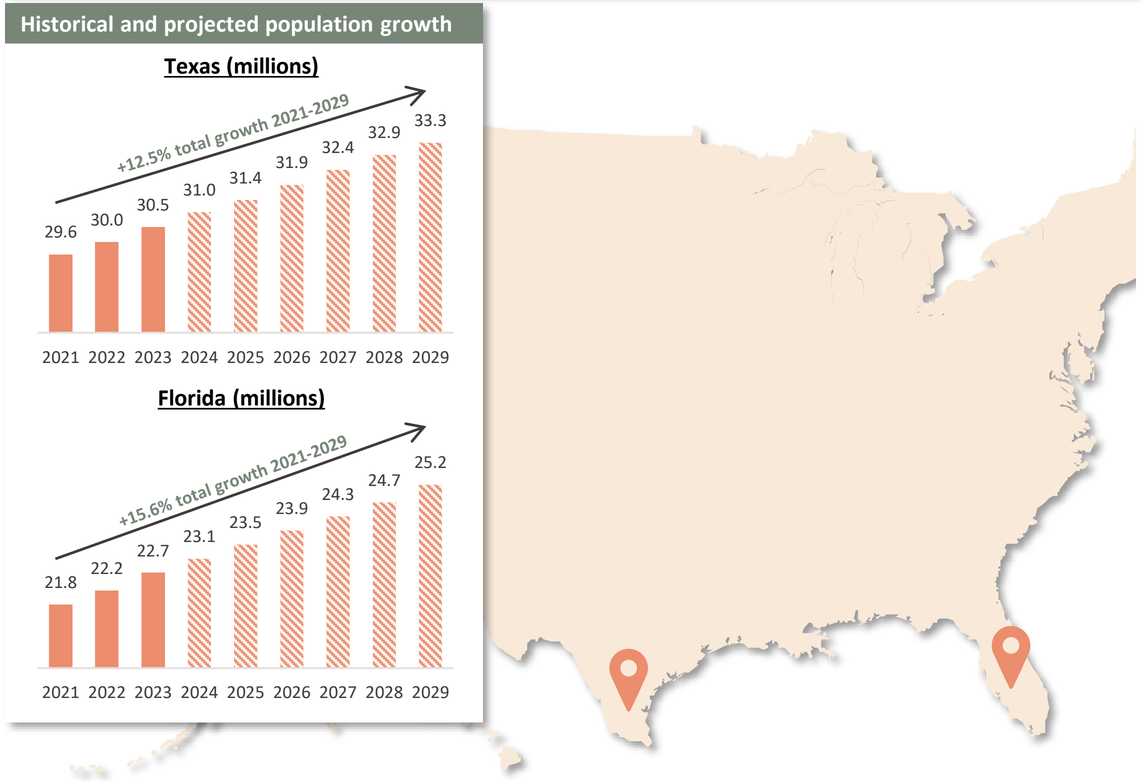
	Fiber	5G	4G	Satellite	Fixed wireless	Cable
Speed	**Extremely quick** *Up to 10,000 Mbit/s*	**Extremely quick** *Potentially 10,000 Mbit/s*	**Quick** *Possible to stream video, but utilizes ca. 7GB per hour*	**Fairly slow** *Generally, Satellite performs worse than other alternatives such as Fiber and cable in terms of speed*	**Fairly quick** *The speed offered by Fixed Wireless is similar to the speed offered by Cable*	**Fairly quick** *Up to 500 Mbit/s, works sufficiently for video streaming. Not great for gaming*
Stability	**Very stable** *Manages high number of users and rarely loses connection*	**Unstable** *Varied reach, and difficult for wavelengths to penetrate walls*	**Not always stable** *Stability dependent on how loaded the network is*	**Not always stable** *Due to the tremendous distances the signal has to cover, Satellite has a higher latency than other alternatives. Also, it is weather dependent*	**Stable** *Stability is quite stable and not weather dependent as the connection is local and towers are below storm clouds*	**Stable** *Stable, but speed dependent on distance*
Accessibility	**Accessible with slight patience** *Requires license and excavation work*	**Limited accessibility** *Rarely accessible in rural areas leading to low competitiveness towards fiber. In urban areas, 5G is a good compliment to fiber*	**Accessible** *High accessibility, but uncertain coverage*	**Accessible** *Satellite is very accessible as you generally can get it no matter where you are. However, it often comes with a limited data use per month*	**Limited accessibility** *Not very resource-intensive installation, meaning it can expand into rural areas. However, very local as users are typically within 10 miles from the main access point*	**Very accessible** *Easy to access, but has no future due to outdated technology*

Fiber technology has proven advantages to alternative internet solutions

High entry-barriers create further opportunities

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

Open Infra US operates in two growing states



Several attractive features lead to natural monopoly and low churn

- There are several factors that are contributing factors to the stickiness of Open Infra US's business, that all lead to the creation of natural local monopolies:
  - SDUs offer significant protection against network overbuild as SDUs only connect one customer, making construction of redundant connections economically unattractive, whereas MDUs (e.g. residential apartment buildings) connect more than one customer. By focusing on SDUs Open Infra US has experienced very low churn in rural areas. The churn that the company has experienced historically is mainly linked to urban areas, which the company does not focus on anymore
  - Also, targeting rural areas without an existing fiber, or other sufficient internet connection, creates monopoly's in these areas, as Open Infra US is the only provider
  - In addition, by the nature of the undiversified offering (the same type of fiber cable is offered from all players in the market, the only diversification comes from the service offering provided by the ISPs), once customers have accepted Open Infra it is unlikely that competitors target the same geographical area
  - Open Infra US's network is situated in geographies with population growth, limiting the churn risk significantly

