

Bulk Industrier AS
Consolidated financial statement first quarter 2021

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The logo for Bulk Industrier AS, featuring the word "bulk" in a bold, teal, lowercase sans-serif font. The letter "b" is stylized with a large, solid teal arrow pointing to the right. A small "TM" trademark symbol is positioned to the upper right of the letter "k".

bulk™

Bulk Industrier AS

Board of Directors Quarterly Report - first quarter 2021

Business description

Bulk Industrier AS is an industrial investment company primarily investing in real estate developments within warehousing, logistics, data centers and fiber infrastructure.

The subsidiary of Bulk Industrier AS, Bulk Infrastructure Holding AS, is a leading provider of sustainable digital infrastructure in the Nordics. We are an industrial investor, developer and operator of industrial real estate, data centers and dark fiber networks. We believe in the value creation opportunity of enabling our digital society to be fully sustainable. Hence our vision: Racing to bring sustainable infrastructure to a global audience.

Our three Business Areas

Bulk Industrial Real Estate is a Nordic real estate developer, specializing in industrial buildings, large modern warehouses, cross-dock terminals and logistics parks. The business area was established in 2006 and has already developed and delivered to customers more than 406,834 m² of high quality, flexible and energy efficient facilities. As of March 31, 2021, additional 40,106 m² are under construction and ready to be handed over in 2021.

Bulk Data Centers is an industrial developer and operator of data centers and data center services across the Nordics. Bulk has a portfolio of assets, capabilities, and partners to serve any data center customer requirement in a fast, secure, cost efficient and sustainable way. We operate scalable facilities, we continue to add new sites to our portfolio, and we have access to strategically located land. We have in-house expertise in data center design, engineering and operations that combined with our industrial real estate development experience and dark fiber network deployments allow us to shape the full value chain of the data processing infrastructure. We can serve customers in dedicated hyperscale facilities and customers in need of server racks in a Colo environment.

Bulk Fiber Networks owns and controls dark fiber infrastructure with the purpose of enabling the Nordics for large scale data processing. Our fiber infrastructure is modern with high capacity including both subsea and terrestrial systems. We can offer dark fiber to carriers, large scale data center customers and others that want to produce bandwidth services on top of our infrastructure. Bulk considers itself as an infrastructure provider within fiber, being a partner rather than a competitor to traditional carriers. Bulk has available thousands of km of dark fiber, including both intercontinental, North European, and intra-Nordic infrastructure that connects main European markets as well as the US. We continue to explore new subsea and terrestrial fiber routes that could be strategic enablers for the data center growth in the Nordics.

Investment criteria

- **Sustainability:** Target infrastructure opportunities that enable or deliver a fundamentally more sustainable global society
- **Critical Infrastructure:** Invest in infrastructure that is critical for the global, modern society
- **Long term perspective and Scalable:** Ability and willingness to invest with an industrial mindset with patience and focus on scalability from the start
- **Nordic:** Bulk Leverage the Nordic region's favorable business climate, sustainable power sources and political stability.

The Company believes its investment criteria will ensure sound investment decisions. The Company has a strong capital reallocation capability that makes it robust to fundamental changes in market dynamics.

The Company's headquarter is in the city of Oslo in Norway.

Q1 2021 in short

- **Industrial Real Estate:** The Group signed an expansion of existing building of 16,672 sqm during the quarter. Further, the quarter had a strong sales pipeline with close to 50 prospects of which 20 offers have been sent.
- **Data Centers:** Several new contracts are signed on both fully owned companies and associated companies during the first quarter of 2021. Projects are on time with limited impact from Covid-19.
- **Fiber Networks:** A fiber pair on the sea fiber Havfrue was sold in Q1 2021. Another option on Havfrue is still pending Irish branch completion. The land fiber gained several new signings and has one contract signature pending expected to be finalized in the next quarter.
- The effects of the Coronavirus Outbreak are still limited to the business. The tenants are still able to pay the rental and the projects across the three business segments are not experiencing any delays due to Covid-19. We do not expect Covid-19 to cause a significant long-term deterioration in economic conditions for the business.

Report on the quarterly accounts

Total income for the Group was NOK 34.6 million compared to NOK 36.1 million in the same quarter last year. Income is relatively stable. NOK 16.9 million of total income is generated from Industrial Real Estate in the current quarter, compared to NOK 10.1 million in the comparison quarter last year. The Data Centers area generates a total income of NOK 16.8 million in Q1 2021, compared to NOK 16.3 million in Q1 2020. In the Fiber Networks area, we gained an

income of NOK 0.3 million compared to NOK 0.5 million in Q1 2020. The Group's operating profit was negative with NOK 33.7 million in Q1 2021 compared to negative NOK 35.8 million in Q1 2020. The quarterly net profit adjusted for minority interests was NOK -51.1 million in Q1 2021, an increase from NOK -56.6 million the comparative quarter last year. The total comprehensive income for the quarter adjusted for minority interests ended at -53.8 million compared to -43.1 million in Q1 2020. Other comprehensive income is mainly driven by exchange differences in foreign subsidiaries. The decrease between the periods is due to a significant positive currency effect in Q1 2020 compared to a negative currency effect in Q1 2021.

Cash and cash equivalents ended at NOK 537.4 million by the end of Q1 2021, down from 573.3 million at year-end 2020. The equity ratio ended at 25,5 % per the end of Q1 2021 down from 27,3 % at year-end 2020. Mortgage debt decreased by 118.7 million during the quarter. These balance sheet items were mainly driven by redemption of short-term debt. However, financing was under negotiation during the quarter and extensions were offered in April, in addition to signing of new construction borrowings not yet drawn at balance sheet date. Inventory related to property under development increased by NOK 60.5 million up from 19.6 million at year-end 2020. The increase is driven by reclassifications from investment property related to projects for sale and capital expenditure on existing projects.

The Group's financial position is strong.

