

A winter landscape at dusk. The sky is a gradient of dark blue and purple, with a thin crescent moon visible on the right side. Below the sky is a dense forest of evergreen trees covered in snow. In the foreground, there are snow-covered branches of a tree. The overall mood is serene and quiet.

2023-Q4

Year-end report

open infra

Overview October – December 2023

- Network revenue amounted to SEK 81.4m (68.7) which represents an increase of 18% compared to last year and 3% compared to the last quarter.
- Adjusted Network revenue proforma amounted to SEK 81.4m (68.7), which equals a growth of 19% compared to last year proforma and 2% compared to the last quarter, adjusted to full year contribution for connections made the last twelve months*.
- Adjusted Network EBITDA amounted to SEK 72.3m (60.2) and a corresponding margin of 89% (88), an increase of 20% since last year and 2% since the last quarter.
- The corresponding Network EBITDA Run Rate amounted to SEK 283.0m (237.3), an increase of 19% since last year and 1% since the previous quarter.
- ARPU for the period was SEK 340 (304) according to the new definition of ARPU. Like for like an increase of 12% was achieved compared to last year and 1% compared to the last quarter.
- The number of households connected was 82,894 (77,425), representing an increase of 7% compared to last year and 0% compared to the last quarter.
- Net Debt / EBITDA was 8.12x (7.70), compared to bond terms and conditions maintenance level of 12.00x and incurrence level of 10.00x.
- Interest coverage ratio was 2.35x (2.76), compared to bond terms and conditions maintenance level of 1.75x and incurrence level of 2.00x.

Overview, Open Infra AB (publ)	2023 Jan - Mar	2023 Apr - Jun	2023 Jul - Sep	2023 Oct - Dec	2022 Oct - Dec	Change
Network revenue	72.9	74.7	79.4	81.4	68.7	18%
Adjusted network revenue	74.1	75.2	80.2	81.4	68.7	19%
Adjusted network EBITDA*	65.6	66.3	71.1	72.3	60.2	20%
<i>Adjusted network EBITDA-margin</i>	<i>89%</i>	<i>88%</i>	<i>89%</i>	<i>89%</i>	<i>88%</i>	<i>1 pp</i>
Network EBITDA run rate, yearly	260.6	268.1	279.3	283.0	237.3	19%
Net debt	2,079.4	2,127.0	2,154.5	2,219.5	1,782.1	25%
Fiber asset value	5,350.0	5,617.9	5,600.7	5,153.6	5,251.4	-2%
LTV	39%	38%	38%	43%	34%	9 pp
ARPU (SEK)	319	318	337	340	304	12%
ARPU (SEK), old definition	336	336	360	358	326	10%
Number of households connected, EOP	81,156	82,734	82,834	82,894	77,425	7%
Net debt / EBITDA	8.34x	8.26x	7.97x	8.12x	7.70x	5%
Interest coverage ratio	2.07x	2.01x	2.25x	2.35x	2.76x	-15%

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

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

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

Significant events and events after reporting period

No significant events were recorded during the quarter.

On the 30th of January the group acquired all shares in Open Infra Core 2023 AB (“Core 2023”) and in Open Infra GmbH (“GmbH”). No tap issue is planned, instead the acquisition was fully financed with the super senior RCF provided by DNB. Please see below table for key metrics.

m SEK	Core 2023	GmbH	Total
Paying HC	496	8,742	9,238
Campaign HC	1,311	7,025	8,336
Vacant HC	592	2,663	3,255
Total	2,399	18,430	20,829
Acquired EBITDA	6.6	26.0	32.7
EV	133	520	653
Proforma Net debt / EBITDA			8.56x
Proforma ICR			2.64x

The acquisition was made according to the terms set out in the Future Development Agreement with an enterprise value of 20x run rate EBITDA, or SEK 653m. For the HCs in Core 2023, SEK 144m has been financed by PTS-loans made by Open Infra Core AB. The corresponding amount is eligible for payment as an additional earn out when PTS has approved the projects. The earn out will then be used to net out the corresponding amount of PTS-loans. No cash will be paid for the earn out.