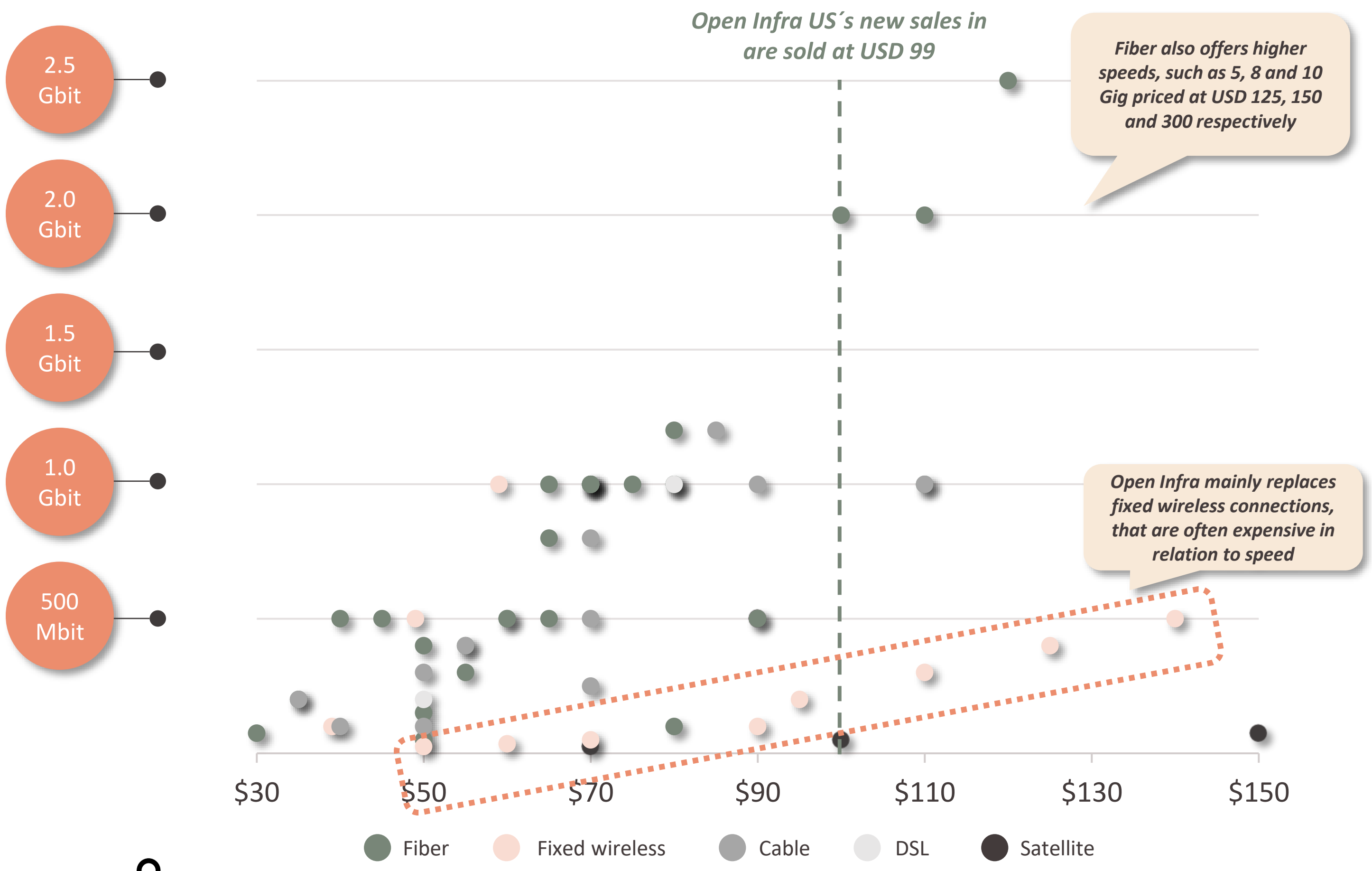
Growing population in majority of all Open Infra US's geographies from 2021-2023

13.8% total population growth between 2021-2029 in Texas and Florida

Source: World population review

Higher average end-customer prices

Open Infra US's price levels compared with selected competitor's price levels (USD)



Comments

- The price is based on the speed/capacity and the number of services the end-customer pays for to the ISP
- Given the high purchase power in the customer base, proven by competitor prices both within fiber and other technologies, Open Infra US will be able to increase ARPU without increasing churn, which leads to increased EBITDA
- As the graph implies, fiber has high price/performance, which reduces the risk of churn, as alternative technologies offers less speed at a higher price and Open Infra US operates in areas without competition from other fiber company´s
- Moreover, Open Infra US has potential to leverage its proven capabilities to increase ARPU over time in Sweden to implement the same strategy in the US:
  - Working to change the product mix from lower to higher speeds/capacities can potentially increase ARPU
  - Working closely with ISPs to create attractive opportunities, such as bundling of different services and campaign offerings can potentially increase ARPU
  - A shift towards Rural areas where ARPU is typically higher
- Since Open Infra US has invested in a high-capacity network, it has no increased cost for servicing end-customers with higher internet speeds – the cost base remains fixed independent of the demanded speed/capacity

Open Infra US targets the most attractive segment

Open Infra has a successful track record from rural areas in Sweden, which is leveraged in the US as well

Open Infra US's KPIs in rural versus urban areas

Key performance Indicator	Urban	Rural
Lower vacancy rate in rural areas	21%[1]	6%[1]
Higher penetration in rural areas	43%[1]	52%[1]
Higher ARPU in rural areas (USD)	46[1]	57[1]

Comments

- Open Infra US has been active in both urban and rural areas
- When targeting urban areas, Open Infra US has been exposed to competition, in contrast to how the market works in Sweden
- In Sweden, parallel networks are unusual and when an area is covered, it is uncommon that other companies install their fiber networks in the same area
- In USA, on the contrary, it is more common for companies to install fiber networks where there is already other players present, due to the historical lack of open access networks and the low cost of switching operator for the end customer
- By experiencing this, Open Infra US is now focused on rural areas, where the competition is lower
- This leads to lower vacancy, higher penetration and higher ARPU in rural areas
- As Open Infra US has longstanding experience of operating in rural areas in Sweden, they can leverage its expertise in rural areas in the US as well, which creates a competitive advantage compared to competitors in the US
- In other words, the most attractive segment for Open Infra US is also the segment where Open Infra is highly experienced and holds expertise in, due to its track record in Sweden

Note: 1) As of 31 December 2023

Sticky, recurring and high-quality revenue base

+ *Must-have core infra service*
+ *Core infrastructure characteristics with unattractive economics for competitors*
+ *Home-owners with low credit risk*

= Sticky

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

= Recurring

+ *High-grade target customers with high willingness to pay for internet services*
+ *Strong pipeline of HC growth*
+ *Low geographical customer concentration*

= Revenue growth

Growing revenue with retention of 80% EBITDA margin

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"Limited only by the speed of light"

Pro forma build-up to new structure post bond issue

Open Infra US Assets AB Audited accounts to new structure Run rate (USDk)	**Annual Report**		**Consolidation Open Infra East Inc**			**Proforma fiber asset acquisition**			**Run rate, EOP**			
	2021	**2022**	**2021**	**2022**	**2023**	**2021**	**2022**	**2023**	**2021**	**2022**	**2023**	**Jan 2024**
Network revenue	0	0	0	0	374	191	556	2,103	322	1,114	5,358	6,109
Installation revenue	0	0	0	0	47	0	0	0	0	0	0	0
Total revenue	**0**	**0**	**0**	**0**	**421**	**191**	**556**	**2,103**	**322**	**1,114**	**5,358**	**6,109**
Network cost	0	0	0	(14)	(177)	(121)	(289)	(848)	(291)	(494)	(1,079)	(1,208)
Installation cost	0	0	0	(1,368)	(4,669)	0	0	0	0	0	0	0
Total cost	**0**	**0**	**0**	**(1,382)**	**(4,846)**	**(121)**	**(289)**	**(848)**	**(291)**	**(494)**	**(1,079)**	**(1,208)**
EBITDA	**0**	**0**	**0**	**(1,382)**	**(4,425)**	**71**	**267**	**1,255**	**31**	**620**	**4,279**	**4,901**

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Balance sheet bridge from opening to consolidated