Financial risk

The Group is exposed to these types of risk:

Liquidity risk - The Group intends to have sufficient liquidity to meet all its obligations, including the new investments that are ongoing. The Group intends to maintain a reasonable amount of liquidity to meet unforeseen obligations. The Group continuously monitors the Groups liquidity and has a long-term liquidity forecast in place.

Interest risk - The Group has loans with a number of financial institutions, all with long-term repayment plans. The Group is exposed to changes in NIBOR interest rates and SWAP interest. The distribution of fixed and floating interest rates was 2/98 by the end of the period.

Credit risk - The Group's warehouse and distribution properties are characterized by high standards, good locations, long lease agreements and reliable tenants. There were no material credit losses in Q1 2021. The Group's tenants normally pay quarterly and in advance. The lease agreements usually require an additional form of collateral or security.

Currency Exchange risk - The Group is increasingly exposed to both cost and revenue in different currencies due to growth in international assets and customers. Processes and tools to manage these up and down-side risks are being developed in line with increased exposure.

Market risk

The transaction market for commercial properties - Demand for commercial real estate in Norway is currently high. Particularly properties with long-term lease agreements and low rental fees are attractive. Demand is expected to keep strong as long the interest rates remain low.

Rental Market for warehouses and logistic buildings - The Group is exposed to the risk of changes in lease and rental prices in the market. The Group has several long-term lease agreements in place. The weighted average lease term for tenants has decreased from 9.6 years in Q1 last year to 7.0 years as of March 31, 2021 due to acquisition of a large building with short term contracts. The lease agreements provide The Group with fixed and predictable revenues throughout the contract period. Most lease agreements are adjusted annually 100 % in line with the consumer price index. The rate of vacancy in the Group's properties is 24 % as of March 31, 2021.

Demand for data center services and Fiber networks - The macro drivers for large scale demand for digital Nordic infrastructure are healthy and suggest strong market growth long term. The timing of such large-scale demand asset by asset is difficult to predict and hence exposes The Group to short term uncertainty on capacity development and utilization. Risk is managed by strong focus on our time to market capability that allows for better matching of capacity build-out and verified demand as well as discipline in build-up of fixed cost in early stages of new asset operations.

Quarterly review and risk management in the quarterly report

The board of directors annually reviews the company's most important areas of risk exposure and the internal control arrangement in place for such areas. The review pay attention to any material shortcomings or weaknesses in the company's internal control and how risks are being managed.

In the quarterly report, the board of directors describes the main features of the company's internal control and risk management systems as they are connected to the company's financial reporting. This cover the control environment in the company, risk assessment, control activities and information, communication and follow-up. The board of directors is obligated to ensure that it is updated on the company's financial situation, and shall continually evaluate whether the company's equity and liquidity are adequate in relation to the risk from the company's activities, and take immediate action if the company's equity or liquidity at any time is shown to be inadequate. The company's management focus on frequent and relevant reporting of both operational and financial matters to the board of directors, where the purpose is to ensure that the board of directors has sufficient information for decision-making and is able to respond quickly to changing conditions. Board meetings are held frequently, and management reports is provided to the board as a minimum on a quarterly basis. Financial performance is reported on a quarterly basis.

Health, safety and environment

Bulk carried out an appraisal dialog late March/beginning of April 2021 focusing on both the employee's performance and well-being. The dialog is an arena for discussing improvement points, and where the employee is encouraged to bring feedback to the Company through the closest leader. As a result of the Coronavirus outbreak the majority of the employees have been working from home during the year with exception of critical operations personnel. There has been a fully functional Business Continuity team in place from March 2020. Furthermore, the employees have been offered home office equipment, such as extra screens and office chairs, to provide better working conditions. The Group also has a safety representative on each location followed by meetings together and with HR. There were no major accidents or injuries to the Group's personnel during the first quarter of 2021.

Bulk has a vision to build sustainable infrastructure for a global audience. We respect the environment, people, and society as a whole. We pursue opportunities to contribute to global sustainable development at scale. We use our creative power to develop new high quality, reliable and clean solutions.

Our Integrated Management System is used to soundly manage, secure, and continuously improve all work processes that affect Quality, Health, Safety and Environment. The use and follow up of our performance indicators, along with systematic risk management, helps us to build a stronger company that can handle larger and more complex business affecting larger stakeholder groups.

Future development

Industrial Real Estate - The demand for new and modern industrial properties remains high and we expect continued healthy demand going forward. The Group has in Q1 2021 signed new lease agreements of 16,672 sqm for new constructions and 28,033 sqm on existing property. Bulk is also involved in zoning and development of new industrial real estate locations, both alone and in partnerships. The transaction market for commercial property in the Warehouse and Industrial real estate verticals has been strong and we expect that both low interest rates and the demand for goods bought online to continue to fuel market interest for our new build projects. On the back of earning a BREEAM-NOR "Very Good" rating for our development in Bulk Flexipark, Vestby as the first industrial building with this rating in Norway, we strengthen our efforts to remain the leading developer of sustainable solutions within industrial real estate.

Data Centers - The underlying demand for data processing and storage infrastructure is fueled by the global megatrend of digitization. The Nordic market for data center capacity is expected to grow significantly going forward. At the macro level, the expected growth is driven by the global increase in need for data processing. Cool climate, energy surplus, sustainable energy mix (zero-emission), low electricity prices and political stability represents a strong value

proposition for the Nordic region, positioning the region for an increasing share of the global data center market. Bulk Infrastructure Group AS has, through fully and partly owned subsidiaries, improved our position for taking a substantial market share of this growth going forward with new capacity developed in 2020 and 2021, in addition to additional plots suitable for data center acquired in both Norway and Denmark. The combination of scalable data center assets at strategic locations in the Nordics and our capability to develop new sites with a short time to market, make Bulk a leading provider in the Nordics. The underlying recurring revenue growth across our asset portfolio is positive with new Nordic and International customers added during 2020.

