

2024-Q2

Interim financial report

Open Infra US Assets AB (publ)

open infra

Significant events and events after reporting period

On the 13th of May the reorganization was executed after all formal conditions precedent was achieved and the final funds flow was completed. The reorganization meant that all roll-out related activities was separated from the group and transferred to Open Infra Inc, also known as “DevCo”. Open Infra US Assets AB-group is since then a pure asset company that acquires completed networks from DevCo.

No significant events occurred after the reporting period.

CEO's comment

Dear reader,

Roll-out

The roll-out in US during Q2 2024 has been successful especially in Florida with 1,100 new connections which means double the growth rate compared to last year. During the same period, we sold 1,800 new agreements compared to 1,400 in the same period last year. Construction is now ramping up to keep the pace of sales which is according to plan. It is not beneficial to have a too large inventory of signed but not deployed contracts as it is negative for customers to wait for too long and as it increases the need for working capital.

Most deployments in Texas Q1 came from the Forney and Aledo areas (approx. 1 hour drive east of downtown Dallas). In Florida we continued deploying customers in the Spring Hill area (3pprox.. 1 hour drive north of downtown Tampa).

Strong demand

We continue to see strong demand in our target markets and the US market as a whole appears to be very strong based on our competitors and industry reports. Our main obstacle is to educate the homeowners of the superior offering fiber provide. However, compared to last year we are finding that the homeowners today generally have more knowledge of fiber.

Since the fiber market is so strong currently there is a shortage of skilled laborers and our close working relationship with our sub-contractors is a key factor in our roll-out. To further increase the growth rate we focus on building long-term relationships with more skilled and efficient subcontractors.

Best regards,

Open Infra AB (publ)



Erik Stiernstedt

CEO



Financial Development April – June

- Network EBITDA run rate (annualized) has increased to USD 7.5m from USD 6.3m in the previous quarter, an increase of 20%.
- Net debt has increased to USD 45.6m from USD 44.3m since last quarter due to the release from escrow following acquisition of Active HC*.
- ARPU has increased from USD 63 to USD 67, an increase of 5%. This was driven by an increased share of HCs with new agreements which generate a higher ARPU (USD 99) compared to the legacy agreements.
- Active HCs has increased to 11,777 from 10,432 last quarter, an increase of 13%.
- Net debt / EBITDA was 6.07x compared to incurrence level of 6.50x and maintenance level of 8.00x.
- Interest coverage ratio was 1.50x compared to incurrence level of 1.50x and maintenance level of 1.25x.

All figures in table below stated in millions of USD unless stated otherwise. All other financial information in this report is presented in millions of SEK unless stated otherwise.

Overview, Open Infra AB (publ)	Proforma	Proforma	2024	2023	Change	Change
	2023 Sep - Dec	2024 Jan - Mar	Apr - Jul	Apr - Jul	YoY	QoQ
Network EBITDA run rate, yearly	4.0	6.3	7.5	N/A	-	19%
Net debt	N/A	43.1	45.6	N/A	-	6%
Fiber asset value (proforma)	71.0	91.7	103.0	N/A	-	12%
LTV	N/A	47%	44%	N/A	-	-6%
ARPU (SEK)	55	63	67	N/A	-	6%
Number of households connected, EOP	9,887	10,432	11,777	N/A	-	13%
Net debt / EBITDA	N/A	6.86x	6.20x	N/A	-	-10%
Interest coverage ratio	N/A	1.32x	1.50x	N/A	-	14%

