

Bulk Industrier AS
Consolidated financial statement second quarter 2021

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Bulk Industrier AS

Board of Directors Report - second 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 developed and delivered to customers more than 409,412 m² of high quality, flexible and energy efficient facilities. As of June 30, 2021, additional 34,619 m² are under construction and ready to be handed over in second half of 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 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.

H1 2021 in short

- **Industrial Real Estate:** The Group signed new projects for 20,038 sqm during the first half year of 2021. The Group also acquired a large existing logistics property in Langhus outside Oslo for further development and integration in the Bulk portfolio.
- **Data Centers:** Several new contracts are signed on both fully owned data centers and the 50% owned OS-IX in Oslo during the first half year of 2021. Projects are on time with limited impact from Covid-19.
- **Fiber Networks:** Two customers have started to utilize the Havfrue cable between the US and the Nordics during the first half of 2021, but full utilization of the system is still pending the Irish branch completion. The Havsil project will finalize the new cable between Norway and Denmark during second half of 2021 and there has also been signed customers for expansion of this system down to our data center DK01 in Esbjerg.
- The effects of the Coronavirus outbreak are still limited to the business. 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 35.2 million for the second quarter compared to NOK 314.4 million last year. The decrease is due to the sale of property in the second quarter 2020. NOK 14.2 million of total income is generated from Industrial Real Estate in the second quarter, compared to NOK 309.4 million last year. The Data Centers area generated a total income of

NOK 18.3 million in the second quarter 2021, compared to NOK 11.9 million last year. In the Fiber Networks area, the income in the second quarter 2021 was NOK 2.3 million compared to NOK 0.4 million in the second quarter last year. The Group's operating profit was NOK 290.3 million in the second quarter 2021 compared to NOK 107.6 million last year. The increase is mainly related to positive fair value change on investment property due to increased valuation on existing property and new signed lease agreements. The net profit for the second quarter was NOK 177.6 million, an increase from NOK 77.3 million last year. The total comprehensive income for the second quarter ended at 179.0 million compared to 56.2 million in the second quarter 2020. Other comprehensive income is mainly driven by exchange differences in foreign subsidiaries.

Cash and cash equivalents ended at NOK 199.9 million by the end of the second quarter 2021, down from NOK 573.3 million at year-end 2020. The cash position has been strengthened through a NOK 500 million capital increase in Bulk Infrastructure Holding in July 2021. The equity ratio ended at 30.4 % at the end of the second quarter 2021, up from 27.3 % at year-end 2020 mainly due to the share issue in Bulk Infrastructure Holding AS in February. The equity ratio is expected to increase further in the second half of 2021 once the share issue in Bulk Infrastructure Holding AS in July is formally registered. Mortgage debt increased by 376.0 million during the first half year 2021, mainly due to the acquisition of an existing logistics property in the end of the period. Current liabilities decreased by NOK 106.9 million during the first half year 2021. The decrease is mainly due to activity in the fiber segment with payments to suppliers and delivery to customers with prepayments. Inventory related to property under development increased by NOK 97.2 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 1/99 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 the first half of 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.

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 increased from 5.2 years last year to 5.8 years as of June 30, 2021. 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 15 % as of June 30, 2021. One of the newly acquired properties are currently under renovation and hence effects the vacancy rate.

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.

Review and risk management

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 audited consolidated financial statements for the year ended December 31, 2020, 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 covers 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. 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 are provided to the board as a minimum on a quarterly basis. Financial and operational performance is also discussed in separate sessions in the management team on a quarterly basis.

Health, safety and environment

Bulk carried out an appraisal dialog in March and April 2021 focusing on 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 quarter.

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 the first half-year of 2021 signed new lease agreements of 20,038 sqm for new constructions. 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 will 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 and have now initiated a project with solar panel on the same building.

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 and 2021.

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 system was 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 500 million subscribed on June 29, 2021. The equity issue was targeted towards existing shareholders. The equity issue was not paid or formally registered as of reporting date June 30, 2021.

Industrial Real Estate signed two new construction projects through partnerships in July for approximately 55,000 sqm.

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

Oslo, August 25, 2021

The Board of Bulk Industrier AS

A handwritten signature in blue ink, appearing to read 'Peder Nærbø', written over a horizontal line.

