

# Summary

Bulk Industrier AS FRN senior secured open bond issue  
2018/2021

NO 001 0824188



Manager:



14.06.2019

## Summary

ISIN NO 001 0824188

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

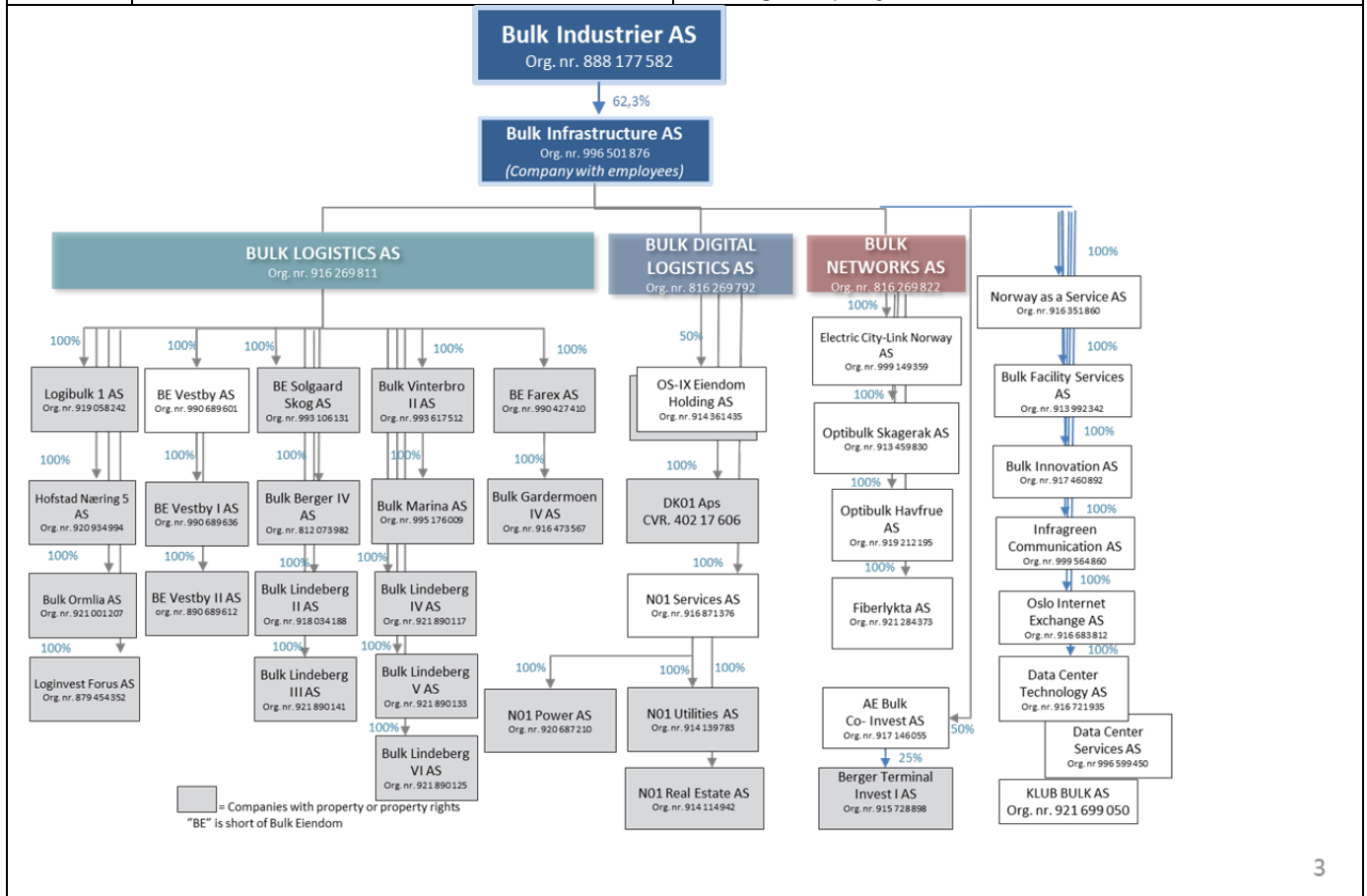
**Section A – Introduction and warnings**

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
A.1	Warnings	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation in its Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Resale and final placement by financial intermediaries	Not applicable. No resale will take place. No financial intermediaries will be used for the final placement of the Bonds.