For the acquisition of GmbH, only HC that has been active for more than 12 months are included in the adjusted network revenue used for calculating the covenants going forward. Total cash purchase price was SEK 400m and the residual of SEK 253m was paid with vendor loan note. SEK 9.3m of the cash purchase price was allocated to escrow relating to Swedish campaign customers.

In Sweden we deployed 4,600 new HCs during 2023. 2,000 HCs was relating to Core 2022 (anticipated customers from last transaction) and 200 houses has been connected in the already existing network, HPO.

CEO's comment

Dear reader,

Last year was a very successful year with significant progress for the projects being deployed with PTS-subsidies. The projects are very challenging with thousands of different landowners that need to be contracted before our deployment process can start. It is clear however that the fiber roll out in rural Sweden is very sought after and we are proud to be able to provide fiber to these very unserved houses.

In Germany we have deployed over 18,000 houses in southeast Berlin and east Hamburg since 2020. The fiber network is now significant, and with an ARPU of EUR 27 the network generates almost EUR 6m in yearly network revenue proforma. As of 30th of January, the German network is included in this group as a result of the acquisition of all shares in Open Infra GmbH.

Regulation and PTS

As stated in our Q3-report, PTS has launched an initiative to analyze the local access fiber market in Sweden. The purpose of the initiative is to assess whether that market needs some kind of regulation for actors with significant market power. PTS are in dialogue with the major fiber network owners on a potential regulation and its effects. PTS has not yet presented how such regulation might be structured, nor any details. This is expected during the end of 2024. We are actively participating in this process and have presented our view to PTS. Our general view is that a detailed regulation of this market is not necessary.

We believe there is a well-functioning competition today and several different broadband suppliers most customers can choose from. As a fact we believe the Swedish market for Internet services is competitive in an international context. We have for instance prices on par with Germany but well below many other countries like Norway or USA. We will of course continue to stay active in this process going forward.

Refinancing

Lastly, I want to address the press release published on the 1st of February regarding our exploration of various options for a potential refinancing of our outstanding bonds. We are now starting the process of evaluating the options for a refinancing. Even if our bond has performed well during 2023, we want to have a new structure in place well before maturity in November 2025.

Best regards,

Open Infra AB (publ)



Erik Stiernstedt

CEO



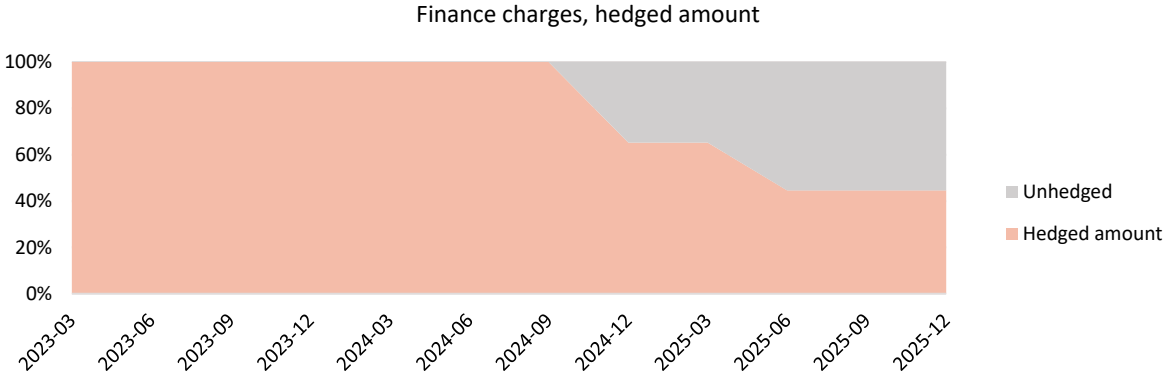
Financial Development January - December

Income statement

Net sales amounted to SEK 313.4m (276.1) whereof SEK 311.7m (263.0) is related to network revenue. The increase in network revenue is due to an increased number of Households Connected (“HC”) and increased ARPU. Please see note 3 for a breakdown of Income Statement in Installation and Network, and section ARPU for a redefinition of ARPU. Part of the installation revenue is deferred for up to three years following deployment to match the campaign element of internet services provided with the installation, which explains why some installation revenue is still recognized.

