

Interim Report 2019

Bulk Industrier AS

Income statement

	Note	unaudited 2019	audited 2018
Operating income and operating expenses			
Sales revenue		14 000	0
Rental income		27 440	41 160
Other operating income	6	126 128	0
Total operating income		<u>167 568</u>	<u>41 160</u>
Other operating expenses	1	792 143	1 093 806
Total operating expenses		<u>792 143</u>	<u>1 093 806</u>
Operating profit/loss		<u>-624 575</u>	<u>-1 052 646</u>
Financial income and expenses			
Interest income from group companies	7	0	319 890
Other interest income	13	2 506 862	1 520 102
Other financial income	10, 12	94 107 766	104 407 365
Increase in market value of financial current assets		0	223 207
Decrease in market value of financial current assets		0	70 148
Other interest expenses	11	74 439 741	51 675 581
Other financial expenses		12 100 476	5 931 312
Net financial items		<u>10 074 410</u>	<u>48 793 522</u>
Result before tax		<u>9 449 835</u>	<u>47 740 876</u>
Tax expense	5	0	0
Result for the year		<u>9 449 835</u>	<u>47 740 876</u>
Allocation of result for the year			
Dividends	4	0	8 200 000
Additional dividends		0	1 800 000
Allocated to other equity		9 449 835	37 740 876
Total brought forward		<u>9 449 835</u>	<u>47 740 876</u>

Balance sheet

	Note	unaudited 2019	audited 2018
Assets			
Fixed assets			
Tangible assets			
Land, buildings and other real estate	6	0	1 929 032
Total tangible assets		<u>0</u>	<u>1 929 032</u>
Financial fixed assets			
Investments in subsidiaries	8	1 055 759 942	887 739 191
Investments in shares and other securities	9	3 376 142	1 320 142
Total financial fixed assets		<u>1 059 136 084</u>	<u>889 059 333</u>
Total fixed assets		<u>1 059 136 084</u>	<u>890 988 365</u>
Current assets			
Receivables			
Accounts receivables		90 138	0
Other short-term receivables	3, 7, 12, 13	123 292 566	115 771 860
Receivables from group companies	7	14 000	0
Total receivables		<u>123 396 704</u>	<u>115 771 860</u>
Investments			
Listed shares	9	0	19 051 792
Total investments		<u>0</u>	<u>19 051 792</u>
Bank deposits, cash and cash equivalents			
Bank deposits, cash and cash equivalents		92 837 085	85 538 004
Total bank deposits, cash and cash equivalents		<u>92 837 085</u>	<u>85 538 004</u>
Total current assets		<u>216 233 790</u>	<u>220 361 656</u>
Total assets		<u>1 275 369 874</u>	<u>1 111 350 021</u>

Balance sheet

	Note	unaudited 2019	audited 2018
Equity and liabilities			
Equity			
Paid in equity			
Share capital	2, 4	<u>100 000</u>	<u>100 000</u>
Total paid-up equity		<u>100 000</u>	<u>100 000</u>
Retained earnings			
Other equity	4	<u>76 219 431</u>	<u>66 769 596</u>
Total retained earnings		<u>76 219 431</u>	<u>66 769 596</u>
Total equity		<u>76 319 431</u>	<u>66 869 596</u>
Liabilities			
Provisions for liabilities			
Other provisions	10	<u>251 113 310</u>	<u>252 637 000</u>
Total provisions		<u>251 113 310</u>	<u>252 637 000</u>
Other long-term liabilities			
Bonds	11	<u>939 111 073</u>	<u>781 424 772</u>
Total of other long term liabilities		<u>939 111 073</u>	<u>781 424 772</u>
Current debt			
Trade payables		0	1 623
Dividend		0	8 200 000
Other current debt	7, 11, 14	<u>8 826 059</u>	<u>2 217 030</u>
Total current debt		<u>8 826 059</u>	<u>10 418 653</u>
Total liabilities		<u>1 199 050 442</u>	<u>1 044 480 425</u>
Total equity and liabilities		<u>1 275 369 874</u>	<u>1 111 350 021</u>