Balance sheet bridge from opening to consolidated post closing (USDk)	Consolidated opening Dec 2023	Acquisition fiber assets	Real valuation of fiber assets	Senior secured bond issue	Consolidated issuer
Fiber assets	18,445	32,628	16,498	0	67,571
Other assets	1,136	0	0	0	1,136
Total fixed assets	**19,580**	**32,628**	**16,498**	**0**	**68,707**
Short term assets and receivables	37	0	0	0	37
Cash	22	0	0	1,458	1,480
Total assets	**19,640**	**32,628**	**16,498**	**1,458**	**70,224**
Equity	3,726	0	13,099	0	16,825
Deferred tax	2,595	0	3,399	(2,595)	3,399
Group debt	11,519	32,628	0	(44,147)	0
Short term debt	1,800	0	0	(1,800)	0
Bond	0	0	0	[50,000][1]	[50,000][1]
Total Equity and Debt	**19,640**	**32,628**	**16,498**	**1,458**	**70,224**

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Note: 1) Contemplated bond issue for illustrative purposes

Income Statement – Open Infra US Assets AB

Consolidated income statement

SEK '000	**2021**	**2022**	**2023[1]**
Net sales	0	0	4,469
Other revenue	0	0	0
Total revenue	**0**	**0**	**4,469**
Cost of goods sold	(12)	(672)	(9,882)
OPEX	(172)	(9,023)	(38,154)
Personnel expenses	(432)	(4,285)	(3,352)
EBITDA	**(617)**	**(13,980)**	**(46,919)**
Depreciation and amortization	0	(102)	0
EBIT	**(617)**	**(14,082)**	**(46,919)**
Net financial cost	(33)	(19)	2,579
Profit/loss before tax	**(650)**	**(14,101)**	**(44,340)**
Appropriations	0	0	2,030
Tax	0	(6)	0
Net income/loss for the period	**(650)**	**(14,107)**	**(42,310)**
Revaluation of fiber assets, net of tax	0	0	110,007
Revaluation of financial assets, net of tax	0	55	0
Total comperhensive income for the period	**(650)**	**(14,051)**	**67,697**

Note: 1) Management accounts for Q4 2023

Balance Sheet – Open Infra US Assets AB

Consolidated balance sheet

SEK '000	2021	2022	2023[1]
Fixed assets			
Fiber assets	0	2,957	195,592
Leasing assets	0	0	0
Tangible assets	**0**	**2,957**	**195,592**
Financial assets	0	12,516	12,042
Intangible assets	0	0	0
Total fixed assets	**0**	**15,473**	**207,634**
Accounts receivable	0	0	(388)
Intra group receivables	0	0	0
Other short-term receivables	0	0	635
Prepaid expenses and accrued income	0	507	151
Cash and equivalents	636	877	237
Total current assets	**636**	**1,384**	**634**
Total assets	**636**	**16,857**	**208,268**

SEK '000	2021	2022	2023[1]
Equity			
Total shareholders equity attributable to the parent company's shareholders	**(650)**	**(15,535)**	**39,513**
Long-term liabilities			
Long-term interest bearing liabilities	0	0	0
Deferred tax liabilities	0	356	27,523
Leasing long-term debt	0	0	0
Intra group liabilities	982	31,898	122,147
Total long-term liabilities	**982**	**32,255**	**149,670**
Short-term liabilities			
Leasing short-term debt	0	0	0
Accounts payable	304	138	18,784
Current tax liabilities	0	0	302
Other liabilities	0	0	0
Accrued expenses and prepaid income	0	0	0
Total short-term liabilities	**304**	**138**	**19,086**
Total equity and liabilities	**636**	**16,857**	**208,268**

Note: 1) Management accounts for Q4 2023

Cash flow statement – Open Infra US Assets AB

Consolidated cash flow statement

SEK '000	2021	2022	2023[1]
EBITDA	(617)	(13,980)	(46,919)
Adjustments for non-cash items	(33)	(480)	(14,372)
Net interest paid	0	0	0
Tax paid	0	0	0
Cash flow from operating activities	**(650)**	**(14,460)**	**(61,291)**
Change in accounts receivable	0	0	388
Change in other current receivables	0	(507)	(278)
Change in accounts payable	304	(166)	18,647
Change in other current liabilities	0	0	302
Changes in working capital	**304**	**(673)**	**19,058**
Cash flow from operating activities after changes in working capital	**(346)**	**(15,133)**	**(42,233)**
Investments in fiber assets	0	(3,027)	(49,130)
Investments in other tangible and intangible assets	0	0	0
Investments in other financial assets	0	(12,516)	474
Cash flow from investing activities	**0**	**(15,543)**	**(48,656)**
Net change in interest bearing debt		0	
Net change in intra group debt	982	30,916	90,248
Cash flow from financing activities	**982**	**30,916**	**90,248**
Cash flow from the period	**637**	**240**	**(640)**
Cash and cash equivalents at the beginning of the period	0	637	877
Cash and cash equivalents at the end of the period	**637**	**877**	**237**

Note: 1) Management accounts for Q4 2023

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"Limited only by the speed of light"

USA is an attractive market for fiber companies

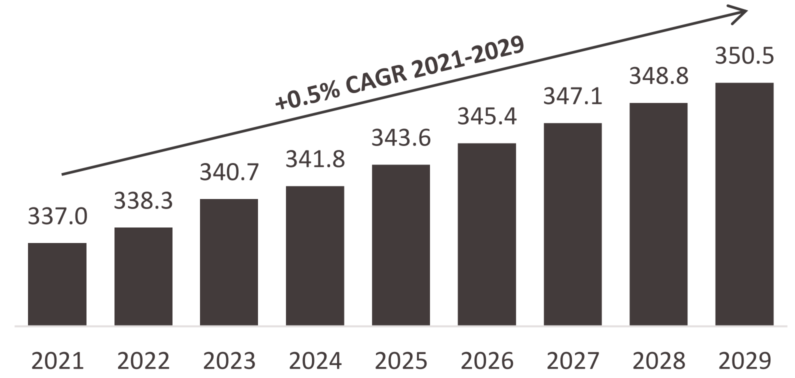
Texas and Florida grows faster than the country in general while having less mature fiber infrastructure available

Texas and Florida has been thoroughly chosen

- Due to the growing population and the limited existing fiber coverage, USA is an attractive market for fiber companies
- In the meantime, the Biden-Harris administration has announced grants of USD 930m to expand rural internet access. The funding will be granted to help build fiber optic networks in 35 states, showcasing the potential for further fiber expansion in the US
- Open Infra US operates in two states – Texas and Florida
- Both Texas and Florida has a population that grows faster than the US in general
- Also, both states has lower existing fiber coverage compared to the US in general, meaning that both states has large untapped market shares and Open Infra US's positioning enables great potential to be a first mover and gain market shares there