Fiber networks – The dark fiber market, including both subsea and terrestrial systems, is seeing strong growth fueled by the same megatrends as for data processing and storage (digitization). Bulk is well positioned as a leading provider of large capacity transport fiber, both going into the Nordics and within the Nordics. The Havfrue Cable System, the trans-Atlantic fiber route between US and the Nordics now has branches connected to the US, Norway and Denmark. The whole system is estimated connected and ready for service in Q2 2021. The Havsil Cable system, connecting Kristiansand and Esbjerg is estimated finalized during 2021 with its first customer already in place. We continue to explore opportunities for initiating new fiber network developments that have strong revenue potential combined with being strategic enablers for the Nordic data center market.

Subsequent events

The subsidiary of Bulk Industrier AS, Bulk Infrastructure Holding AS, performed an equity issue of NOK 602.1 million registered on March 9, 2021. The equity issue was paid by minority shareholders during the first quarter, but was not finalized in the Norwegian register (Brønnøysundregisteret) until May 11, 2021.

There are no other material subsequent events after the reporting period.

Oslo, May 20, 2021

The Board of Bulk Industrier AS



Peder Nærbø
Chairman of the board

Bulk Industrier AS

Consolidated financial statement first quarter 2021

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Disclaimer

Consolidated statement of profit and loss For the quarter ended 31 March 2021

	Notes	Quarter ended		Year ended
		March 31, 2021	March 31, 2020	December 31, 2020
		Unaudited	Unaudited	Audited
Rental income	2	15 609 202	9 245 896	45 405 073
Revenue property sales	2,3	-	-	303 173 300
Revenue from sales	3	14 302 063	12 268 161	62 432 051
Other revenue	2	4 672 828	14 631 244	20 421 161
Total revenue and other income		34 584 093	36 145 301	431 431 585
Property-related expenses	2	2 517 725	788 218	4 159 000
Cost of property sales	2,3	-	-	261 575 345
Cost of sales	2	17 486 496	12 117 469	73 607 075
Other cost	2	48 250 420	59 000 111	158 657 387
Total expenses		68 254 641	71 905 798	497 998 807
Operating profit before fair value adjustments on investment properties		-33 670 548	-35 760 497	-66 567 222
Fair value adjustments on investment properties	3	-2 930 973	-	217 654 596
Operating profit		-36 601 521	-35 760 497	151 087 374
Share of profit/loss(-) of investments accounted for using the equity method		1 262 947	-6 118 935	-7 874 511
Finance income		1 733 270	4 365 373	14 544 537
Finance costs		48 926 210	35 816 753	169 638 683
Realized net financial items		-45 929 993	-37 570 315	-162 968 657
Fair value adjustments on derivatives		2 961 251	-5 248 990	-2 935 027
Net financial items		-42 968 742	-42 819 305	-165 903 684
Profit before income tax		-79 570 263	-78 579 802	-14 816 310
Income tax expense		-8 587 526	-1 154 778	12 907 275
Profit for the period		-70 982 737	-77 425 024	-27 723 585
<i>Attributable to:</i>				
Shareholders in the parent Company		-51 063 554	-56 551 775	-59 608 838
Non-controlling interests		-19 919 183	-20 873 249	31 885 253
Earnings per share basic and diluted (NOK)	8	-510 636	-565 518	-539 923

Consolidated statement of other comprehensive income For the quarter ended 31 March 2021

	Notes	Quarter ended		Year ended
		March 31, 2021 Unaudited	March 31, 2020 Unaudited	December 31, 2020 Audited
Profit for the period		-70 982 737	-77 425 024	-27 723 585
Other comprehensive income				
<i>Items that may be reclassified to profit and loss</i>				
Exchange differences on translation on foreign operations	2	-4 819 365	21 092 211	9 687 270
Other comprehensive income for the year, net of tax		-4 819 365	21 092 211	9 687 270
Total comprehensive income		-75 802 102	-56 332 813	-18 036 315
<i>Attributable to:</i>				
Shareholders in the parent Company		-53 825 050	-43 061 808	-53 992 257
Non-controlling interests		-21 977 052	-13 271 005	35 955 942
Earnings per share basic and diluted (NOK)	8	-510 636	-565 518	-539 923

Consolidated balance sheet

	Notes	Quarter ended		Year ended
		March 31, 2021	March 31, 2020	December 31, 2020
		Unaudited	Unaudited	Audited
Assets				
<i>Intangible fixed assets</i>				
Goodwill	5	16 947 796	16 947 796	16 947 796
Other intangible assets	5	4 412 839	4 730 580	4 527 542
Deferred tax assets		-	7 812 157	-
Total intangible assets		21 360 635	29 490 533	21 475 338
 <i>Other non-current assets</i>				
Investment property	3	1 774 195 540	1 036 136 411	1 777 178 999
Property, plant & equipment	4	1 345 569 138	1 169 496 929	1 390 238 487
Investment in Associated company		248 545 444	141 639 455	247 040 094
Other receivables	7	5 549 785	533 854	3 491 359
Investment in shares	7	4 798 323	4 798 323	4 798 323
Right-of-use assets	9	30 819 621	34 521 793	31 597 271
Total other non-current assets		3 409 477 851	2 387 126 765	3 454 344 533
Total non-current assets		3 430 838 486	2 416 617 298	3 475 819 871
 <i>Current assets</i>				
Inventories		5 929 704	5 588 313	5 931 972
Property under development - inventory	3	80 067 011	230 410 825	19 599 354
Trade and other receivables	7	191 324 244	149 461 658	161 882 002
Investment in shares	7	612 892	6 114 279	748 502
Cash and cash equivalents	7	537 401 825	386 365 514	573 319 872
Total current assets		815 335 676	777 940 589	761 481 702
Total assets		4 246 174 162	3 194 557 887	4 237 301 573