Oslo, February 28, 2020

The board of Bulk Industrier AS



Peder Nærbø
Chairman of the board

Indirect cash flow

	unaudited	audited
	2019	2018
Cash flows from operating activities		
Profit/loss before tax	9 449 835	47 740 876
Loss/gain on the sale of fixed assets	-126 128	180 036
Change in accounts payable	-91 761	0
Change in other accrual items	-9 590 706	-72 270 372
Net cash flows from operating activities	-358 760	-24 349 460
 Cash flows from investment activities		
Proceeds from long-term claims	2 055 160	0
Proceeds from shares sold	108 096 085	0
Payments to buy shares and participations in other companies	-258 588 734	-212 758 883
Payments to buy other investments	0	240 515
Net cash flows from investment activities	-148 437 489	-212 518 368
 Cash flows from financing activities		
Proceeds from the issuance of new long-term liabilities	157 686 301	300 000 000
Proceeds from the issuance of new current liabilities	6 609 029	0
Payment of dividend	-8 200 000	-15 401 197
Net cash flows from financing activities	156 095 330	284 598 803
 Net change in cash and cash equivalents	 7 299 081	 47 730 975
Cash and cash equivalents at the start of the period	85 538 004	37 807 028
Cash and cash equivalents at the end of the period	92 837 085	85 538 003

Notes to the financial statement 2019

Accounting principles

The financial statements are presented in accordance with relevant Norwegian laws and generally accepted accounting principles for other enterprises. The principles are outlined below and have been consistently applied to all periods presented, unless otherwise is stated.

Current assets and liabilities

Balances that fall due within a year are classified as current assets and liabilities. The value of current assets is presented as the lower historical cost and fair value.

Classification and assessment of balance sheet items

Assets intended for long term ownership or use are classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long-term receivables are, however, not classified as short term liabilities and current assets.

Bond loan

The bond is measured by amortized cost according to the Norwegian Accounting Act chapter 5. Amortized cost calculated by effective interest rate is accepted in the standard assessment guidelines.

The amortized cost of an asset is comprised by original cost, minus transactions between the parties (eg payments, interest and fees), plus effective interest. An impairment would decrease the calculated value.

Property, plant and equipment

Property, plant and equipment (PPE) are assets held for long-term ownership and use. PPE are valued at historical cost less subsequent depreciation and impairments. Historical cost includes expenditure directly attributable to the acquisition of the items.

Depreciation is calculated based on estimated useful lives for the assets. Impairments occur when historical cost exceeds long-term fair value. Previous impairments may be reversed if there are significant changes in value.

Investments in other companies

The cost method is applied to investments in subsidiaries and associated companies. Cost may vary with capital contributions. Investments are subject to impairments if permanent fair value is lower than cost. Previous impairments may be reversed if there are significant changes in value.

The group has refrained from submitting consolidated financial statements in accordance with regulations for small enterprises. Dividends are classified as financial income. Capital contributions from previous ownership is classified as return of capital and will reduce historic cost.

Receivables

Receivables are recognized at fair value. A provision for impairment is established when objective evidence exists that the company will be unable to collect the entire amount due in accordance with the original terms of each receivable. No provision has been made for 2019.

Tax

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated.

Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Changes in accounting principles

There were no changes in the accounting principles applied by the company in 2019.

Notes to the financial statement 2019

Note 1 Personnel expenses, number of employees, remuneration, loan to employees

No remuneration has been paid to senior executives or members of the board in 2019

OTP (Statutory occupational pension)

The company does not have employees, consequently it has not been necessary to establish a statutory occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

Expensed audit fee

Expenses paid to the auditor for 2019 amounts to NOK 362 500,- eksl.vat.

Statutory audit fee	326 500
Other services	16 000
Tax advisory	20 000
Total audit fee	362 500

Note 2 Shareholders

The share capital in Bulk Industrier AS as of 31.12 consists of:

	Total	Face value	Entered
Ordinary shares	100	1 000	100 000
Total	100		100 000

Ownership structure

The largest shareholders in % at year-end:

	Ordinary	Owner interest	Share of votes
Peder Naerbø	100	100	100
Total number of shares	100	100	100

Shares and options owned by the Directors of the Board and the General Manager:

Name	Position	Ordinary
Peder Naerbø	chairman of the board	100

Note 3 Shareholder loans

	2019	2018
Short-term mortgage to shareholder	29 300 250	22 830 161

Mortgages are charged with an interest rate of 5% p.a.