United states population growth and fiber coverage

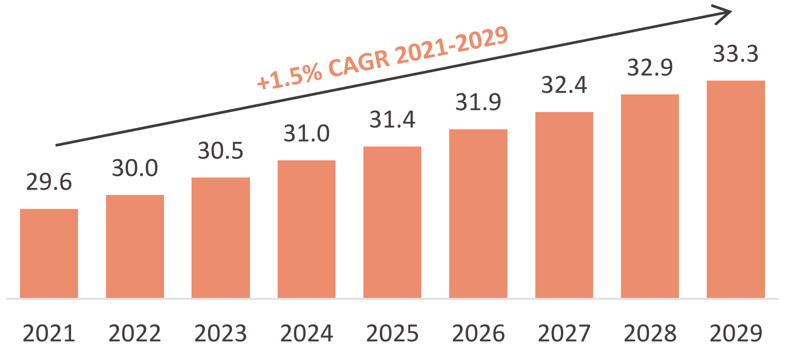
Millions



43%
Fiber coverage[1] in the US

Texas population growth and fiber coverage

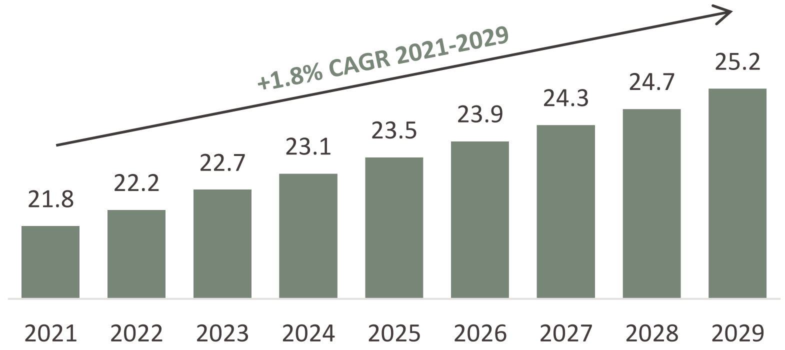
Millions



11%
Fiber coverage[1] in Texas

Florida population growth and fiber coverage

Millions



39%
Fiber coverage[1] in Florida

Note: 1) Fiber coverage refers to homes passed

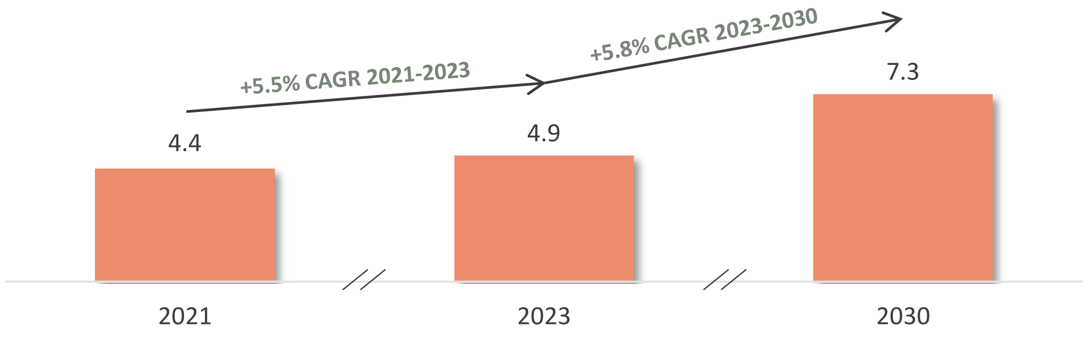
A growing North American fiber market

USA currently has one of the lowest subscription rates of fiber in the OECD, leading to a substantial growth potential

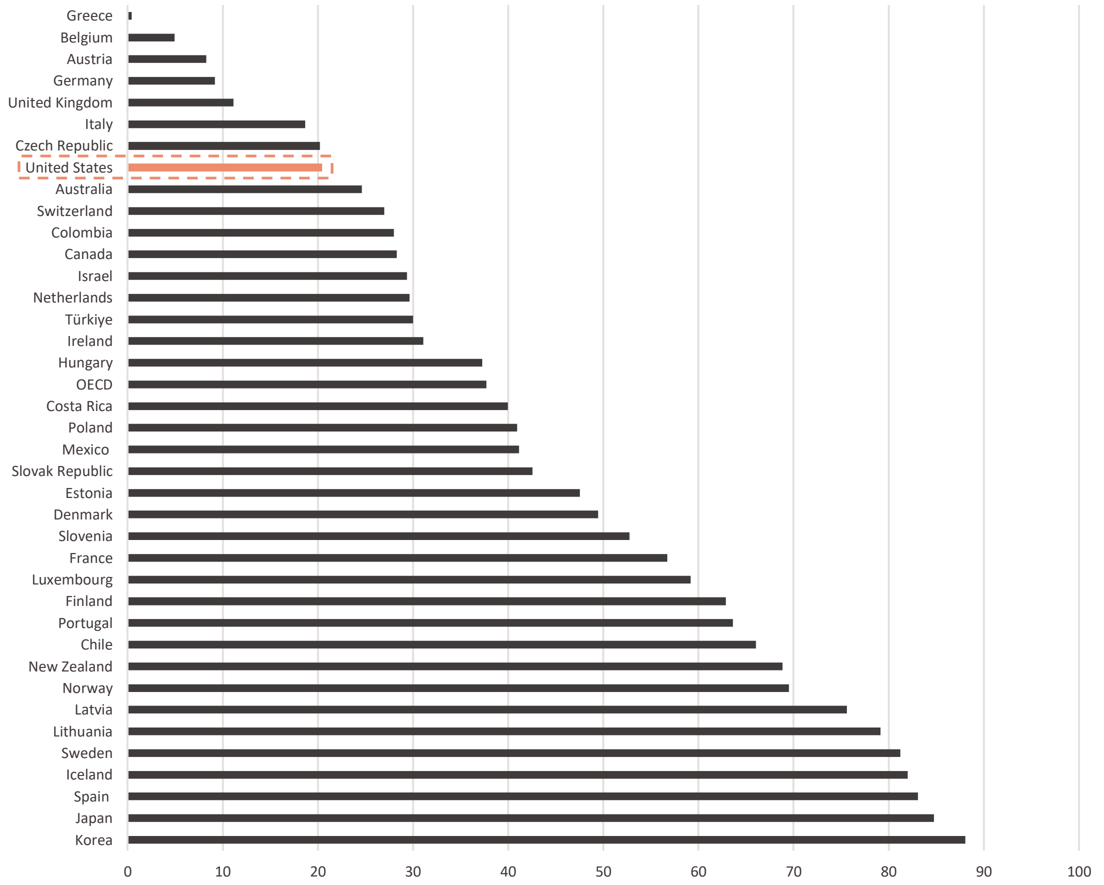
Comments

- The fiber optic market in the US is immature compared to other OECD countries
- USA is the eight country from the bottom when it comes to subscription rate of fiber among the OECD countries
- This implies a substantial opportunity for fiber companies in the US to grow going forward and to target that untapped market potential
- This contributes to the expected growth in the North American fiber market going forward

North American fiber optic market is growing significantly (USDbn)



USA has low fiber subscription compared to other OECD countries (%)[1]



Note: 1) Percentage of fiber subscriptions in total fixed broadband (Broadband portal, OECD)