Consolidated balance sheet

	Notes	Quarter ended		Year ended
		March 31, 2021 Unaudited	March 31, 2020 Unaudited	December 31, 2020 Audited
Equity and liabilities				
<i>Paid in equity</i>				
Ordinary shares		100 000	100 000	100 000
Total paid in equity	8	100 000	100 000	100 000
<i>Retained earnings</i>				
Retained earnings		370 983 131	337 537 203	419 279 635
Total retained earnings		370 983 131	337 537 203	419 279 635
Non-controlling interests	8	712 952 041	575 297 910	735 636 640
Total equity	8	1 084 035 172	912 935 113	1 155 016 275
<i>Non-current liabilities</i>				
Bond loan	10	2 054 233 743	1 401 032 648	2 058 321 132
Borrowings	7	369 930 689	295 084 068	364 500 050
Derivative financial instruments	6	9 940 088	15 799 102	12 901 340
Right-of-use liabilities	9	28 135 513	33 249 721	30 566 149
Other long-term liabilities	7	48 000 000	-	48 000 000
Deferred tax liabilities		1 042 518	-	9 887 338
Total non-current liabilities		2 511 282 551	1 745 165 539	2 524 176 008
<i>Current liabilities</i>				
Trade payables	7	42 028 408	27 270 566	103 478 480
Short-term portion of borrowings	7	135 209 969	376 047 820	259 385 019
Short-term portion of derivatives	6	1 679 416	1 095 616	1 679 416
Short-term portion of right-of-use liabilities	9	2 286 608	2 702 246	2 312 178
Other payables	7	207 186 011	129 340 986	191 254 197
Short-term payable minority interest	11	262 466 027	-	-
Total current liabilities		650 856 439	536 457 234	558 109 290
Total liabilities		3 162 138 990	2 281 622 773	3 082 285 298
Total equity and liabilities		4 246 174 162	3 194 557 886	4 237 301 573

Oslo, May 20, 2021
The Board of Bulk Industrier AS



Peder Nærbø
Chairman of the board

Consolidated statement of changes in equity

	Note	Paid in equity Share capital	Other reserves	Retained earnings	Non-controlling interests	Total equity
01.01.2020		100 000	-93 022	319 996 691	650 304 572	970 308 241
Profit of the period			-	-56 551 775	-20 873 249	-77 425 024
Transaction with non-controlling interest			-	-	1 176	1 176
Other comprehensive income - currency	2		13 489 967	-	7 602 244	21 092 211
Other changes			-	-1 041 490	-	-1 041 490
31.03.2020		100 000	13 396 945	262 403 427	637 034 743	912 935 114
01.01.2021		100 000	5 525 595	413 754 041	735 636 640	1 155 016 275
Profit of the period			-	-51 063 554	-19 919 183	-70 982 737
Other comprehensive income - exchange differences	2		-2 761 496	-	-2 057 869	-4 819 365
Other changes			-	5 528 545	-707 547	4 820 998
31.03.2021		100 000	2 764 099	368 219 032	712 952 041	1 084 035 172

Consolidated cash flow statement

	Note	Quarter ended		Year ended
		March 31, 2021 Unaudited	March 31, 2020 Unaudited	December 31, 2020 Audited
Cash flow from operations				
Profit before income taxes		-79 570 263	-78 579 802	-14 816 310
Adjust for:				
Depreciation	4	8 212 217	8 694 730	32 245 999
Fair value adj. on investment properties	3	2 930 973	-	-217 654 596
Fair value adj. on derivatives		-2 961 251	5 248 990	2 935 027
Finance income		-2 996 217	-4 365 373	-14 544 537
Finance costs		48 926 210	41 935 688	177 513 194
Cashflow before change in working capital		-25 458 331	-27 065 767	-34 321 223
Change in working capital				
Trade and other receivables		-30 585 140	37 355 835	29 810 012
Trade and other payables		-45 460 685	-109 558 725	-10 863 782
Property under development - inventory		-20 333 639	-20 891 515	206 519 956
Net cash flow from operations (A)		-121 837 795	-120 160 172	191 144 963
Cash flow from investments				
Purchase and improvements of investments property	3	-48 528 202	-30 965 276	-570 953 268
Sales credit purchase investment property		-	-	89 000 000
Purchase of shares		-	-3 066 111	-921 510
Dividend received		-	-	1 350 000
Purchase of shares in associated companies		-	-	-108 506 215
Sale of fiber infrastructure	4	117 539 106	-	-
Purchase of fixed assets	4,5	-88 046 681	-10 971 216	-266 561 828
Net cash flow from investments (B)		-19 035 777	-45 002 603	-856 592 821
Cash flow from financing				
Sale of shares in group companies (transaction with non-controlling interest)		-	999 900	265 999 891
Finance cost paid including interest paid on derivatives		-35 487 404	-35 563 150	-169 638 683
Interest received		808 701	4 365 373	5 939 019
Proceeds from Borrowings		-122 831 800	30 281 778	640 323 443
Share issue minority - paid, not registered	11	262 466 027	-	-
Gain from sale of shares		-	-	733 020
Dividend paid		-	-	-56 033 348
Net cash flow from financing (C)		104 955 524	83 901	687 323 342
Net change in cash and cash equivalents (A+B+C)		-35 918 048	-165 078 874	21 875 484
Cash and cash equivalents at the beginning of the period		573 319 872	551 444 388	551 444 388
Cash and cash equivalents at the end of the period		537 401 825	386 365 514	573 319 872
Restricted funds		2 014 574	1 925 282	4 162 902

Notes to the consolidated accounts for the first quarter 2021

Note 1 General information

Bulk Industrier AS is a limited liability company registered in Norway. The head office of the company is in Frognerstranda 2, Oslo, Norway. The company is the parent company of the holding company, Bulk Infrastructure Holding AS. Bulk Infrastructure Holding is in turn the parent company of real estate and infrastructure group, Bulk Infrastructure Group AS.

These interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2020 annual report.

The interim financial statements have not been audited.

The accounting policies applied by the Group in these interim consolidated financial statements are consistent with those applied in the audited consolidated financial statements for the year ended December 31, 2020. Please refer to "Note 2 - Accounting principles" to the Consolidated Financial Statement in the 2020 annual report for information on the Group's accounting policies. The annual report is available on www.bulkindustrier.no.