Notes to the financial statement 2019

Note 4 Equity

	Share capital	Other equity	Total equity
Equity 01.01	100 000	66 769 596	66 869 596
Additional dividends		0	0
Provision for dividends		0	0
Annual net profit/loss		9 449 835	9 449 835
Equity 31.12	100 00	76 219 431	76 319 431

Note 5 Tax

This year's tax expense	2019	2018
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	0	0
Taxable income:		
Ordinary result before tax	9 449 835	47 740 876
Permanent differences	-86 132 393	-101 389 725
Changes in temporary differences	0	0
Taxable income	-76 682 558	-53 648 849
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2019	2018	Difference
Entered allocated return	2 629 149	2 518 434	-110 715
Accumulated loss to be brought forward	-223 914 840	-147 232 281	76 682 558
Not included in the deferred tax calculation	221 285 691	144 713 848	-76 571 843
Basis for deferred tax assets	0	0	0
Deferred tax assets (22 %)	0	0	0

Deferred tax is not booked to the balance sheet

Notes to the financial statement 2019

6 Fixed assets

	Buildings	Total
Purchase cost 01.01	1 929 032	1 929 032
Additions	0	0
Disposals	-1 929 032	-1 929 032
Purchase cost 31.12	0	0
Acc. depr. 31.12	0	0
Book value 31.12	0	0
Depr. this year	0	0
	Not depreciated	

Note 7 Debtors, liabilities, pledged assets and guarantees etc.

Long-term receivables with minimum maturity of 1 year

NOK 0 of receivables are due later than 1 year.

<u>Long-term debt with minimum maturity of 5 years</u>	2019	2018
Debt to credit institutions	0	0

<u>Balances with group companies</u>	2019	2018
Long-term claims on group companies	0	0
Accounts receivable from group companies	14 000	0
Claims on group contributions	0	0
Long-term debt to group companies	0	0
Short-term debt to group companies	0	0
Total	14 000	0

Other debt have priority over debt to group companies. Balances with group companies are charged with an interest rate equal to NIBOR 3M + 4% p.a.

Note 8 Investments in subsidiaries

Investments in subsidiaries, associated companies and joint ventures are booked according to the cost method.

Company	Location	Share of capital	Equity pr. 01.01	Annual net profit / loss	Equity pr. 31.12
Bulk Infrastructure AS	Oslo	67,85 %	1 577 725 537	-23 987 343	1 639 727 147

Notes to the financial statement 2019

Note 9 Investments in non-current and current

Non-current	Location	Shares	Purchase cost	Book value
Tracking Systems AS	Oslo	8,34 %	361 657	361 657
Victoriagården Invest AS	Oslo	0,57 %	121 385	121 385
Hood AS	Oslo	50 %	2 893 100	2 893 100
Sum			3 376 142	3 376 142

Note 10 Other provisions for liabilities

Other provisions for liabilities are deferred income related to the restructuring of the group in 2015 and sale of shares in Bulk Infrastructure to another Group Company in 2019

Notes to the financial statement 2019

Note 11 Bond loan

Bulk Industrier AS issued a 3 year NOK 800 million secured FRN bond 15 June, 2018. 07. Bulk Industrier issued an additional bond (tap issue) NOK 150 million at 7 May 2019. The tap issue is subject to identical terms as the initial bond issue.

The bonds maturity date is the 26th of May 2021, and is therefore classified as long term debt in 2019.

Spesification

ISIN	NO001 0824188
Maturity date	26.05.2021
Amount	NOK 950 000 000
Coupon	Nibor 3 mnd + 6,5 %
Coupon type	FRN
Coupon Frequency	Quarterly
Trustee	Nordic Trustee AS

Financial covenants

Issuer's financial covenants:

Net Bond Debt to Adjusted Book Equity < 2.00x

Security

First priority pledge over the issuer's shares in Bulk Infrastructure AS

Note 12 Dividends

Dividends received from investments in other companies:

	2019	2018
Bulk Infrastructure AS	87 638 307	83 947 801

Note 13 Related party transactions with shareholder

In 2019 the company had the following transactions with related parties:

The shareholder has a short term debt to Bulk Industrier AS of NOK 29 300 250 at the end of 2019 and 22 830 161 for 2018. The debt is interest-bearing with NOK 1 387 489 in 2019 and 1 173 034 in 2018.

Note 14 Restricted bank deposits

	2019	2018
Restricted funds	0	59 357 892