EBITDA amounted to SEK 276.5m (239.7). Net financial cost amounted to SEK 178.8m (144.4) whereof SEK 144.3m (91.8) pertained to interest paid to bondholders. Remaining financial costs relate to accrued costs from the refinancing and commitment fee for the super senior RCF, as well as received interest. Please see note 4 regarding net financial costs.

Our current interest rate level is fully hedged through Q3 2024 as shown in the graph below.



Balance sheet

The fair value of fiber assets amounted to SEK 5,153.6m (5,251.4). The valuation of the fiber network has been adjusted compared to the assumptions made in the Annual Report 2022 with a slightly higher WACC at 6.8% (6.6%) and a more conservative forecast for ARPU the next 5 years. The solvency ratio is now at 3 %, but including the subordinated intra group loans the solvency ratio is at 35 %.

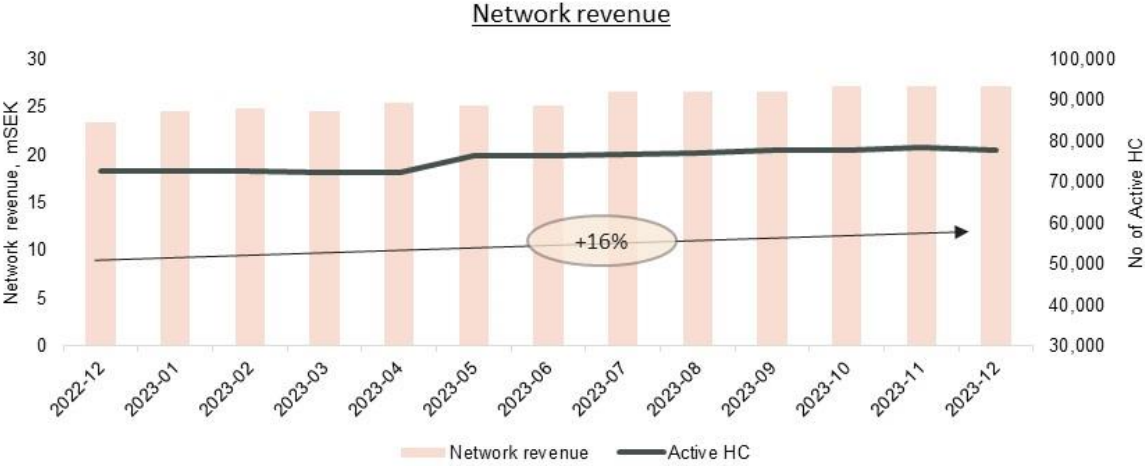
Intragroup liabilities of SEK 199.2m have been repaid during 2023 with proceeds held in escrow, relating to anticipated HC, vacant HC and campaign amounts. Repayable vendor loan notes to Open Infra Group AB and Open Infra Midco AB amount to SEK 644.3m. Repayments are allowed if Net Debt / EBITDA is less than 8.0x. Intra group receivables relating to subsidies from PTS, which are lent to Open Infra Midco AB amounts to SEK 147.3m, plus SEK 8.3m for relating PIK-interest. See note 6 for full schedule of intragroup receivables and liabilities.

The subsidy from PTS is accounted for as a prepaid income on the debt-side of the balance sheet. The corresponding amount is accounted for as cash and equivalents and is held separate from other cash, see note 7.

Open Infra AB (publ) 2023-Q4 Report

Households Connected

Total HCs per 31 December 2023 were 82,894 (77,425). Out of the households connected 78,355 (72,886) are owned by the Company. The residual, 4,539 (4,539) households, is owned by Uddevalla Energi but operated by the group and generating full revenue.