Notes to the consolidated accounts for the first quarter 2021

Note 2 Segment information

Bulk Infrastructure Group AS has the following strategic operating segments by 31.03.21 presented in accordance with internal reporting to management

Operating activities are based in Norway, Denmark and the United Kingdom.

Operating profit and loss after segment 31.03.21	Industrial Real Estate		Data Centers		Fiber Networks		Group/other		Eliminated		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Rental income	15 609 202	9 245 896	-	-	-	-	-	-	-	-	15 609 202	9 245 896
Revenue property sales	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from sales	-	-	14 003 481	11 805 707	298 582	462 454	-	-	-	-	14 302 063	12 268 161
Gain from sale of investment property	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	1 298 455	896 143	2 826 110	4 532 532	-	-	14 355 683	10 827 569	-13 807 420	-1 625 000	4 672 828	14 631 244
Total revenue and other income	16 907 657	10 142 039	16 829 591	16 338 239	298 582	462 454	14 355 683	10 827 569	-13 807 420	-1 625 000	34 584 093	36 145 301
Property-related expenses	2 517 725	788 218	-	-	-	-	-	-	-	-	2 517 725	788 218
Cost of property sales	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	16 072 472	8 840 330	1 414 024	3 277 139	-	-	-	-	17 486 496	12 117 469
Loss from sale of investment property	-	-	-	-	-	-	-	-	-	-	-	-
Other cost	9 219 495	9 461 517	29 259 449	33 586 345	9 472 934	6 583 743	14 105 962	10 993 506	-13 807 420	-1 625 000	48 250 420	59 000 111
Total expenses	11 737 220	10 249 735	45 331 921	42 426 675	10 886 958	9 860 882	14 105 962	10 993 506	-13 807 420	-1 625 000	68 254 641	71 905 798
Operating profit before fair value adjustments on investment property	5 170 437	-107 696	-28 502 330	-26 088 436	-10 588 376	-9 398 428	249 721	-165 937	-	-	-33 670 548	-35 760 497
Fair value adjustments on investment properties	-2 930 973	-	-	-	-	-	-	-	-	-	-2 930 973	-
Operating profit	2 239 464	-107 696	-28 502 330	-26 088 436	-10 588 376	-9 398 428	249 721	-165 937	-	-	-36 601 521	-35 760 497
Realized net financial items	-16 698 604	-9 906 188	-3 182 183	-11 209 383	-121 137	-3 869 496	-25 928 069	-12 585 248	-	-	-45 929 993	-37 570 315
Fair value adjustments on derivatives	2 961 251	-5 248 990	-	-	-	-	-	-	-	-	2 961 251	-5 248 990
Net financial items	-13 737 353	-15 155 178	-3 182 183	-11 209 383	-121 137	-3 869 496	-25 928 069	-12 585 248	-	-	-42 968 742	-42 819 305
Profit before income tax	-11 497 889	-15 262 874	-31 684 513	-37 297 819	-10 709 513	-13 267 924	-25 678 348	-12 751 185	-	-	-79 570 263	-78 579 802
Income tax expense	-8 587 526	-1 154 778	-	-	-	-	-	-	-	-	-8 587 526	-1 154 778
Profit for the period	-2 910 363	-14 108 096	-31 684 513	-37 297 819	-10 709 513	-13 267 924	-25 678 348	-12 751 185	-	-	-70 982 737	-77 425 024
Other comprehensive income	864 502	-	-5 657 714	21 052 875	-26 153	39 336	-	-	-	-	-4 819 365	21 092 211
Other comprehensive income for the year, net of tax	864 502	-	-5 657 714	21 052 875	-26 153	39 336	-	-	-	-	-4 819 365	21 092 211
Total comprehensive income	-2 045 861	-14 108 096	-37 342 227	-16 244 944	-10 735 666	-13 228 588	-25 678 348	-12 751 185	-	-	-75 802 102	-56 332 813

Please also see note 1 for further explanation of the segments.

Notes to the consolidated accounts for the first quarter 2021

Note 2 part 2 Revenue from contracts with customers

Set out below is the disaggregation of the group's revenue from contracts with customers
All operating activities are based in Norway, Denmark and the United Kingdom.

Segments	Industrial Real Estate		Data Centers		Fiber Networks		Group/other		Eliminated		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Rental income	15 609 202	9 245 896	-	-	-	-	-	-	-	-	15 609 202	9 245 896
Revenue property sales	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from sales	-	-	14 003 481	11 805 707	298 582	462 454	-	-	-	-	14 302 063	12 268 161
Gain from sale of investment property	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other revenue</i>												
- Shared costs tenants	-7 479 490	896 143	2 826 110	4 532 532	-	-	-	-	-	-	-4 653 380	5 428 675
- Revenue from construction projects	8 777 945	-	-	-	-	-	-	-	-	-	8 777 945	-
- Business management/other	-	-	-	-	-	-	14 355 683	10 827 569	-13 807 420	-1 625 000	548 263	9 202 569
Total revenue from contracts with customers	16 907 657	10 142 039	16 829 591	16 338 239	298 582	462 454	14 355 683	10 827 569	-13 807 420	-1 625 000	34 584 093	36 145 301

The group is not dependent on any single, large customer, as it has multiple business areas and a wide range of customers.

Notes to the consolidated accounts for the first quarter 2021

Note 3 Investment property and inventories property

INVESTMENT PROPERTY	Quarter ended		Year ended
	31.03.2021	31.03.2020	31.12.2020
Fair value 1.1	1 777 178 999	1 005 171 135	1 005 171 135
Additions:			
- Capital expenditure	48 528 202	30 965 276	422 742 168
- Acquisition of property	-	-	148 211 100
- Exchange differences foreign currency	-8 446 670	-	-
Transferred to property under development	-40 134 018	-	-16 600 000
Changes in fair value	-2 930 973	-	217 654 596
Fair value 31.03	1 774 195 540	1 036 136 411	1 777 178 999

Income and expenses from investment property	Quarter ended		Year ended
	31.03.2021	31.03.2020	31.12.2020
Income from rent	15 609 202	9 245 896	45 405 073
Expenses related to leased property	-2 517 725	-788 218	4 159 000

Notes to the consolidated accounts for the first quarter 2021

Note 3 Investment property continues

All investment properties are valued using discounted cash flow. Key factors are ongoing revenue and expenses relating to the property, market lease, discount factor and inflation. Macro economic assumptions are used, but each property is also subject to individual appraisal. To determine each discount rate, the property location, attractiveness, quality and the general market conditions for real estate, credit market, solidity of tenants and contracts are considered. The sensitivity when evaluating fair value for investment property is connected to yield, interest rate level, inflation (CPI) and marked lease for the properties.