Tailwinds in favor of fiber as the preferred alternative

The American government and authorities substantially supports fiber roll-out across the country

1

USD 930m

Provided by the Biden-Harris administration to expand internet infrastructure

- ✓ The project is focused on awarding grants to fiber deployers
- ✓ It aims to deploy 12,000 miles of fiber across 35 states and Puerto Rico

2

>USD 40bn

Provided by the Broadband Equity, Access & Deployment Program (BEAD) to expand internet infrastructure

- ✓ BEAD is a federal initiative that provides USD 42.45bn to expand high-speed internet access by funding infrastructure deployment in all 50 states
- ✓ The aim is to close the digital divide and ensure all Americans have access to reliable, high-speed, and affordable broadband
- ✓ The program prioritizes unserved and underserved locations (no access to 25/3 Mbps and 100/20 Mbps respectively)

3

>USD 20bn

Allocated by the Connect America Fund (CAF) and the Rural Digital Opportunity Fund (RDOF) to expand broadband access

- ✓ CAF is a federal program administered by the Federal Communications Commission (FCC) to expand broadband access to underserved areas in the US
- ✓ The CAF has allocated billions of dollars in funding to support the deployment of fiber optic networks in rural and remote areas
- ✓ RDOF is another FCC initiative to close the digital divide in rural America
- ✓ The RDOF is set to allocate over USD 20bn in funding over the next decade to support the deployment of high-speed broadband

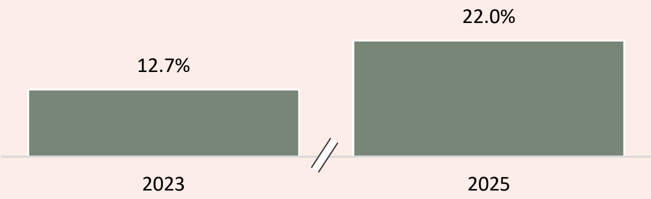
Social trends supports increased demand for fiber

Remote work and increased streaming and social media usage increases the demand for high-speed internet connection

Increased remote working

- *The trend shows increased demand for remote working, which requires stable and high-speed internet connection*
- *As of 2023, 12.7% of full-time employees work from home, while 28.2% work a hybrid model, by 2025, 22.0% of full-time workers are expected to work remotely*
- *98% of workers would prefer to work partly from home*
- *16% of companies operate fully remote and 93% of employers plan to continue conducting job-interviews remotely*

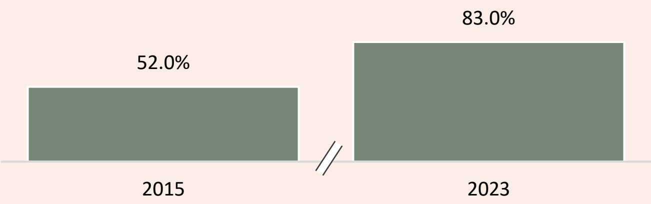
+9.3 ppts
Remote work 2023-2025



Increased streaming

- *In 2020, Forbes estimated that there were 1.1bn subscriptions to online video streaming services worldwide, as of 2023, that number is closer to 1.8bn*
- *Today, 83% of US households have at least one streaming service, a significant increase from 52% in 2015*
- *93% of Americans intends to either maintain or increase their streaming options going forward*

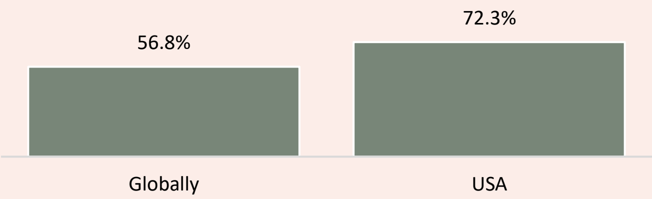
+31 ppts
Households with streaming subscriptions



Increased social media usage

- *Social media usage has increased drastically in the US and is expected to increase further, in fact, USA is the 6th most growing country in terms of social media usage*
- *72% of the full population in the US are active social media users and when only looking at the people of 13 years of age or older, that number is 83%*
- *27% of Americans also use social media for work*
- *On average, Americans spend 2 hours and 7 minutes a day on social media, which is the second highest in the world*

+15.5 ppts
SoMe usage in the US vs globally



Market tailwinds support open access fiber roll-out

The current trend of increasing open access networks in the US is here to stay

Selected recent open access fiber roll-outs by Open Infra's competitors in the US

Company	New customer locations	State
AT&T BlackRock	1.5 million	Arizona, Nevada, Alabama, Florida, Pennsylvania
Colorado Springs Utilities	200,000	Colorado
Google Fiber	100,000	Vermont
Tillman FiberCo	N/A	Arizona, Colorado, Florida, Nevada, Texas
UTOPIA FIBER	140,000	Utah
sifi Networks	120,000	Illionois, California
	26,000	Colorado
LUMEN	N/A	California

Open access network advantages

1 *Creates competition between ISPs leading to better service and prices for the end-customer*

2 *Wider range of product offering as different ISPs offers different services*

3 *Faster adoption to new technologies as the competition motivates ISPs to stay ahead of competitors*

Comments

- The popularity of open access networks is increasing in the US
- Recently, many fiber companies has rolled-out open access fiber networks across the country. For example, AT&T and Blackrock has formed a joint venture called Gigapower that will roll-out open access networks to 1.5 million customer locations across five states initially, and if successful, Gigapower will continue the expansion of open access networks
- The trend is partially driven by the faster returns on investment within open access networks, that has caused broadband companies to shift their focus
- An example supporting the demand for open access fiber networks is T-Mobile, as their CEO Mike Sievert stated in their 2022 Q4 earnings call that if they were to offer some sort of converged wireless/wireline offering, it would do so by finding a partner. This has now materialized as T-Mobile is working with open access providers to expand their fiber offering across the country
- Also, Rupert Wood, Research Director at Analysis Mason has stated that he believes that the open access model will be an increasingly attractive option for companies, particularly mobile network operators that want to get into the fiber game, like T-mobile
- In Texas, it is also illegal for municipalities to operate their own networks, and only private corporations may engage in communication services, which further increases the demand for open access networks provided by companies

open infra Q&A

open infra

"Limited only by the speed of light"

ESG on Open Infra US's agenda

Strong ESG agenda with focus on sustainable communities and climate impact

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

15 LIFE ON LAND

The goal

- SDG 9 aims to develop quality, reliable, sustainable and resilient infrastructure for all, to support economic development and human well being
- SDG 11 aims to make cities and human settlements inclusive, safe, resilient and sustainable
- SDG 15 aims to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reserve land degradation and halt biodiversity loss