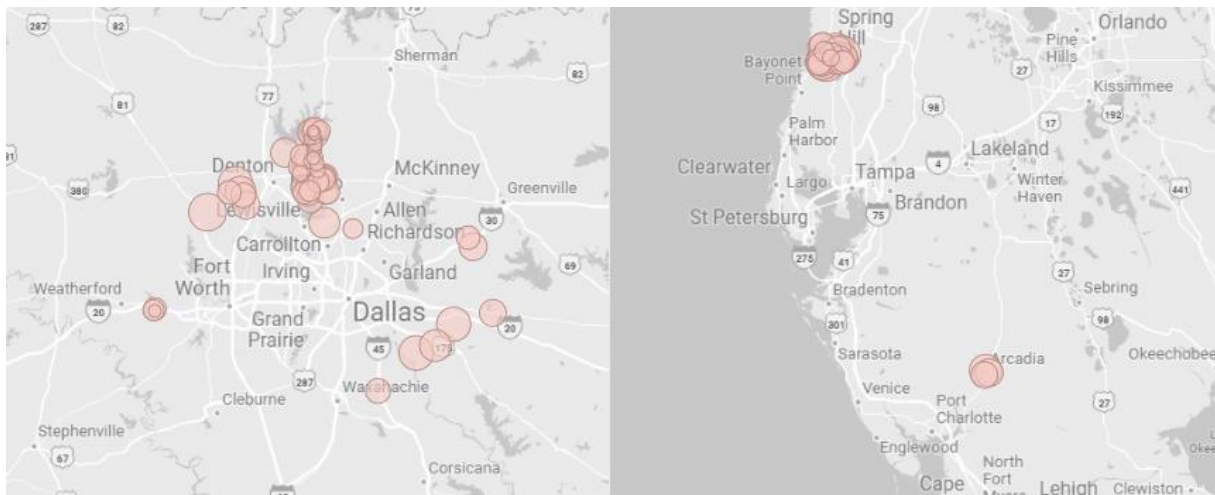
*HC = Household connected

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Households Connected

The total HCs per 31 March 2024 were 14,676 (5,806). Of the HCs, 11,777 (4,643) were active at the end of the quarter. Total HCs in suburban areas were 9,503 and in rural areas 5,173, compared to Q1-2024 when suburban HCs were 8,325 and rural were 3,490.

The map below shows the geographic location of our deployed fiber network.



ARPU

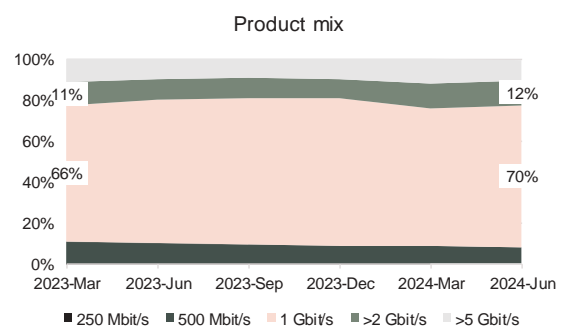
ARPU has increased during the quarter due to an increased number of households connected under new agreements and in rural areas where the ARPU is higher. In total we have 4,842 HC active under the new agreement that generates USD 89/99 during the campaign period of 24 months.

The focus on rural areas is increasing but we will continue to build fiber in some Suburban areas, especially in Florida where the demand for fiber in such areas appears to be stronger than in Dallas. The roll-out in Florida has been strong in Q2 thus increasing the share of suburban areas during the quarter.

Active HC	Suburban	Rural	Total
Legacy	5,285	1,650	6,935
New	2,018	2,824	4,842
Total	7,303	4,474	11,777

Network revenue, USD	Suburban	Rural	Total
Legacy	237,178	91,380	328,558
New	179,245	277,702	456,947
Total	416,423	369,082	785,505

ARPU, USD	Suburban	Rural	Total
Legacy	45	55	47
New	89	98	94
Total	57	82	67



Open Infra US Assets AB (publ) 2024-Q2 Report

Consolidated income statement

		SEK,millions 2024	USD,millions 2024
		Jan - Jun	Jan - Jun
Open Infra US Assets AB (publ), consolidated			
Net sales	3	32.6	3.1
Other Revenue		-0.1	0.0
Total Revenue		32.5	3.1
Cost of goods sold		-1.6	-0.1
Operational expenditure		-4.8	-0.5
Personnel		-0.8	-0.1
EBITDA		25.4	2.4
Depreciation and amortization		-18.2	-1.7
EBIT		7.2	0.7
Net financial cost	4	-1.5	-0.1
Earnings before tax		5.7	0.5
Appropriations		0.0	0.0
Tax		3.9	0.4
Result for the period		9.6	0.9
Revaluation of fiber assets, net of tax		390.2	36.8
Revaluation of financial assets, net of tax		8.1	0.8
Total comprehensive income for the period		407.9	38.5

OPEX and Personnel costs, as well as Other Revenue is related to the installation business incurred before 13th of May when the reorganization took place.