**Section B – Issuer**

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
B.1	Legal and commercial name of the Issuer	Bulk Industrier AS
B.2	Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	<p>Bulk Industrier AS is a Norwegian limited liability company pursuant to the Norwegian Public Limited Liability Companies Act and supplementing Norwegian laws and regulations domiciled in Norway. The Company was incorporated in Norway on 4<sup>th</sup> April 2005 and registered in the Norwegian Companies Registry with registration number 888 177 582.</p> <p>Address and principal place of business: Plahdeskogen 19, 1363 HØVIK,</p>

		Norway.  Mailing address of the business: Frognerstranda 2, 0250 OSLO, Norway.
B.4b	Known trends affecting the issuer and the industries in which it operates.	There are NO known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.
B.5	A description of the group and the Issuer's position within the group.	Bulk Industrier AS is the parent company in the Group with limited activity other than being the ultimate holding company



B.9	Profit forecast or estimate	Not applicable. No forecasts or estimates are made public.
B.10	Qualifications in the audit report	Not applicable. There are no qualifications in the audited financial reports.
B.12	Selected historical financial information, statement regarding no material adverse change and significant changes in the financial or trading position.	There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.  There are no significant changes in the financial or trading position of the Group, which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published.

B.12	<p><b>PROFIT AND LOSS ACCOUNTS</b> <i>(Amounts in NOK)</i></p> <table border="1"> <tr> <td></td> <td style="text-align: right;"><b>31 Dec 2018</b></td> </tr> <tr> <td></td> <td style="text-align: right;"><i>audited</i></td> </tr> <tr> <td>Total revenue and other income</td> <td style="text-align: right;">200,004,143</td> </tr> <tr> <td>Total expenses</td> <td style="text-align: right;">-220,492,157</td> </tr> <tr> <td>Operating profit</td> <td style="text-align: right;">71,237,417</td> </tr> <tr> <td>Net financial items</td> <td style="text-align: right;">-64,070,106</td> </tr> <tr> <td><b>Profit for the year</b></td> <td style="text-align: right;"><b>23,312,129</b></td> </tr> </table> <p><b>BALANCE SHEET</b> <i>(Amounts in NOK)</i></p> <table border="1"> <tr> <td>Total intangible assets</td> <td style="text-align: right;">28,241,187</td> </tr> <tr> <td>Total non-current assets</td> <td style="text-align: right;">1,597,132,506</td> </tr> <tr> <td>Total current assets</td> <td style="text-align: right;">680,618,579</td> </tr> <tr> <td><b>Total Assets</b></td> <td style="text-align: right;"><b>2,305,992,272</b></td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">1,027,613,288</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">1,278,378,984</td> </tr> <tr> <td><b>Total equity and liabilities</b></td> <td style="text-align: right;"><b>2,305,992,272</b></td> </tr> </table> <p><b>CASH FLOW ACCOUNTS</b> <i>(Amounts in NOK)</i></p> <table border="1"> <tr> <td>Net cash flow from operations (A)</td> <td style="text-align: right;">-4,993,119</td> </tr> <tr> <td>Net cash flow from investments (B)</td> <td style="text-align: right;">-342,185,060</td> </tr> <tr> <td>Net cash flow from financing (C)</td> <td style="text-align: right;">524,737,229</td> </tr> <tr> <td>Net change in cash and cash equivalents (A+B+C)</td> <td style="text-align: right;">177,619,050</td> </tr> <tr> <td><b>Cash and cash equivalents at the end of the period</b></td> <td style="text-align: right;"><b>502,187,774</b></td> </tr> </table>			<b>31 Dec 2018</b>		<i>audited</i>	Total revenue and other income	200,004,143	Total expenses	-220,492,157	Operating profit	71,237,417	Net financial items	-64,070,106	<b>Profit for the year</b>	<b>23,312,129</b>	Total intangible assets	28,241,187	Total non-current assets	1,597,132,506	Total current assets	680,618,579	<b>Total Assets</b>	<b>2,305,992,272</b>	Total equity	1,027,613,288	Total liabilities	1,278,378,984	<b>Total equity and liabilities</b>	<b>2,305,992,272</b>	Net cash flow from operations (A)	-4,993,119	Net cash flow from investments (B)	-342,185,060	Net cash flow from financing (C)	524,737,229	Net change in cash and cash equivalents (A+B+C)	177,619,050	<b>Cash and cash equivalents at the end of the period</b>	<b>502,187,774</b>
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B.13	Recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	There are no recent events particular to the Issuer, which is to a material extent relevant to the evaluation of the Issuer's solvency.																																						
B.14	Description of dependencies upon other entities within the group	Bulk Industrier AS is the parent company in the Group with limited activity other than being the ultimate holding company. The Issuer has no own revenues, only financial income, while most of the Group's debt is gathered with them as the parent company. Consequently, the Issuer is dependent upon the activities in and the income from its subsidiaries to service its debt.																																						
B.15	A description of the issuer's principal activities.	The objects of the Issuer, pursuant to Article 2 of its Articles of Association, is to, through wholly or partly owned companies or by partnering with other businesses, to invest in securities and the purchase, sale and rental of real estate.																																						
B.16	Description of ownership of the company.	The Issuer has one sole owner, Peder Nærbø, who is also the chairman of the board.																																						
B.17	Credit ratings	Not applicable. Neither the Company, nor the Bonds have been rated by an official rating agency.																																						