Peder Nærbø
Chairman of the board

Bulk Industrier AS

Consolidated financial statement second quarter 2021

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Disclaimer

Bulk Industrier AS
Consolidated statement of profit and loss and other comprehensive income
For the quarter ended 30 June 2021

	Notes	Quarter ended		YTD		Year ended
		June 30, 2021 Unaudited	June 30, 2020 Unaudited	June 30, 2021 Unaudited	June 30, 2020 Unaudited	December 31, 2020 Audited
Rental income	2	18 304 457	13 196 981	33 913 659	22 442 877	45 405 073
Revenue property sales	2,3	-	296 090 023	-	296 090 023	303 173 300
Revenue from sales	3	23 029 873	11 541 201	37 331 936	23 809 362	62 432 051
Gain from sale of investment property	2,3	-4 777 140	-	-4 777 140	-	-
Other revenue	2	-1 354 871	-6 437 263	3 317 957	8 193 981	20 421 161
Total revenue and other income		35 202 319	314 390 942	69 786 412	350 536 243	431 431 585
Property-related expenses	2	3 715 786	3 180 277	6 233 511	3 968 495	4 159 000
Cost of property sales	2	-	261 575 345	-	261 575 345	261 575 345
Cost of sales	2	14 524 910	14 661 085	32 011 406	26 778 554	73 607 075
Other cost	2	55 553 770	18 919 256	103 804 190	77 919 367	158 657 387
Total expenses		73 794 466	298 335 963	142 049 107	370 241 761	497 998 807
Operating profit before fair value adjustments on investment properties		-38 592 147	16 054 979	-72 262 695	-19 705 518	-66 567 222
Fair value adjustments on investment properties	3	328 901 442	91 526 182	325 970 469	91 526 182	217 654 596
Operating profit		290 309 295	107 581 161	253 707 774	71 820 664	151 087 374
Share of profit/loss(-) of investments accounted for using the equity method		-1 599 969	-283 232	-337 022	-6 402 167	-7 874 511
Finance income		16 551 220	3 933 552	18 284 490	8 298 925	14 544 537
Finance costs		53 291 953	34 775 254	102 218 163	70 592 007	169 638 683
Realized net financial items		-38 340 702	-31 124 934	-84 270 695	-68 695 249	-162 968 657
Fair value adjustments on derivatives		-782 984	-478 417	2 178 267	-5 727 407	-2 935 027
Net financial items		-39 123 686	-31 603 351	-82 092 428	-74 422 656	-165 903 684
Profit before income tax		251 185 609	75 977 810	171 615 346	-2 601 992	-14 816 310
Income tax expense		73 590 656	-1 324 647	65 003 130	-2 479 425	12 907 275
Profit for the period		177 594 953	77 302 457	106 612 216	-122 567	-27 723 585
<i>Attributable to:</i>						
Shareholders in the parent Company		95 598 046	49 747 699	44 534 492	-15 367 254	-59 608 838
Non-controlling interests		81 996 907	27 554 759	62 077 724	15 244 687	31 885 253

Consolidated statement of other comprehensive income
For the quarter ended 30 June 2021

	Notes	Quarter ended		YTD		Year ended
		June 30, 2021 Unaudited	June 30, 2020 Unaudited	June 30, 2021 Unaudited	June 30, 2020 Unaudited	December 31, 2020 Audited
Profit for the period		177 594 953	77 302 457	106 612 216	-122 567	-27 723 585
Other comprehensive income						
<i>Items that may be reclassified to profit and loss</i>						
Exchange differences on translation on foreign operator	2	1 407 549	-21 114 750	-3 411 816	-22 539	9 687 270
Other comprehensive income for the year, net of tax		1 407 549	-21 114 750	-3 411 816	-22 539	9 687 270
Total comprehensive income		179 002 502	56 187 707	103 200 400	-145 106	-18 036 315
<i>Attributable to:</i>						
Shareholders in the parent Company		93 362 293	19 993 977	41 122 676	-15 502 555	-53 992 257
Non-controlling interests		85 640 209	36 193 730	62 077 724	15 357 449	35 955 942
Earnings per share basic and diluted (NOK)	8	933 623	199 940	411 227	-155 026	-539 923