Future leasing payments:

The payments are estimated based on actual location, type and condition of the current building. The estimates are supported by existing leases, as well as recently lease agreements for similar properties in the same area.

Discount rate:

The discount rate is based on existing market rates, adjusted for the estimated uncertainty in terms of size and future cash flows.

Estimated vacancies:

The estimate is firmly set on the basis of the actual market conditions and the expected market conditions at the end of existing leases.

Cost of Ownership:

The cost of ownership expenses are estimated based on the estimated maintenance costs regarding maintaining the building's capacity over its economic lifetime.

Fair value of investment property

Investment property is recognized at fair value based on estimation of value from a certified independent party, Akershus Eiendom AS. The valuation is carried out semi-annually, last performed as of December 31, 2020. As such, no fair value change is recognized for this quarter as a result of valuation, only adjustments to remaining construction costs. Please refer to Note 2 - Accounting principles of the Consolidated Financial Statement in the 2020 annual report for further information.

Property under development	Quarter ended		Year ended
	31.03.2021	31.03.2020	31.12.2020
Value 1.1	19 599 354	209 519 310	209 519 310
Additions:			
- Reclassification from investment property	40 134 018	-	16 600 000
- Additions	20 333 639	20 891 515	55 055 389
- Sale of property under development	-	-	-261 575 345
Inventory value 31.03	80 067 011	230 410 825	19 599 354

Notes to the consolidated accounts for the first quarter 2021

Note 4 Property, plant & Equipment

	Datacenter buildings	Datacenter technical infrastructure	Datacenter land	Under construction	Other fixed assets	Fiber infrastructure	Total
<i>Accumulated cost</i>							
Balance at January 1, 2020	66 736 855	165 906 284	95 533 197	238 317 331	21 835 874	599 511 771	1 187 841 313
Additions	3 247 962	607 614	981 499	647 633	283 171	4 780 484	10 548 363
Disposals	-	-	-	-	-	-	-
Exchange differences	21 717 508	1 027 346	1 112 442	291 896	-	-	24 149 192
Transfer from assets under construction	143 755 765	6 800 366	7 363 638	-157 919 768	-	-	-
Balance at March 31, 2020	235 458 090	174 341 610	104 990 776	81 337 092	22 119 045	604 292 255	1 222 538 868
Balance at January 1, 2021	215 612 421	318 695 720	110 893 128	25 902 262	22 945 209	770 135 261	1 464 184 001
Additions	2 128 229	54 751 841	7 594 126	5 129 554	197 088	18 245 843	88 046 681
Disposals	-	-	-	-	-	-117 539 106	-117 539 106
Exchange differences	-6 410 702	-365 983	-327 421	-363 795	-	-	-7 467 901
Transfer from assets under construction	-	-	-	-	-	-	-
Balance at March 31, 2021	211 329 948	373 081 578	118 159 833	30 668 021	23 142 297	670 841 998	1 427 223 675
<i>Accumulated depreciation</i>							
Balance at January 1, 2020	6 885 543	27 421 217	1 330 129	-	7 736 361	3 218 685	46 591 935
Disposals	-	-	-	-	-	-	0
Depreciation charge for the period	1 196 514	3 383 287	297 461	-	2 725 513	1 023 801	8 626 576
Other adjustments - currency	-434 198	-1 654 934	-87 440	-	-	-	-2 176 572
Balance at March 31, 2020	7 647 858	29 149 571	1 540 150	-	10 461 874	4 242 486	53 041 939
Balance at January 1, 2021	9 934 804	41 830 823	2 170 212	-	12 548 791	7 460 883	73 945 513
Disposals	-	-	-	-	-	-	-
Depreciation charge for the period	2 004 527	3 751 785	225 734	-	1 006 393	1 113 570	8 102 009
Other adjustments - currency	-78 307	-298 964	-15 714	-	-	-	-392 985
Balance at March 31, 2021	11 861 024	45 283 644	2 380 232	-	13 555 184	8 574 453	81 654 537
<i>Net book value</i>							
At January 1, 2020	59 851 312	138 485 067	94 203 068	238 317 331	14 099 513	596 293 086	1 141 249 378
At March 31, 2020	227 810 232	145 192 039	103 450 626	81 337 092	11 657 171	600 049 769	1 169 496 929
At January 1, 2021	205 677 617	276 864 897	108 722 916	25 902 262	10 396 418	762 674 378	1 390 238 488
At March 31, 2021	199 468 924	327 797 934	115 779 601	30 668 021	9 587 113	662 267 545	1 345 569 138
Expected useful economic life	50 years	5-35 years	-	-	4-10 years	20-30 years	

All property, plant and equipment is located in Norway and Denmark.

The Group is contractually bound to acquire substantial additional fiber networks property, plant & equipment.

The sale of Fiber infrastructure during Q1 2021 is based on management's best estimate as of reporting date and will be adjusted for currency effects NOK/USD in the coming period.