Open Infra US Assets AB (publ) 2024-Q2 Report

Consolidated balance sheet

		SEK,millions	USD,millions
		2024	2024
		30 Jun	30 Jun
Open Infra US Assets AB (publ), consolidated			
Fiber assets		1,090.7	103.0
Machines and equipment		0.0	0.0
Tangible assets	5	1,090.7	103.0
Financial assets		0.0	0.0
Intangible assets		0.0	0.0
Total fixed assets		1,090.7	103.0
Account receivable		16.1	1.5
Intra group receivables	6	19.9	1.9
Current tax receivables		0.0	0.0
Other short term receivables		48.3	4.6
Prepaid expenses and accrued income		8.9	0.8
Cash and equivalents	7	9.6	0.9
Total current assets		102.8	9.7
Total assets		1,193.5	112.7
Total shareholders equity attributable to the parent company's shareholders		452.0	42.7
Long term interest bearing liabilities		515.2	48.6
Deferred tax liabilities		130.7	12.3
Leasing long term debt		0.0	0.0
Intra group liabilities	6	93.5	8.8
Total long term liabilities		739.5	69.8
Leasing short term debt		0.0	0.0
Accounts payable		0.1	0.0
Current tax liabilities		0.0	0.0
Other liabilities		2.0	0.2
Accrued expenses and prepaid income		0.0	0.0
Total short term liabilities		2.1	0.2
Total equity and liabilities		1,193.5	112.7

Open Infra US Assets AB (publ) 2024-Q2 Report

Consolidated cash flow statement

Open Infra US Assets AB (publ), consolidated	2024	2023
	Jan - Jun	Jan - Jun
EBITDA	25.4	
Adjustment for non cash items	-15.9	
Net interest paid	0.0	
Tax paid	0.0	
Cashflow from operating activities	9.5	
Change in accounts receivable	-11.9	
Change in other current receivables	-75.7	
Change in accounts payable	-12.3	
Change in other current liabilities	1.7	
Changes in working capital	-98.3	
Cashflow from operating activities after changes in net working capital	-88.8	
Investments in fiber assets	-321.7	
Investments in other tangible and intangible assets	0.0	
Investments in other financial assets	12.9	
Cashflow from investing activities	-308.8	
Net change interest bearing debt	515.2	
Net change intra group debt	-108.8	
Permitted repayment vendor loan note	0.0	
Cashflow from financing activities	406.4	
Cashflow for the period	8.8	
Opening cash and equivalents	0.0	
Closing cash and equivalents	8.9	

Consolidated change in equity

	Equity attributable to the parent company's shareholders			
	Share capital	Reserves	Accumulated profit including result for the period	Total equity
2024-01-01	0.5	87.8	-38.9	49.4
Result for the period	0.0	0.0	9.6	9.6
Revaluation of fiber assets, net of tax	0.0	390.2	0.0	390.2
Revaluation of financial assets, net of tax	0.0	8.1	0.0	8.1
Other contributed capital	0.0	0.0	-5.3	-5.3
Total change in equity for the period	0.0	398.3	4.3	402.6
2024-06-30	0.5	486.0	-34.7	452.0

Open Infra US Assets AB (publ) 2024-Q2 Report

Parent company income statement

	2024	2023
Open Infra US Assets AB	Jan - Jun	Jan - Jun
Net sales	0.0	
Other Revenue	0.0	
Total Revenue	0.0	
Cost of goods sold	0.0	
Operational expenditure	-0.1	
Personnel	0.0	
Earnings before interest, tax, depreciation and amortization	-0.1	
Depreciation and amortization	0.0	
Operating profit	-0.1	
Net financial cost	18.4	
Earnings before tax	18.3	
Appropriations	0.0	
Tax	0.0	
Result for the period	18.3	