Consolidated balance sheet

	Notes	June 30, 2021 Unaudited	June 30, 2020 Unaudited	December 31, 2020 Audited
Assets				
<i>Intangible fixed assets</i>				
Goodwill	5	16 947 796	16 947 796	16 947 796
Other intangible assets	5	1 660 524	6 082 044	4 527 542
Deferred tax assets		-	8 972 572	-
Total intangible assets		18 608 320	32 002 412	21 475 338
 <i>Other non-current assets</i>				
Investment property	3	2 826 137 668	1 167 729 987	1 777 178 999
Property, plant & equipment	4	1 342 236 495	1 170 828 333	1 390 238 487
Investment in Associated company		246 783 891	141 356 223	247 040 094
Other receivables	7	6 551 726	744 298	3 491 359
Investment in shares	7	4 798 322	4 798 323	4 798 323
Right-of-use assets	9	30 059 764	33 152 571	31 597 271
Total other non-current assets		4 456 567 866	2 518 609 735	3 454 344 533
Total non-current assets		4 475 176 186	2 550 612 147	3 475 819 871
 <i>Current assets</i>				
Inventories		5 929 704	5 789 729	5 931 972
Property under development - inventory	3	116 804 534	-	19 599 354
Trade and other receivables	7	174 888 787	130 457 672	161 882 002
Investment in shares	7	612 892	390 001	748 502
Cash and cash equivalents	7	199 916 857	324 432 509	573 319 872
Total current assets		498 152 774	461 069 911	761 481 702
Total assets		4 973 328 960	3 011 682 058	4 237 301 573

Consolidated balance sheet

	Notes	June 30, 2021 Unaudited	June 30, 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		458 968 167	306 771 945	419 279 635
Total retained earnings		458 968 167	306 771 945	419 279 635
Non-controlling interests	8	1 051 799 591	616 196 206	735 636 640
Total equity	8	1 510 867 758	923 068 151	1 155 016 275
<i>Non-current liabilities</i>				
Bond loan	10	2 056 670 571	1 402 954 224	2 058 321 132
Borrowings	7	759 598 770	292 649 198	364 500 050
Derivative financial instruments	6	10 973 966	15 754 409	12 901 340
Right-of-use liabilities	9	26 317 345	-	30 566 149
Other long-term liabilities	7	48 000 000	-	48 000 000
Deferred tax liabilities		109 670 058	28 475 828	9 887 338
Total non-current liabilities		3 011 230 710	1 739 833 659	2 524 176 008
<i>Current liabilities</i>				
Trade payables	7	69 399 992	38 727 330	103 478 480
Short-term portion of borrowings	7	240 322 934	147 731 290	259 385 019
Short-term portion of derivatives	6	1 428 522	1 618 726	1 679 416
Short-term portion of right-of-use liabilities	9	4 124 147	4 328 703	2 312 178
Dividend	8	-	56 203 982	-
Other payables	7	135 954 897	100 170 219	191 254 197
Total current liabilities		451 230 492	348 780 250	558 109 290
Total liabilities		3 462 461 202	2 088 613 909	3 082 285 298
Total equity and liabilities		4 973 328 960	3 011 682 058	4 237 301 573

Oslo, August 25, 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	-	319 903 669	650 304 572	970 308 241
Profit of the period			-	-15 502 555	15 357 449	-145 106
Dividend approved			-	-10 000 000	-	-10 000 000
Translation differences			-	14 460 270	-	14 460 270
Change in minority ownership			-	-6 738 168	6 738 168	-
Dividend to minority shareholders			-	-	-56 203 982	-56 203 982
Other comprehensive income - currency	2		-22 539	-	-	-22 539
Other changes			-	4 671 267	-	4 671 267
30.06.2020		100 000	-22 539	306 794 484	616 196 206	923 068 151
01.01.2021		100 000	5 525 595	413 754 041	735 636 640	1 155 016 275
Profit of the period			-	44 534 492	62 077 724	106 612 216
Dividend approved			-	-6 990 057	-	-6 990 057
Capital increase			-	-	262 251 186	262 251 186
Other comprehensive income - exchange differences	2		-1 956 676	-	-1 455 140	-3 411 816
Transaction with non-controlling interest			-	6 710 820	-6 710 820	-
Other changes			-	-2 610 047	-	-2 610 047
30.06.2021		100 000	3 568 918	455 399 249	1 051 799 591	1 510 867 758