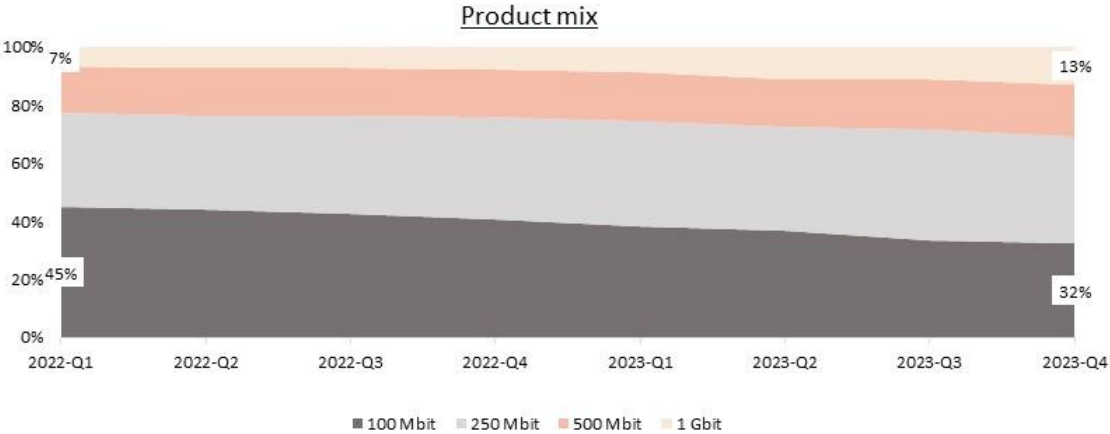


As shown in the chart above, the monthly recurring revenue is very stable as a function of the total connected households, and the price. The price increases in January and September 2023 have affected the network revenue in a positive way and have had little effect on churn. The households connected in Open Infra Core 2022 AB are included from 2nd of February, 2023.

Open Infra AB (publ) 2023-Q4 Report

ARPU

The ARPU for the quarter amounted to SEK 340 (337) using the revised definition, which is an increase of 12% compared to the same period last year. The increase is mainly due to price adjustment effected in July and January 2023. The product mix has continued to shift towards higher speeds, with the lowest speed (100 Mbit/s) decreasing by 13 pp. Instead, the customers are migrating to 250 Mbit/s or higher which has a positive impact on ARPU. We do not see any signs that the customers’ structural demand for higher speeds is in decline. We will continue implementing a price strategy enticing migration to higher speeds and the use of offerings supporting the use of higher speeds.



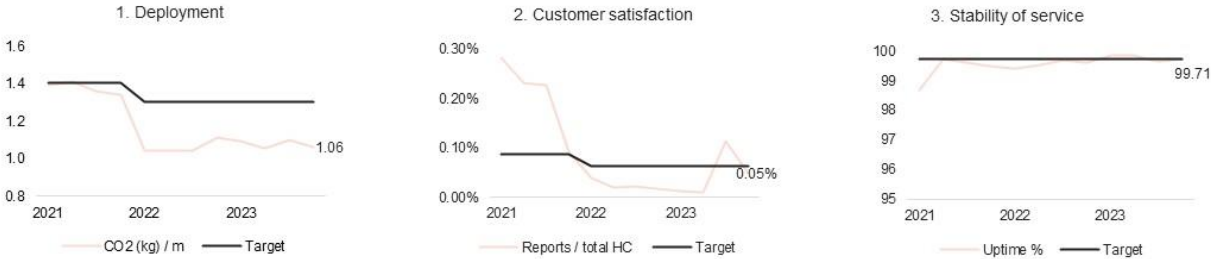
We have redefined ARPU making it include all active customers in our network, thus making it more connected to the actual reported revenue from our network. Previously, we have excluded customers with a campaign element or deviating prices. We also exclude the service fee from the metric ARPU from ISP, although adding it back for Total ARPU, to separate the different revenue streams.



Sustainability

To track our performance within the sustainability area we continuously monitoring three KPIs as described in our sustainability report.

The outcome for these KPIs for Q4 2023 has been in line with the positive trend seen during 2022, particularly within customer satisfaction where the positive trend with a significant decrease in remarks with ARN and KO continues. However, in H2 we experienced an increase in remarks mainly due to the communication with respect to the service fee.