Parent company balance sheet

	2024	2023
Open Infra US Assets AB	30 Jun	30 Jun
Tangible assets	0.0	
Financial assets	0.0	
Intangible assets	73.0	
Total fixed assets	73.0	
Account receivable	0.0	
Intra group receivables	417.2	
Current tax receivables	0.0	
Other short term receivables	46.9	
Prepaid expenses and accrued income	8.9	
Cash and equivalents	0.0	
Total current assets	472.9	
Total assets	545.9	
Total shareholders equity attributable to the parent company's shareholders	18.8	
Long term interest bearing liabilities	515.2	
Deferred tax liabilities	0.0	
Leasing long term debt	0.0	
Intra group liabilities	11.8	
Total long term liabilities	527.0	
Leasing short term debt	0.0	
Accounts payable	0.1	
Current tax liabilities	0.0	
Other liabilities	0.0	
Accrued expenses and prepaid income	0.0	
Total short term liabilities	0.1	
Total equity and liabilities	545.9	

Open Infra US Assets AB (publ) 2024-Q2 Report

Parent company cash flow statement

Open Infra US Assets AB	2024	2023
	Jan - Jun	Jan - Jun
EBITDA	-0.1	
Adjustment for non cash items	18.5	
Interest paid	-0.1	
Tax paid	0.0	
Cashflow from operating activities	18.3	
Change in accounts receivable	0.0	
Change in other current receivables	-357.4	
Change in accounts payable	0.1	
Change in other current liabilities	0.0	
Changes in working capital	-357.3	
Cashflow from operating activities	-339.0	
Investments in fiber assets	0.0	
Investments in other tangible and intangible assets	0.0	
Investments in other financial assets	0.0	
Cashflow from investing activities	0.0	
Net change interest bearing debt	515.2	
Net change intra group debt	-116.4	
Shareholder contribution	-60.1	
Permitted repayment vendor loan note	0.0	
Cashflow from financing activities	338.7	
Cashflow for the period	-0.3	
Whereof released from escrow	0.0	
Opening cash and equivalents	0.2	
Closing cash and equivalents	-0.1	

Parent company change in equity

	Equity attributable to the parent company's shareholders			
	Share capital	Reserves	Accumulated profit including result for the period	Total equity
2024-01-01	0.5	0.0	0.0	0.5
Result for the period	0.0	0.0	18.3	18.3
Other contributed capital	0.0	0.0	0.0	0.0
Total change in equity for the period	0.0	0.0	18.3	18.3
2024-06-30	0.5	0.0	18.3	18.8

Open Infra US Assets AB (publ) 2024-Q2 Report

Definition of key figures

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

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	mSEK 2024 30 Jun	mUSD 2024 30 Jun
Key figures		
USD/SEK	10.59	10.59
Net sales	32.6	3.1
EBITDA	25.4	2.4
Depreciation	-18.2	-1.7
Operating profit	7.2	0.7
Active HC, EOP	11,777	11,777
Monthly contracted recurring revenue	8.3	0.8
Monthly operational fee	-1.4	-0.1
Internet campaign service cost	-0.3	0.0
Monthly recurring EBITDA	6.6	0.6
Network EBITDA run rate	79.6	7.5
Debt	529.5	50.0
Cash	9.6	0.9
Less restricted cash on escrow	-70.6	-6.7
Proforma release	24.4	2.3
Net debt	492.9	46.5
Net finance charges	1.5	0.1
Accrued financial costs (up front financing fee)	-0.3	0.0
Adjustment proforma	51.7	4.9
Adjusted net finance charges	52.9	5.0
Net debt	492.9	46.5
Adjusted network EBITDA	79.6	7.5
Net debt / EBITDA	6.20x	6.20x
Adjusted network EBITDA	79.6	7.5
Adjusted net finance charges	52.9	5.0
Interest coverage ratio	1.50x	1.50x
Net debt	492.9	46.5
Fair value measurement of fiber assets	1,090.7	103.0
Loan to value	45%	45%
Monthly contracted recurring revenue	8.3	0.8
Active HC, EOP	11,777	11,777
ARPU	706	67

Note 1 Significant accounting principles

General disclosure

This interim financial statement is published for the Swedish parent company Open Infra US Assets AB (publ), "Open Infra", legal entity number 559335-3237, and its subsidiaries. The parent company is a Swedish limited liability entity (Sw. "aktiebolag") with residence in Stockholm, Sweden. The address for the headquarter is Lings Väg 2, 169 70 Solna, Sweden.