Notes to the consolidated accounts for the first quarter 2021

Note 5 Intangible assets

	Goodwill	Software licenses	Other intangible assets	Total
<i>Cost</i>				
Balance at January 1, 2020	16 947 796	1 856 563	3 159 480	21 963 839
Additions	-	38 350	384 503	422 853
Balance at March 31, 2020	16 947 796	1 894 913	3 543 983	22 386 692
Balance at January 1, 2021	16 947 796	1 894 913	3 695 105	22 537 814
Additions	-	-	-	-
Other adjustments - currency	-	-	-4 496	-4 496
Balance at March 31, 2021	16 947 796	1 894 913	3 690 609	22 533 318
<i>Accumulated amortization and impairment</i>				
Balance at January 1, 2020	-	640 161	-	640 161
Amortization charge for the year	-	68 154	-	68 154
Balance at March 31, 2020	-	708 315	-	708 315
Balance at January 1, 2021	-	1 012 997	49 478	1 062 475
Amortization charge for the year	-	91 673	18 535	110 208
Balance at March 31, 2021	-	1 104 670	68 013	1 172 683
<i>Net book value</i>				
At January 1, 2020	16 947 796	1 216 402	3 159 480	21 323 678
At March 31, 2020	16 947 796	1 186 598	3 543 983	21 678 377
At January 1, 2021	16 947 796	881 916	3 645 627	21 475 339
At March 31, 2021	16 947 796	790 243	3 622 596	21 360 635

Current estimates of useful economic live of intangible assets are as follows:

Goodwill: indefinite

Software licenses: 3-5 years

Software under development: n.a.

Notes to the consolidated accounts for the first quarter 2021

Note 6 Derivative financial instruments	Quarter ended		Year ended
	31.03.2021	31.03.2020	31.12.2020
Interest rate swaps	-11 619 504	-16 894 718	-14 580 755
Total liabilities	-11 619 504	-16 894 718	-14 580 755

Interest rate swaps

	31.03.2021	31.03.2020	31.12.2020
Nominal amount interest rate swaps	-40 560 000	-40 560 000	-40 560 000
Total nominal amount	-40 560 000	-40 560 000	-40 560 000

The Company receives floating interest and pay fixed interest

Notes to the consolidated accounts for the first quarter 2021

Note 7 Financial assets and liabilities

	Quarter ended				Year ended	
	Carrying amount as at 31.03.2021	Fair value as at 31.03.2021	Carrying amount as at 31.03.2020	Fair value as at 31.03.2020	Carrying amount as at 31.12.2020	Fair value as at 31.12.2020
<i>Non-current financial assets</i>						
Other receivables - non-current	5 549 785	5 549 785	533 854	533 854	3 491 359	3 491 359
Investment in shares	4 798 323	4 798 323	4 798 323	4 798 323	4 798 323	4 798 323
Total non-current financial assets	10 348 108	10 348 108	5 332 177	5 332 177	8 289 682	8 289 682
<i>Current financial assets</i>						
Trade and other receivables	191 324 244	191 324 244	149 461 658	149 461 658	161 882 002	161 882 002
Investment in shares	612 892	612 892	6 114 279	6 114 279	748 502	748 502
Cash and cash equivalents	537 401 825	537 401 825	386 365 514	386 365 514	573 319 872	573 319 872
Total current financial assets	729 338 961	729 338 961	541 941 451	541 941 451	735 950 376	735 950 376
Total financial assets	739 687 069	739 687 069	547 273 628	547 273 628	744 240 058	744 240 058
<i>Non-current financial liabilities</i>						
Bond loan	2 054 233 743	2 054 233 743	1 401 032 648	1 401 032 648	2 058 321 132	2 058 321 132
Borrowings	369 930 689	369 930 689	295 084 068	295 084 068	364 500 050	364 500 050
Other long-term liabilities	48 000 000	48 000 000	-	-	48 000 000	48 000 000
Derivative financial instruments	9 940 088	9 940 088	15 799 102	15 799 102	12 901 340	12 901 340
Total non-current financial liabilities	2 482 104 520	2 482 104 520	1 711 915 818	1 711 915 818	2 483 722 522	2 483 722 522
<i>Current financial liabilities</i>						
Trade payables	42 028 408	42 028 408	27 270 566	27 270 566	103 478 480	103 478 480
Short-term portion of borrowings	135 209 969	135 209 969	376 047 820	376 047 820	259 385 019	259 385 019
Short-term portion of derivatives	1 679 416	1 679 416	1 095 616	1 095 616	1 679 416	1 679 416
Other payables	207 186 011	207 186 011	129 340 986	129 340 986	191 254 197	191 254 197
Total current financial liabilities	386 103 804	386 103 804	533 754 988	533 754 988	555 797 112	555 797 112
Total financial liabilities	2 868 208 324	2 868 208 324	2 245 670 806	2 245 670 806	3 039 519 633	3 039 519 633

Fair value hierarchy for financial instruments recognized at fair value

Financial derivatives recognized at fair value are interest rate swaps.

The valuations are based on second level input in the fair value hierarchy of IFRS 13.

Fair value of financial instruments recognised at amortised cost

For trade receivables, trade payables and other short-term receivables and payables, the carrying amount is a reasonable approximation for fair value due to the short term nature of these assets and liabilities. The borrowings has an interest rate that is considered similar to the terms the Group could achieve as of March 31, 2021 and carrying amount of the borrowings is considered not to be significantly different from the fair value.

Notes to the consolidated accounts for the first quarter 2021

Note 8 Paid in equity and shareholders

	Quarter ended		Year ended
	31.03.2021	31.03.2020	31.12.2020
Share capital	100	100	100

Change in paid in equity and share premium:

	Total shares			Share capital (IN NOK)		
	31.03.2021	31.03.2020	31.12.2020	31.03.2021	31.03.2020	31.12.2020
Ordinary shares						
Issued stock and paid in capital						
At the beginning of the period	100	100	100	100 000	100 000	100 000
At the end of the period	100	100	100	100 000	100 000	100 000

The total number of shares are 100, each valued at NOK 1,000, and NOK 100,000 in total.