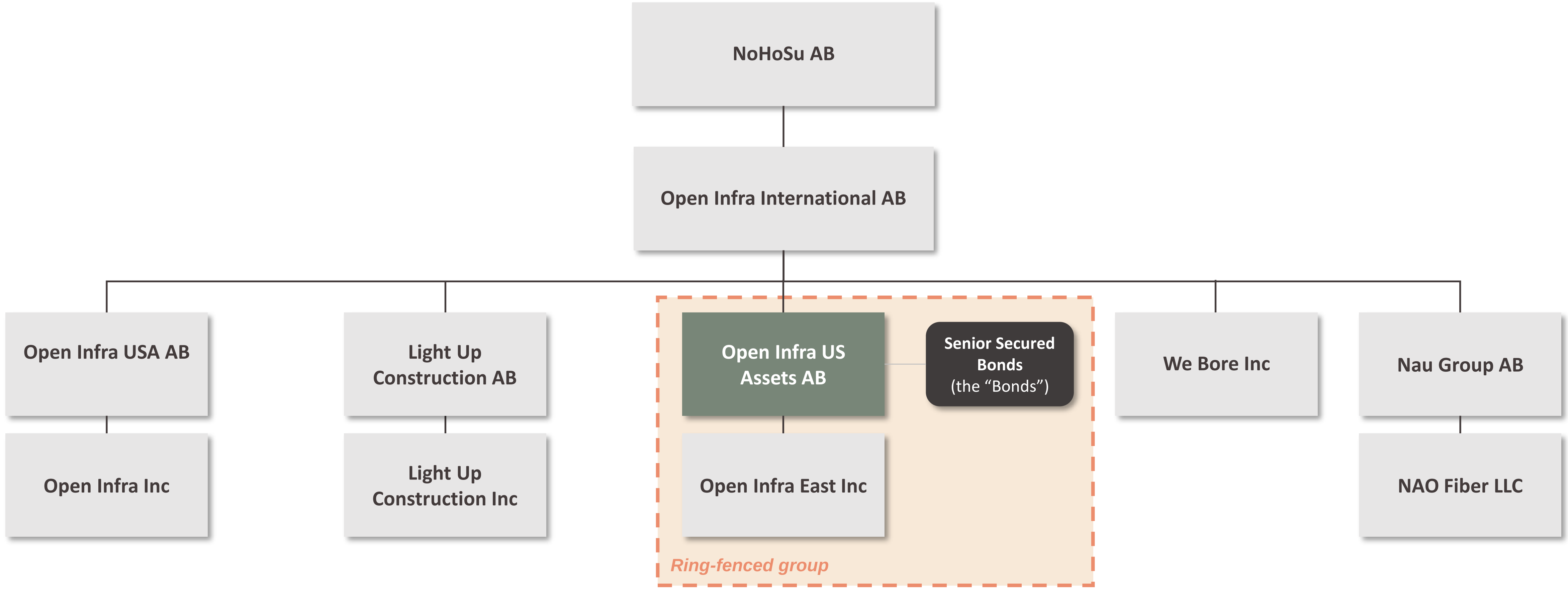
Open Infra US's mission

- By expanding the reach of high-speed and stable Internet infrastructure Open Infra US create the foundation for the future community
- Modern life and sustainable societies will be enabled by better Internet infrastructure. The Covid-19 pandemic has paved the way for remote work which could lead to decreased urbanization, less commuting and greatly improve the possibilities for modern life in rural areas
- The deployment of fiber infrastructure will affect the surrounding nature and life on land. By using nature friendly deployment techniques that minimizes the risks for damaging the surroundings, responsibility is taken for not leaving a negative biological footprint

THE GLOBAL GOALS For Sustainable Development

The sustainable Development Goals (SDGs), were adopted by all United Nations Member States in 2015 as a universal call to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030

Simplified group structure



"Limited only by the speed of light"

Risk Factors (I/XI)

*Risk factors deemed to be of importance for (a) Open Infra US Assets AB (publ) (reg. no. 559335-3237) (the "**Issuer**") and its direct and indirect subsidiaries (together with the Issuer, the "**Group**" and each a "**Group Company**"), (b) the Group's business and future development, and (c) the Issuer's senior secured bonds with ISIN NO0013140640 (the "**Bonds**") are described below. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the final terms and conditions of the Bonds to be entered into by the Issuer and the Agent (the "**Terms and Conditions**"). The risk factors presented below are categorised as "Risks relating to the Group" or "Risks relating to the Bonds" on the basis of whether they pertain to the Group or to the Bonds. The risk factors categorised as "Risks relating to the Group" are categorised as risk factors pertaining to the Group and not as risk factors pertaining to the Issuer, as a major part of the business operations in the Group are conducted by the Issuer's subsidiaries. The materiality of the risk factors is disclosed by the use of a qualitative ordinal scale of low, medium or high. The assessment of the materiality of the risk factors have been based on the probability of their occurrence and the expected magnitude of their negative impact.*

PLEASE NOTE THAT ONLY A LIMITED LEGAL DUE DILIGENCE HAS BEEN CARRIED OUT BY WAY OF A MANAGEMENT INTERVIEW. NO DOCUMENTARY DUE DILIGENCE OR SEPARATE ANALYSIS HAS BEEN CONDUCTED. NO FINANCIAL, INSURANCE OR TAX DUE DILIGENCE HAS BEEN CONDUCTED.

RISKS RELATING TO THE GROUP

Risks related to the Group's business activities and industry

Risks related to technological evolution

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

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

Risks related to security and network quality

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

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

Risk Factors (II/XI))

Risks related to negative publicity

The Group is dependent on maintaining a good reputation. The Group’s reputation is particularly important in relation to new and current customers and its suppliers. As an example, operative problems and interruptions problems could damage the Group’s reputation, which could lead to difficulties obtaining new or keeping current customers. Certain companies affiliated with the Group have in other geographies previously been subject to negative publicity in public and social media, and the Group may in the future, directly or indirectly, be further negatively exposed in public and social media, with a limited ability to anticipate or respond to such publications. For instance, the Group's affiliate Open Infra Core AB has previously been sued by the Consumer Ombudsman (Sw. *Konsumentombudsmannen*) at the Patent and Market Court (Sw. *Patent- och marknadsdomstolen*) with a claim that Open Infra Core AB shall be forbidden in combination with a fine (Sw. *vite*) to apply certain contract terms with its customers in respect of fiber installations, which could damage the Group's reputation. Damage to the Group’s reputation could lead to loss of income or loss of growth potential, which could have an adverse effect on the Group’s reputation, business and financial position.

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

Risks related to competition

The Group's industry is continuously evolving due to technological developments, and the Group is subject to new and increasing competition. Competition from a variety of sources, including current market participants, new entrants and new products and services, including from providers of wireless network alternatives such as 5G, may affect the Group's operations. In addition to competition related to new technology, there is a risk that the Group's current market competitors establish local fiber networks in, or otherwise target, the same geographical areas as the Group. Failure to anticipate and respond effectively to industry dynamics may affect the Group's competitiveness, lead to a loss of market share and consequently affect the Group's results of operations and financial position.

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

Risks related to future development acquisition commitments

The Group will commit to on a monthly basis acquire all newly contracted and connected customers and related fiber networks from affiliated legal entities up until 31 December 2027. The acquisition price for each customer contract and related fiber network will be in the range of USD 3,000-4,000, determined based on the actual cost incurred by the relevant affiliated legal entities plus a markup of five percent, without any adjustment mechanism related to then-current market terms. In the event that market conditions deteriorate, the Group may be required to acquire the contracted customers and related fiber networks at a purchase price exceeding the then-current market value, which may lead to financial loss and may adversely affect its financial position.