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

Principles for the financial statement

Since inception a local american entity has been founded, Open Infra East Inc, that has developed fiber networks in Florida. On the 8th of February the parent issued a bond on Nasdaq OMXS and since Open Infra US Assets AB (publ) will be disclosing consolidated financial reports. Before the consolidation was made in the parent, Open Infra International AB.

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

Currency

Reporting currency

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

Tangible assets

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

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

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

Additional cost

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

Fair value measurement

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

Depreciation and utilization periods

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

- Fiber assets	30 years
- Machines and inventory	5 years

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

Note 2 Substantial estimates and assessments

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

Fair value measurement for fiber assets

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

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

Amortization of tangible assets

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

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

Note 3 Segment reporting

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

2024-01-01 - 2024-06-30	Installation	Network	Intra group	Total
Net sales	0.0	0.0	32.6	32.6
Other revenue	-0.1	0.0	0.0	-0.1
Total revenue	-0.1	0.0	32.6	32.5
Cost of goods sold	0.0	0.0	-1.6	-1.6
Other operational expenditure	0.0	0.0	-4.8	-4.8
Personnel	0.0	-0.8		-0.8
Earnings before interest, tax, depreciation and amortization	-0.1	-0.8	26.3	25.4
Depreciation and amortization	0.0	0.0	-18.2	-18.2
Operating profit	-0.1	-0.8	8.1	7.2
Net financial cost	0.0	0.0	-1.5	-1.5
Earnings before tax	-0.1	-0.8	6.6	5.7

Note 4 Net financial costs

	2024 Jan - Jun
Financial revenue	0.0
Interest for issued bond	0.0
Interest for other external interest bearing debt	0.0
IFRS 16 financial cost	0.0
Interest on intra group debt (PIK)	0.0
Accrued financial costs (up front financing fee)	-1.5
Net financial cost	-1.5

Note 5 Tangible assets

	Leasing assets	Fiber network	Machines and equipment	Total fiber assets
2024-01-01				
Acquisition value or fair value	8.5	202.5	18.2	220.7
Acquisitions for the period	0.0	409.6	0.0	409.6
Sale and disposals	0.0	0.0	-18.2	-18.2
Revaluation	-8.5	504.0	0.0	504.0
Total acquisition value	0.0	1,116.1	0.0	1,116.1
Opening balance accumulated depreciation	0.0	-7.2	0.0	-7.2
Depreciation for the period	0.0	-18.2	0.0	-18.2
Book value accumulated depreciation	0.0	-25.3	0.0	-25.3
Book value 2024-06-30	0.0	1,090.7	0.0	1,090.7

Fair value measurement

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

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

The disclosed amount has been valued according to level 3. Management has set out the valuation based on the following estimates that was independently valued by EY as per the Annual report.

- Number of connected households
- ARPU
- Network operating cost
- Other costs
- WACC
- Penetration development
- Economical lifetime
- CAPEX

The valuation is extrapolated from the amount of connected households at the end of each reporting period.

Note 6 Intra group loans

Liabilities	2024-06-30
Open Infra International AB	11.8
Open Infra Inc	61.9
Other developing companies	19.9
Total	93.5
<i>Whereof repayable vendor loan note</i>	<i>61.9</i>

Note 7 Cash and equivalents

	2024-06-30
Cash and equivalents	9.6
Escrow cash amount (presented as other receivables on Balance Sheet)	46.9
Total	56.4

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Board declaration

The Chief Executive Officer and the Members of the Board hereby assure that the interim financial report for the second quarter of 2024 gives a fair and true overview of the group, and the parent company's business, financial status and correctly describes the major risks and uncertainties regarding the parent company and its subsidiaries.

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

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

The interim financial report has not been audited. This information is information that Open Infra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 14.00 CET on August 21st, 2024.

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Sverker Bonde
Chairman

Erik Stiernstedt
CEO and member of the Board

Fredrik Karlsson
Member of the Board