Governance

We continue our work with the consultancy firm, Trossa, and the double materiality analysis of our current position versus the upcoming requirements of the European standard CSRD. While our current foundation is strong, this effort will enable us to further identify and prioritize our sustainability opportunities and will ensure that our processes are aligned with CSRD. In the 2023 annual report, we will enclose a sustainability report which will include CO2 emission measurements according to scope 1, 2 and 3.

Open Infra AB (publ) 2023-Q4 Report

Consolidated income statement

Open Infra, consolidated	2023		2022	
		Jan - Dec	Jan - Dec	Jan - Dec
Net sales	3	313.4		276.1
Other Revenue		4.4		0.2
Total Revenue		317.9		276.3
Cost of goods sold		-35.9		-35.3
Operational expenditure		-5.4		-1.3
Personnel		0.0		0.0
EBITDA		276.5		239.7
Depreciation and amortization		-175.0		-170.8
EBIT		101.5		68.9
Net financial cost	4	-178.8		-144.4
Earnings before tax		-77.2		-75.5
Appropriations		-25.6		0.0
Tax		23.4		17.2
Result for the period		-79.4		-58.3
Revaluation of fiber assets, net of tax		-26.4		110.6
Revaluation of financial assets, net of tax		-46.8		62.2
Total comprehensive income for the period		-152.7		114.5

Open Infra AB (publ) 2023-Q4 Report

Consolidated balance sheet

		2023	2022
Open Infra, consolidated		31 Dec	31 Dec
Fiber assets	5	5,153.6	5,052.9
Leasing assets		51.9	38.5
Tangible assets		5,205.4	5,091.4
Financial assets		18.0	117.3
Intangible assets		31.8	15.8
Total fixed assets		5,255.2	5,224.5
Account receivable		23.2	22.6
Intra group receivables	6	170.2	45.5
Other short term receivables		1.8	2.2
Prepaid expenses and accrued income		19.1	5.6
Cash and equivalents	7	665.6	957.5
Total current assets		880.0	1,033.4
Total assets		6,135.2	6,257.9
Total shareholders equity attributable to the parent company's shareholders		198.9	616.6
Long term interest bearing liabilities		2,296.0	1,872.9
Deferred tax liabilities		952.7	975.5
Leasing long term debt		51.6	38.3
Intra group liabilities	6	1,901.3	1,846.5
Total long term liabilities		5,201.6	4,733.2
Leasing short term debt		3.4	2.3
Accounts payable		16.4	3.5
Current tax liabilities		0.0	0.0
Other liabilities		16.9	28.4
Accrued expenses and prepaid income		698.0	873.9
Total short term liabilities		734.6	908.1
Total equity and liabilities		6,135.2	6,257.9

Open Infra AB (publ) 2023-Q4 Report

Consolidated cash flow statement

Open Infra, consolidated	2023	2022
	Jan - Dec	Jan - Dec
EBITDA	276.5	239.7
Adjustment for non cash items	-19.9	14.6
Net interest paid	-102.2	-98.1
Tax paid	-1.7	-1.7
Cashflow from operating activities	152.7	154.5
Change in accounts receivable	-0.6	-4.5
Change in other current receivables	-13.7	10.2
Change in accounts payable	12.9	1.5
Change in other current liabilities	-187.3	-18.6
Changes in working capital	-188.7	-11.4
Cashflow from operating activities after changes in net working capital	-36.0	143.1
Investments in fiber assets	-411.3	-33.3
Investments in other tangible and intangible assets	0.0	0.0
Investments in other financial assets	0.0	-59.0
Cashflow from investing activities	-411.3	-92.3
Net change interest bearing debt	400.0	0.0
Net change intra group debt	-69.9	-226.2
Permitted repayment vendor loan note	-174.7	-181.0
Cashflow from financing activities	155.4	-407.2
Cashflow for the period	-291.9	-356.4
Whereof released from escrow	-199.2	-236.6
Opening cash and equivalents	957.5	1,313.9
Closing cash and equivalents	665.6	957.5

The cash flow for the period is negative amounting to SEK -291.9m whereof released escrow amounts to SEK -199.2m, new escrow amount to SEK 171.1m, repaid PTS-subsidies amount to SEK -135.3m and granted PTS-loans to Development companies amounting to SEK -124.1m.