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

Risk Factors (III/XI)

Risks relating to natural disasters, terrorist acts or cyber attacks result in significant disruptions to the Group's business and operations

The Group's business is subject to interruption by natural disasters, power outages, terrorist attacks, other hostile acts and events beyond the Group's control. Such events could cause significant damage to the infrastructure upon which the Group's business operations rely, resulting in reduction or disruption of service to the Group's customers. These events could also damage the infrastructure of the suppliers that provide the equipment and services that the Group needs to operate its business and provide products to customers. A natural disaster or other event causing significant physical damage could cause the Group to experience substantial losses resulting in significant recovery time and expenditures to resume operations. In addition, these occurrences could result in lost revenues from business interruption as well as damage to the Group's reputation.

In addition, cyber attacks, including through the use of malware, computer viruses, dedicated denial of services attacks, credential harvesting and other means for obtaining unauthorized access to or disrupting the operation of the Group's networks and systems and those of the Group's suppliers, vendors and other service providers, could have an adverse effect on the Group's business. Cyber attacks may cause equipment failures, loss of information, including sensitive personal information of customers or employees or valuable technical and marketing information, as well as disruptions to the Group or the Group's customers' operations. The Group could be exposed to significant costs if such risks were to materialize or cyber attacks were to occur, and such events could damage the Group's reputation, credibility and business and have a negative impact on the Group's revenue. The Group could be subject to regulatory actions and claims made by consumers in private litigations involving privacy issues related to consumer data collection and use practices. The Group also could be required to expend significant capital and other resources to remedy any such security breach.

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

Risks related to the customers and suppliers of the Group

Risks related to adverse conditions in the U.S. and international economies

Unfavourable economic conditions could negatively affect the affordability of and demand for some of the Group's products and services. During difficult economic conditions, consumers may seek to reduce discretionary spending by forgoing purchases of the Group's products and services or obtaining lower-cost products and services offered by competitors of the Group. In addition, adverse economic conditions may lead to an increased number of the Group's customers that are unable to pay for the Group's services. If these events were to occur, it could have a negative impact on the Group's business and results of operations.

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

Dependency on land use rights

The Group's fiber network traverses a vast number of real properties which are primarily publicly owned. The Group has secured its access to right of way on public land through (i) its Competitive Local Exchange Carrier ("**CLEC**") license issued by the Public Utility Commission of Texas, and (ii) its certificate of authority to provide telecommunications services in Florida, issued by the Florida Public Service Commission. The Group's operations are highly dependent on such right of way remaining in force on unaltered terms. The Group typically does not pass through private property that is not owned by a customer. If needed, a separate easement or right of way agreements are entered into on market terms, involving a one-off payment based on the length of fiber cables laid down in the relevant real property. In the event that any public, and to a lesser extent private, right of way should expire, be terminated or altered, the Group may be required to relocate fiber cables, which may lead to cost exposures for the Group, adversely affect the Group's ability to carry out its business, and subsequently have a negative effect on the Group's earnings.

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

Risk Factors (IV/XI)

Risk related to depopulation and changes in customer behaviour

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

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

Dependency on third-party fiber networks

The Group's operations are conducted primarily in rural areas in Texas and Florida, with a strategic focus on building local fiber networks for single-dwelling units in specific areas rather than a vast network which is linked together, meaning that the Group's ability to deliver network access to its customers to a certain extent is dependent on third-party transmission link providers acting as a link in order to connect the Group's local network access points to each other. If the Group's access to third-party transmission links is disrupted, *inter alia* as a result of termination of agreement or shortage of capacity in the third party's fiber network, the Group's ability to carry out its business may be adversely affected which could lead to contractual penalties, financial loss and adversely affect the Group's business. Furthermore, if the third-party network operators increase fees or otherwise alters the terms of services unfavorably for the Group, the Group may become subject to additional costs.

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

Dependency on key customers

The Group is on the customer-side dependent on a limited number of transmission services providers providing the internet access to the end-customers, and which generate a substantial portion of the Group's revenues. The agreements regarding transmission services are generally standardized and easily replaced if terminated. . If an agreement with a transmission services provider is terminated, or the terms of such agreement is altered unfavourably for the Group, the Group's business and earnings may be adversely affected if no equivalent replacement is found on short notice.

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

Risk Factors (V/XI)

Risks related to the reorganisation and intra-group arrangements

Dependency on intra-group operating arrangements

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

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

Risks related to reorganisation

The Group is established as a part of a group internal reorganisation process with the purpose of refining the operational divisions of the larger corporate group. In connection with the reorganisation, certain assets will be transferred to and from the Group by and to affiliated legal entities. In addition, the Group has applied to the Public Utility Commission of Texas for a transfer of the CLEC license from an affiliated legal entity to a Group Company and will in connection with finalising the reorganisation enter into a number of operational intra-group agreements with affiliated legal entities concerning *inter alia* operating and maintenance services, to secure the operations and development of the Group's fiber networks going forward in the same manner, with the same quality and at the same cost as prior to the reorganisation. Approval of the Public Utility Commission of Texas is required before the Group can provide telecommunications service in Texas, and a decision is currently expected in mid-March 2024. Failure by the Group to (i) correctly identify and transfer all relevant assets, (ii) identify and source all services necessary for the future operations of the Group in the intra-group agreements, or (iii) obtain the approval of the Public Utility Commission of Texas for the CLEC transfer, will adversely affect the Group's ability to carry out its business as presently conducted, lead to increased costs and/or, penalties, and consequently have an adverse effect on the Group's business and results of operations.

Furthermore, a formal valuation of the assets has not been obtained and there is thus a risk that the U.S. taxing authorities may disagree with the fair market value attributed to the assets sold between the relevant entities as part of the reorganisation, which in turn could lead to the Group having to pay higher taxes than budgeted and calculated for. Should such risk materialise, it would pose higher costs than anticipated and thus adversely affect the Group's financial position.

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

Dependency on key individuals

The Group has currently certain employees conducting operational and development services and functions, which have also to some extent been sourced from affiliated legal entities. As part of the aforementioned reorganisation (*see further under the risk factor "Risks related to reorganisation"*), all employees will be transferred to other affiliated legal entities not being part of the Group. As such, the Group's operations and future development is and will be dependent on the knowledge, experience and commitment of certain key individuals whose services are primarily sourced from affiliated legal entities through the intra-group operational agreements. Failure by such affiliated legal entities to retain necessary skilled employees may adversely affect the Group's ability to carry out its business as presently conducted, execute on its future development agenda, lead to increased costs in the event that a new network operator needs to be sourced, and consequently adversely affect the Group's operations and business.