### Section C – The Bonds

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
C.1	Type and class of securities being offered / security identification numbers	Secured open bond issue with floating rate - ISIN NO 001 0824188.
C.2	Currency	NOK
C.5	Restrictions on free transferability	The Bonds are freely transferable and may be pledged, subject to the following:

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		<p>Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.</p> <p>Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder</p>
C.8	A description of the rights including ranking and limitations to those rights attached to the Bonds.	<p>The Bond Terms has been entered into between the Issuer and the Trustee. The Bond Terms regulates the Bondholder's rights and obligations in relations with the issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.</p> <p>When Bonds are subscribed / purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Terms.</p> <p>The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and will rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).</p> <p>The Bond Terms include descriptions of rights and any limitations of those rights, such as:</p> <ul style="list-style-type: none"> <li>• Voluntary early redemption - Call Option</li> <li>• Mandatory repurchase due to a Change of Control Event</li> <li>• Early redemption option due to a tax event</li> <li>• Mandatory early redemption at the Longstop Date</li> <li>• Events of default and acceleration of the Bonds</li> </ul>
C.9	Information on the interest rate, interest payment dates, installments and representative of the bondholders	<p>The Bonds are issued with a Floating Rate: 3 months NIBOR + a Margin of 6.50 percentage points.</p> <p>Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.</p> <p>Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal</p>

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		<p>amount then due and payable, on each Repayment Date.</p> <p>The last day of each Interest Period, the first Interest Payment Date being 18 September 2018 and the last Interest Payment Date being the Maturity Date.</p> <p>Subject to adjustment in accordance with the Business Day Convention, the Interest Periods are the period between March, June, September and December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.</p> <p>The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.</p> <p>The Bond trustee is Nordic Trustee AS.</p>
C.10	In case the Bonds have a derivative component in the interest payment, a description of potential impacts on the Bonds value is affected by the value of the underlying instrument.	Not applicable - the Bonds does not have a derivative component.
C.11	An indication whether the Bonds will be listed on a regulated market.	An application for listing will be sent Oslo Børs.

## Section D – Risks

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
D.2	Key information on the key risks that are specific to the issuer.	<p><b><u>Financial risk</u></b></p> <p>The Company is a holding company and its ability to serve its payment obligations depends on the receipt of funds from its subsidiaries. If the cash flow and capital resources in the Group are insufficient to fund the debt obligations, the Group may be forced to sell assets, seek additional equity or debt capital or restructure its debt.</p> <p><b><u>Property risk</u></b></p> <p>Rental income and the market value for properties in the Group are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes to interest rates etc.</p> <p>The appraisals of the properties are based on various assumptions and the price at which the Group is able to sell a property in the future may be different from the initial acquisition value of the property.</p> <p>The Group is dependent on its significant customers and any breach by the significant customers of their obligations under the lease arrangements or the loss of such significant customers may have an adverse effect on the business, financial condition and results of</p>