Consolidated change in equity

Equity attributable to the parent company's shareholders				
	Share capital	Reserves	Accumulated profit including result for the period	Total equity
2022-01-01	0.5	3,140.9	-2,408.6	732.8
Result for the period	0.0	0.0	-58.3	-58.3
Net investment in subsidiaries	0.0	0.0	-226.6	-226.6
Group contribution	0.0	0.0	-3.6	-3.6
Offset	0.0	0.0	-0.5	-0.5
Revaluation of fiber assets, net of tax	0.0	172.8	0.0	172.8
Revaluation of financial assets, net of tax	0.0	0.0	0.0	0.0
Total change in equity for the period	0.0	172.8	-289.0	-116.2
2022-12-31	0.5	3,313.7	-2,697.6	616.6
2023-01-01	0.5	3,313.7	-2,697.6	616.6
Result for the period	0.0	0.0	-79.4	-79.4
Net investment in subsidiaries	0.0	0.0	-265.1	-265.1
Revaluation of fiber assets, net of tax	0.0	-26.4	0.0	-26.4
Revaluation of financial assets, net of tax	0.0	-46.8	0.0	-46.8
Total change in equity for the period	0.0	-73.2	-344.5	-417.8
2023-12-31	0.5	3,240.5	-3,042.1	198.8

Open Infra AB (publ) 2023-Q4 Report

Parent company income statement

Open Infra AB	2023	2022
	Jan - Dec	Jan - Dec
Net sales	2.9	0.0
Other Revenue	0.0	0.0
Total Revenue	2.9	0.0
Cost of goods sold	0.0	0.0
Operational expenditure	-2.5	-4.3
Personnel	0.0	0.0
Earnings before interest, tax, depreciation and amortization	0.4	-4.3
Depreciation and amortization	0.0	0.0
Operating profit	0.4	-4.3
Net financial cost	-208.6	-149.4
Earnings before tax	-208.2	-153.7
Appropriations	-25.6	153.7
Tax	0.0	0.0
Result for the period	-233.8	0.0

Open Infra AB (publ) 2023-Q4 Report

Parent company balance sheet

	2023	2022
	31 Dec	31 Dec
Open Infra AB		
Tangible assets	0.0	0.0
Financial assets	4,195.7	3,990.3
Intangible assets	0.0	0.0
Total fixed assets	4,195.7	3,990.3
Account receivable	0.0	0.0
Intra group receivables	630.1	558.0
Other short term receivables	0.0	54.7
Prepaid expenses and accrued income	3.7	5.2
Cash and equivalents	98.8	126.2
Total current assets	732.6	744.1
Total assets	4,928.3	4,734.4
Total shareholders equity attributable to the parent company's shareholders	762.5	970.0
Long term interest bearing liabilities	2,278.9	1,872.9
Deferred tax liabilities	0.0	0.0
Leasing long term debt	0.0	0.0
Intra group liabilities	1,886.9	1,836.4
Total long term liabilities	4,165.7	3,709.3
Leasing short term debt	0.0	0.0
Accounts payable	0.0	0.0
Current tax liabilities	0.0	0.0
Other liabilities	0.0	0.0
Accrued expenses and prepaid income	0.0	55.1
Total short term liabilities	0.0	55.1
Total equity and liabilities	4,928.3	4,734.4

Open Infra AB (publ) 2023-Q4 Report

Parent company cash flow statement

Open Infra AB	2023	2022
	Jan - Dec	Jan - Dec
EBITDA	0.4	-4.3
Adjustment for non cash items	-105.7	0.1
Interest paid	-150.9	-103.1
Tax paid	0.0	0.0
Cashflow from operating activities	-256.2	-107.3
Change in accounts receivable	0.0	0.0
Change in other current receivables	56.2	0.0
Change in accounts payable	0.0	-1.5
Change in other current liabilities	-55.1	54.6
Changes in working capital	1.1	53.1
Cashflow from operating activities	-255.1	-54.2
Investments in fiber assets	0.0	0.0
Investments in other tangible and intangible assets	0.0	0.0
Investments in other financial assets	-150.7	-291.0
Cashflow from investing activities	-150.7	-291.0
Net change interest bearing debt	400.0	0.0
Net change intra group debt	153.1	287.0
Permitted repayment vendor loan note	-174.7	-181.0
Cashflow from financing activities	378.4	106.0
Cashflow for the period	-27.4	-239.2
Whereof released from escrow	-199.2	-236.6
Opening cash and equivalents	126.2	365.4
Closing cash and equivalents	98.8	126.2