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

Risk Factors (VI/XI)

Legal and regulatory risks

Regulatory risks

The Group operates within an industry which is regulated and under the supervision of public utility commissions, and certain federal, state, local and county agencies. Failure to comply with regulatory requirements, may result in penalties, revocation of license and reputational damages to the Group. The maximum penalty amount will depend on class of violation and may amount to up to USD 25,000 for each day a breach is outstanding with no cap on the total maximum amount that may become payable, and breaches within different classes of violations may be accumulated. Furthermore, future changes in regulations and law affecting the Group's business activities, as well as decisions by regulatory authorities or courts, e.g. with respect to imposing certain safety standards and/or hardware requirements, may adversely affect the Group's ability to carry out its business as presently conducted, lead to increased costs and adversely affect its results of operations.

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

Risks related to data protection

The Group processes personal data as a natural result of its field of operation and is subject to federal, state and international laws and regulations relating to privacy and data security (including on the collection, use and disclosure of consumer information). For example, the FCC, Federal Trade Commission ("**FTC**"), and many states regulate and restrict the marketing practices of communications service providers, including telemarketing and sending unsolicited commercial emails. The FTC currently has the authority, pursuant to its general authority to enforce against unfair or deceptive acts and practices, to protect the privacy of Internet service customers, including the use and disclosure of certain customer information. In addition, the Group needs to ensure that any disclosure of information between the Group and affiliates located in the European Union is made in compliance with applicable data privacy frameworks, including the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ("**GDPR**"). Similarly, the Group needs to ensure that any disclosure of information between the Group and affiliates located in the United States is made in compliance with applicable data privacy frameworks, for example, the California Consumer Privacy Act, as amended, on the protection of natural persons with regard to the collection, processing and use of personal data and on the free movement of such data. The Group has engaged an external consultant in order to ensure compliance with data privacy compliance who continuously updates the Group regarding legislative changes. Failure by the Group to timely implement new regulations will expose the Group to regulatory actions, penalties, and private litigations regarding consumer data protection. Ongoing increases in the potential for misuse of personal information, the public's awareness of the importance of safeguarding personal information, and the volume of legislation that has been adopted or is being considered regarding the protection, privacy, and security of personal information have resulted in increases to the Group's information-related risks. The Group could as such be required to expend significant capital and other resources to remedy any such security breach.

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

Risks related to legal disputes and proceedings

Disputes, claims, investigations and legal proceedings could lead to the Group having to pay damages or cease operations. The Group may, from time to time, become involved in disputes as part of its normal business operations and there is a risk that the Group becomes subject to legal claims, e.g. from landowners or customers. Disputes, claims and legal proceedings can be complex and the outcome difficult to predict, as well as disrupt ordinary business operations and be costly and time-consuming. For instance, one of the Group's affiliates Open Infra Core AB has previously been sued by the Consumer Ombudsman (Sw. *Konsumentombudsmannen*) at the Patent and Market Court (Sw. *Patent- och marknadsdomstolen*) with a claim that Open Infra Core AB shall be forbidden in combination with a fine (Sw. *vite*) to apply certain contract terms with its customers in respect of fiber installations. Disputes or legal proceedings could have adverse effects on the Group’s operations, financial position and reputation.

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

Risk Factors (VII/XI)

Risks related to the financial standing of the Group

Refinancing risk

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

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

Borrowing by the Group and interest risk

The Group will upon the issuance of the Bonds incur and may in compliance with the limits ser out in the Terms and Conditions further incur, financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. The level of market interest also affects the value of the Bonds, as it bears interest at a fixed rate. The interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks. An increase in interest rates would entail an increase in the Group's interest obligations, which could have a negative effect on the Group's operations and results.

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

RISKS RELATING TO THE BONDS

Risks related to the nature of the bonds

Risks related to early redemption

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

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

Risk Factors (VIII/XI)

Interest rate risks

The Bonds value will depend on several factors, one of the most significant over time being the level of market interest. The Bonds bear a fixed rate interest. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the international financial development and is outside the Group's control.

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

The Issuer is dependent on its subsidiaries

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

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

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

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

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

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

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

Risk Factors (IX/XI)

Majority owner

Johan Sundberg indirectly controls 93.4 percent of the shares in the Issuer and Open Infra Inc (corporate identity number 803553814) ("DevCo"). According to the Terms and Conditions, if a change of control event occurs in the Issuer or DevCo, the bondholders have a right of prepayment of the Bonds (put option), please see below section "Put Option" regarding potential consequences of a change of control event occurring and the risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use their right of prepayment. The interests of Johan Sundberg or, following any potential change of control in the Issuer, any new majority shareholder in the Group may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance the value of their equity investments although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to occur, it could have a negative effect on the Group's operations, earnings and financial position.

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

Put option

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

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

Risks related to transaction security

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

Although the Issuer's obligations towards the investors under the Bonds are secured by first priority pledges over (i) the shares in Open Infra East Inc., (ii) certain intragroup loans from the Issuer to a member of the Group, (iii) a bank account and (iv) certain shareholder loans from the Parent to the Issuer, it is not certain that the proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts then owed to the investors. If a subsidiary or the Issuer, which shares have been pledged in favour of the bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such pledge may then have limited value because all of the subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for the bondholders. As a result, the bondholders may not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, the value of the shares subject to pledges may decline over time. The value of any shareholder loan granted by the Parent to the Issuer or any intragroup loans within the Group, which is subject to security in favour of the bondholders, is largely dependent on such debtor's ability to repay its loan. Should such debtor be unable to repay its debt obligations upon an enforcement of a pledge over the intra-group loan or the shareholder loan, the bondholders may not recover the full or any value of the security granted over the intra-group loan or the shareholder loan. If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

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

Risk Factors (X/XI)

Risks related to the intercreditor arrangements

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

After an Intercreditor Agreement has been entered into, the security agent will in accordance with the Intercreditor Agreement in some cases take instructions from a super senior representative under the Super Senior RCF. There is a risk that the security agent and/or a super senior representative under the Super Senior RCF will act in a manner or give instructions not preferable to the bondholders. In addition, the security agent will in some cases take instructions from a senior representative, being those senior creditors whose senior debt at that time aggregate to more than 50 per cent of the total senior debt. If the outstanding senior debt towards other senior creditors than the bondholders exceed the obligations under the Bonds, the bondholders will therefore not be in a position to control the enforcement procedure. If the outstanding obligations of the Group towards other Secured Creditors than the bondholders increase, there is a risk that the security position of the bondholders is impaired. Furthermore, there is a risk that the security will not at all times cover the outstanding claims of the Secured Creditors.

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

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

Security over assets granted to third parties

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

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

Risks relating to the Security Agent holding transaction security

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

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

Risk Factors (XI/XI)

Risks related to the bondholders' rights and representation

Bondholders' meetings

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

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

No action against the Issuer and bondholders' representation

In accordance with the Terms and Conditions for the Bonds, the Agent represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions for the Bonds), which could negatively impact an acceleration of the Bonds or other action against the Issuer. To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings. Under the Terms and Conditions for the Bonds, the Agent has in some cases the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact a bondholder's rights under the Terms and Conditions for the Bonds in a manner that is undesirable for some of the bondholders.

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

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

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

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

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

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