The company's largest shareholders at 31.03

Largest shareholders	Type of account	Country	Number of ordinary shares	Share %
Peder Nærbø	Ordinary	Norway	100	100 %
Total number of shares at 31.03			100	100 %

Shareholder loan - Related party disclosures

	Quarter ended		Year ended
	31.03.2021	31.03.2020	31.12.2020
Short-term mortgage to shareholder	22 830 161	22 830 161	22 830 161

Mortgages are charged with an interest rate of 2.2 % p.a., in line with the normal interest rate for the taxation of low-cost loans from an employer. The incurred interest was NOK 89,809 in the first quarter of 2021 and 146,676 in the first quarter 2020.

Dividend

The company has proposed a dividend of NOK 7.0 million for approval at the AGM in 2021.

Average number of shares

Basic and diluted earnings per share are calculated by dividing total comprehensive income attributable to shareholders in the parent Company by the weighted average number of ordinary shares outstanding during the year.

	Quarter ended		Year ended
	31.03.2021	31.03.2020	31.12.2020
Total comprehensive income, net of tax, attributable to shareholders in the parent Company	-51 063 554	-56 551 775	-53 992 257
Weighted average number of outstanding shares	100	100	100
Basic and diluted earnings per share	-510 636	-565 518	-539 923

Notes to the consolidated accounts for the first quarter 2021

Note 9 Leases - group as a lessee (IFRS 16 disclosure)

Right of use assets	Seafiber	Office equipment	Land and buildings	Total
Balance at 01 January	22 896 552	501 471	10 532 198	33 930 221
Depreciations	-1 509 663	-270 367	-1 330 570	-3 110 599
Balance at 31 December	21 386 890	231 104	9 201 628	30 819 621

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	Quarter ended	
	31.03.2021	31.03.2020
Less than one year	4 217 127	4 366 233
Between one and five years	16 342 627	16 497 192
More than five years	26 301 099	30 363 662
Total undiscounted lease liabilities at 31 March	46 860 853	51 227 087
Lease liabilities included in the statement of financial position at 31 March	28 135 513	33 249 721

Amount recognised in profit or loss

31.03.2021

Interest on lease liabilities 2 026 202

Amount recognised in cash flow statement

Total cash flow from leases 4 366 233

Other information

The Group does not recognize right of use assets and lease liabilities for short term leases or leases where the underlying assets has low value. The lease payments for such leases are recognised as costs linearly over the lease periods.

Notes to the consolidated accounts for the first quarter 2021

Note 10 Bond loan

Bulk Industrier AS 20/23 FRN - BUIN03

Bulk Industrier AS issued a 3 year NOK 1 100 million senior secured FRN bond 14 July 2020 (20/23).

Specification

ISIN	NO0010886922
Ticker Oslo Stock Exchange	BUIN
Maturity date	14.07.2023
Amount	NOK 1,100,000,000
Coupon	Nibor 3m + 6.25%
Coupon type	FRN
Coupon frequency	Quarterly
Trustee	Nordic Trustee AS

Financial covenants

Operating company (Bulk Infrastructure Group AS) equity ratio > 35 %.

Minimum liquidity of no less than NOK 50,000,000.

Incurrence test

The incurrence test is met if net bond debt to adjusted book equity ratio is maximum 1.75x.

Security

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

Valuation

The bond was listed at Oslo Stock Exchange 9 December 2020.

The fair value of the bond is estimated to be equal to the face value of the bond.

Notes to the consolidated accounts for the first quarter 2021

Note 10 Bond loan

Bulk Infrastructure Group AS 19/24 FRN

Bulk Infrastructure Group AS issued a 5 year NOK 500 million senior unsecured FRN bond 15 October 2019. The Group further performed a tap issue of an additional NOK 500 million on the unsecured bond on 9 September 2020.

Specification

ISIN	NO0010865876
Ticker Oslo Stock Exchange	BISG
Maturity date	15.10.2024
Amount	NOK 1,000,000,000
Coupon	Nibor 3m + 4,5%
Coupon type	FRN
Coupon frequency	Quarterly
Trustee	Nordic Trustee AS

Financial covenants

Equity ratio > 35%.

Security

Unsecured.

Listing

The Bond was listed at Oslo Stock Exchange 15 September 2020.

Notes to the consolidated accounts for the first quarter 2021

Note 11 Subsequent events after the reporting period

Events after the balance sheet date are events, favourable or unfavourable, that occurs between the balance sheet date and the date that the financial statements are authorised for issue. Such events can be events that provide information regarding conditions that existed at the balance sheet date resulting in adjustments of the financial statement, or events that do not require such adjustments.

The subsidiary of Bulk Industrier AS, Bulk Infrastructure Holding AS, performed an equity issue of NOK 602.1 million registered on March 9, 2021. The equity issue was paid by minority shareholders during the first quarter, but was not finalized in the Norwegian register (Brønnøysundregisteret) until May 11, 2021.

There are no other material subsequent events after the reporting period.

Disclaimer

The information included in this Report may contain certain forward-looking statements that address activities, events or development that Bulk expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors, including but not limited to, economic and market conditions in the geographic areas and markets in which Bulk is or will be operating, counterparty risk, interest rates, access to financing, fluctuations in currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors, we refer to the annual report for 2020. As a result of these and other risk factors, actual events and actual results may differ materially from those indicated in or implied by such forward-looking statements. Inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and Bulk disclaims any liability in this respect.

Responsibility statement by the Board of Directors

The Board of Directors have today treated and approved the first quarter report for Bulk Industrier AS, the consolidated accounts of the Group, as of March 31, 2021. The consolidated first quarter report has been prepared in accordance with the EU-approved IFRS standards and interpretations, together with the additional disclosure requirements in the Norwegian Accounting Act to be applied as of March 31, 2021.

The first quarter report for the Group is in compliance with the Accounting Act.

To the best of our knowledge we confirm that;

- the first quarter report 2021 for the Group is prepared in accordance with applicable accounting standards
- the provided information in the first quarter report gives a true and fair view of the Group's assets, liabilities, financial position and results of operations as of March 31, 2021
- the Board of Directors report provides the Group and the parent company a fair view of
 - development, performance and position of the Group
 - the most important risks and uncertainties the Group faces

Oslo, May 20, 2021



Peder Nærbø
Chairman of the board