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
2022-01-01	0.5	0.0	969.5	970.0
Result for the period	0.0	0.0	0.0	0.0
Other contributed capital	0.0	0.0	0.0	0.0
Total change in equity for the period	0.0	0.0	0.0	0.0
2022-12-31	0.5	0.0	969.5	970.0
2023-01-01	0.5	0.0	969.5	970.0
Result for the period	0.0	0.0	-233.8	-233.8
Other contributed capital	0.0	0.0	26.3	26.3
Total change in equity for the period	0.0	0.0	-207.5	-207.5
2023-12-31	0.5	0.0	762.0	762.5

Definition of key figures

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

Open Infra AB (publ) 2023-Q4 Report

Calculation of key figures

Key figures	2023 Jan - Dec
Net sales	313.4
EBITDA	276.5
Depreciation	-175.0
Operating profit	101.5
Network revenue, last twelve months	307.6
Operational fee, proforma	-35.0
Other costs, last twelve months	-2.6
Adjustment HC owned less than 12 months	3.3
Adjusted network EBITDA	273.3
Network revenue, run rate EOP	320.6
Operational fee, run rate EOP	-35.0
Other costs, last twelve months	-2.6
Network EBITDA run rate	283.0
Debt	2,300.0
Cash	-665.6
Less cash eligible for release from Escrow	5.9
Less cash attributable to campaign amounts	16.5
Less cash attributable to PTS subsidy	562.6
Net debt	2,219.5
Net finance charges	178.8
Interest on intra group debt (PIK)	-57.7
IFRS 16 financial cost	-2.1
Accrued financial costs (up front financing fee)	-16.8
Adjustment proforma	13.8
Adjusted net finance charges	116.1
Net debt	2,219.5
Adjusted network EBITDA	273.3
Net debt / EBITDA	8.12x
Adjusted network EBITDA	273.3
Adjusted net finance charges	116.1
Interest coverage ratio	2.35x
Net debt	2,219.5
Fair value measurement of fiber assets	5,153.6
Loan to value	43%
Network revenue, mSEK, EOP	26.4
Active HC, EOP	77,764
ARPU from ISP	340
Network revenue, mSEK, EOP	26.4
Service fee, mSEK, EOP	0.5
Active HC, EOP	77,764
Total ARPU	346

Note 1 Significant accounting principles

General disclosure

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

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

Principles for the financial statement

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

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

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

Currency

Reporting currency

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

Tangible assets

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

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

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

Additional cost

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

Fair value measurement

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

Depreciation and utilization periods

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

- Fiber assets	30 years
- Machines and inventory	5 years

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

Note 2 Substantial estimates and assessments

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

Fair value measurement for fiber assets

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

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

Amortization of tangible assets

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

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

Note 3 Segment reporting

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

2023-01-01 - 2023-12-31	Installation	Network	Intra group	Total
Net sales	1.7	311.7	0.0	313.4
Other revenue	4.4	0.0	0.0	4.4
Total revenue	6.1	311.7	0.0	317.9
Cost of goods sold	0.0	-35.9	0.0	-35.9
Other operational expenditure	0.0	-5.4	0.0	-5.4
Earnings before interest, tax, depreciation and amortization	6.1	270.4	0.0	276.5
Depreciation and amortization	-175.0	0.0	0.0	-175.0
Operating profit	-168.8	270.4	0.0	101.5
Net financial cost	-178.8	0.0	0.0	-178.8
Earnings before tax	-347.6	270.4	0.0	-77.2