		<p>operations of the Group.</p> <p>The Group may suffer material losses in excess of insurance proceeds or the Group may not put in place or maintain adequate insurance in relation to its properties and its potential liabilities to third parties.</p> <p>The Group may face significant expenditures if a customer fails to remove its equipment and restore its space in the lease object to the original state.</p> <p>Renovation or redevelopment works or physical damage to the properties may disrupt the operations of the properties and collection of rental income or otherwise result in adverse impact on the financial condition of the Group.</p> <p>The Group could incur significant costs or liability related to environmental matters.</p> <p><b><u>Risk related to third party service providers</u></b> The Group's is dependent upon the services and products of certain other service providers, and the inability of such service providers to fulfil their obligations under the respective service agreements could affect the Group's cash flows, financial condition and financial performance.</p> <p><b><u>Legal and regulatory risk</u></b> Changes in laws relating to ownership of land could have an adverse effect on the business of the Group.</p> <p><b><u>Risk of changes in the Norwegian tax system</u></b> Future actions by the Norwegian government or local authorities to increase tax rates or to impose additional taxes would reduce the Group's profitability.</p> <p><b><u>Interest and market risk</u></b> The Company and the Group is exposed to interest risks on interest bearing current and non- current liabilities.</p> <p><b><u>Risks associated with legal disputes</u></b> The Group may from time to time be involved in legal disputes and legal proceedings related to the Group's operations or otherwise.</p> <p><b><u>Liquidity risk</u></b> Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.</p> <p><b><u>Credit risk</u></b> The Group may be exposed to financial loss if a customer or counterparty fails to meet its contractual obligations.</p>
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		<p><b><u>Risk relating to obtaining further financing</u></b></p> <p>The Group requires substantial long-term liquidity to finance working capital and capital expenditure for its operations.</p>
D.3	Key information on the key risks that are specific to the Bonds.	<p><i>Risks related to investments in interest bearing securities</i></p> <p>Illiquidity may result in the Bondholder incurring a loss. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. Credit risk is the risk that the Issuer fails to make the required payments under the Bonds and market risk is the risk that the value of the Bonds will decrease due to the change in value of the market risk factors.</p> <p><i>Risk related to settlement</i></p> <p>Settlement risk is the risk that the settlement of bonds in the Bond issue does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the Bonds.</p>

**Section E – Offer**

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
E.2b	Use of proceeds.	<p>The Issuer will use the net proceeds from the Initial Bond Issue (net of fees and legal costs of the Manager and the Bond Trustee and any other costs and expenses incurred in connection with the Bond Issue) towards:</p> <ul style="list-style-type: none"> <li>(i) funding the Debt Service Retention Account with an amount of NOK 73,000,000;</li> <li>(ii) refinancing of BUIN01 with an amount of NOK 503.694.234; and</li> <li>(iii) contribution to the Company, either in the form of equity or a loan with an amount of NOK 73.305.766-</li> </ul> <p>The Issuer will use the net proceeds from the issuance of any Additional Bonds towards:</p> <ul style="list-style-type: none"> <li>(i) funding the Debt Service Retention Account with an amount equal to 11.25 per cent. of the product of: (A) the principal amount of the Tap Issue; and (B); the Top-up Fraction calculated at the date of the Tap Issuer;</li> <li>(ii) contribution to the Company, either in the form of equity or a loan; and</li> <li>(iii) general corporate purposes,</li> </ul>



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		<p>where "Top-up Fraction" shall mean a fraction, the numerator of which is equal to 6 less the number of Interest Payment Dates that has lapsed since the Issue Date, and the denominator of which is equal to 6.</p> <p>The proceeds contributed from the Issuer to the Company shall be used towards the Group's general corporate purposes.</p>
E.3	Terms and conditions of the offer	Not Applicable – The Bonds have not been subject to a public offer, it is already issued and settled.
E.4	Material interests in the offer	<p>The involved persons in Bulk Industrier AS have no interest, nor conflicting interests that is material to the Issue.</p> <p>Bulk Industrier AS has mandated Arctic Securities as Manager for the issuance of the Bonds. The Manager have acted as advisor to Bulk Industrier AS in relation to the pricing of the Bonds.</p> <p>The Manager and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note and may perform or seek to perform financial advisory or banking services related to such instruments. The Manager's corporate finance departments may act as manager or co-manager for this Issuer in private and/or public placement and/or resale not publicly available or commonly known.</p>
E.7	Estimated expenses charged to the investor	Not Applicable – The investor of the Bonds were not charged any expenses due to the issuance of the Bonds