2022-01-01 - 2022-12-31	Installation	Network	Intra group	Total
Net sales	12.9	263.0	0.0	275.9
Other revenue	0.2	0.0	0.0	0.2
Total revenue	13.1	263.0	0.0	276.1
Cost of goods sold	1.3	-36.2	0.0	-34.9
Other operational expenditure	0.0	-1.5	0.0	-1.5
Earnings before interest, tax, depreciation and amortization	14.4	225.3	0.0	239.7
Depreciation and amortization	-170.8	0.0	0.0	-170.8
Operating profit	-156.4	225.3	0.0	68.9
Net financial cost	-144.4	0.0	0.0	-144.4
Earnings before tax	-300.8	225.3	0.0	-75.5

Note 4 Net financial costs

	2023 Jan - Dec	2022 Jan - Dec
Financial revenue	43.6	7.9
Interest for issued bond	-144.3	-91.8
Interest for other external interest bearing debt	-1.5	-1.6
IFRS 16 financial cost	-2.1	-1.9
Interest on intra group debt (PIK)	-57.7	-46.3
Accrued financial costs (up front financing fee)	-16.8	-10.7
Net financial cost	-178.8	-144.4

Note 5 Tangible assets

	Fiber network	Machines and equipment	Total fiber assets
2023-01-01			
Acquisition value or fair value	5,331.5	44.2	5,375.7
Acquisitions for the period	0.0	0.0	0.0
Sale and disposals	0.0	0.0	0.0
Revaluation	-26.4	0.0	-26.4
Total acquisition value	5,305.1	44.2	5,349.2
Opening balance accumulated depreciation	-115.5	-22.4	-137.9
Depreciation for the period	-43.3	-14.4	-57.7
Book value accumulated depreciation	-158.8	-36.9	-195.7
Book value 2023-12-31	5,146.3	7.3	5,153.6

	Fiber network	Machines and equipment	Total fiber assets
2022-01-01			
Acquisition value or fair value	5,126.6	44.2	5,170.8
Acquisitions for the period	33.4	0.0	33.4
Sale and disposals	0.0	0.0	0.0
Revaluation	110.6	0.0	110.6
Total acquisition value	5,270.6	44.2	5,314.8
Opening balance accumulated depreciation	-67.4	-8.7	-76.1
Depreciation for the period	-23.5	-14.8	-38.3
Book value accumulated depreciation	-90.9	-23.5	-114.4
Book value 2022-12-31	5,179.7	20.7	5,200.4

Fair value measurement

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

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

The disclosed amount has been valued according to level 3. Management has set out the valuation based on the following estimates 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

Note 6 Intra group loans

	2023-12-31	2022-12-31
Receivables		
Open Infra Midco AB (PTA Loans)	155.6	0.0
Open Infra Topco AB	0.0	0.0
Open Infra Group AB	0.9	43.3
Other developing companies	13.7	2.2
Total	170.2	45.5
Liabilities		
Open Infra Topco AB	967.5	0.0
Open Infra Group AB	751.5	1,844.8
Open Infra Midco AB	0.0	0.0
Other developing companies	182.4	1.7
Total	1,901.3	1,846.5
<i>Whereof repayable vendor loan note</i>	<i>644.3</i>	<i>836.0</i>

Note 7 Cash and equivalents

	2023-12-31	2022-12-31
Cash and equivalents	5.2	-64.0
Escrow cash amount	97.7	153.5
Cash related to subsidies from Post and Telecommunication Authority (PTS)	562.6	868.0
Total	665.6	957.5

Open Infra AB (publ) 2023-Q4 Report

Board declaration

The Chief Executive Officer and the Members of the Board hereby assure that the interim financial report for the fourth quarter of 2023 gives a fair and true overview of the group, and the parent company's business, financial status and correctly describes the major risks and uncertainties regarding the parent company and its subsidiaries.

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

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

The interim financial report has not been audited. This information is information that Open Infra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 14.00 CET on February 22nd, 2023.

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Stockholm, February 22nd, 2023

Gunnar Brundin
Chairman

Erik Stiernstedt
CEO and member of the Board

Sverker Bonde
Member of the Board

Fredrik Karlsson
Member of the Board