Cashflow statement - consolidated

	Note	Quarter ended		YTD		Year ended
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	December 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
Cash flow from operations						
Profit before income taxes		251 185 609	75 977 810	171 615 346	-2 601 992	-14 816 310
Adjust for:						
Depreciation	4	9 077 148	6 109 886	17 289 365	14 804 616	32 245 999
Fair value adj. on investment properties	3	-328 901 442	-91 526 182	-325 970 469	-91 526 182	-217 654 596
Fair value adj. on derivatives		782 984	478 417	-2 178 267	5 727 407	2 935 027
Finance income		-14 951 251	-3 258 792	-17 947 468	-7 624 165	-14 544 537
Finance costs		53 291 953	34 383 726	102 218 163	76 319 414	177 513 194
Cashflow before change in working capital		-29 514 999	22 164 865	-54 973 330	-4 900 902	-34 321 223
Change in working capital						
Trade and other receivables		17 329 782	235 594 937	-13 255 358	272 950 772	29 810 012
Trade and other payables		-46 353 938	-31 900 027	-91 814 623	-141 458 752	-10 863 782
Property under development - inventory		-36 737 523	20 891 515	-57 071 162	-	206 519 956
Net cash flow from operations (A)		-95 276 678	246 751 290	-217 114 473	126 591 118	191 144 963
Cash flow from investments						
Purchase and improvements of investments property	3	-683 849 244	-40 067 394	-732 377 446	-71 032 670	-570 953 268
Sales credit purchase investment property		-	-	-	-	89 000 000
Sale of property under development		-	20 883 592	-	20 883 592	-
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	86 404 601	-	203 943 707	-	-
Purchase of fixed assets	4,5	-85 736 493	-17 798 424	-173 783 174	-28 769 640	-266 561 828
Net cash flow from investments (B)		-683 181 136	-33 916 115	-702 216 913	-78 918 718	-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		-66 730 759	-35 028 857	-102 218 163	-70 592 007	-169 638 683
Interest received		17 475 789	3 933 552	18 284 490	8 298 925	5 939 019
Proceeds from Borrowings		497 217 874	-232 672 975	374 386 074	-202 391 197	640 323 443
Share issue minority	11	-	-	262 466 027	-	-
Gain from sale of shares		-	-	-	-	733 020
Dividend paid		-6 990 057	-10 000 000	-6 990 057	-10 000 000	-56 033 348
Net cash flow from financing (C)		440 972 847	-274 768 180	545 928 371	-274 684 279	687 323 342
Net change in cash and cash equivalents (A+B+C)		-337 484 967	-61 933 005	-373 403 015	-227 011 879	21 875 484
Cash and cash equivalents at the beginning of the period		537 401 825	386 365 514	573 319 872	551 444 388	551 444 388
Cash and cash equivalents at the end of the period		199 916 857	324 432 509	199 916 857	324 432 509	573 319 872
Restricted funds		3 197 114	4 586 617	3 197 114	4 586 617	4 162 902

Notes to the consolidated accounts for the second 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 second quarter 2021

Bulk Infrastructure Group AS has the following strategic operating segments by 30.06.21 presented in accordance with internal reporting to management

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

Note 2 Segment information

Operating profit and loss by segment second quarter 2021

	Industrial Real Estate Quarter ended		Data Centers Quarter ended		Fiber Networks Quarter ended		Group/other Quarter ended		Eliminated Quarter ended		Total Quarter ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Rental income	18 304 457	13 196 981	-	-	-	-	-	-	-	-	18 304 457	13 196 981
Revenue property sales	-	296 090 023	-	-	-	-	-	-	-	-	-	296 090 023
Revenue from sales	-	-	20 693 888	11 174 771	2 335 985	366 430	-	-	-	-	23 029 873	11 541 201
Gain from sale of investment property	-4 777 140	-	-	-	-	-	-	-	-	-	-4 777 140	-
Other revenue*	678 672	158 157	-2 439 083	679 249	-	-	8 618 887	9 246 047	-8 213 347	-16 520 716	-1 354 871	-6 437 263
Total revenue and other income	14 205 989	309 445 161	18 254 805	11 854 020	2 335 985	366 430	8 618 887	9 246 047	-8 213 347	-16 520 716	35 202 319	314 390 942
Property-related expenses	3 715 786	3 180 277	-	-	-	-	-	-	-	-	3 715 786	3 180 277
Cost of property sales	-	261 575 345	-	-	-	-	-	-	-	-	-	261 575 345
Cost of sales	-	-	12 915 957	11 522 781	1 608 953	3 138 304	-	-	-	-	14 524 910	14 661 085
Other cost	8 394 894	-4 246 866	23 561 680	13 729 752	27 986 744	-1 320 143	3 823 799	27 277 229	-8 213 347	-16 520 716	55 553 770	18 919 256
Total expenses	12 110 680	260 508 756	36 477 637	25 252 533	29 595 697	1 818 161	3 823 799	27 277 229	-8 213 347	-16 520 716	73 794 466	298 335 963
Operating profit before fair value adjustments on investment properties	2 095 309	48 936 405	-18 222 832	-13 398 513	-27 259 712	-1 451 731	4 795 088	-18 031 182	-	-	-38 592 147	16 054 979
Fair value adjustments on investment properties	328 901 442	91 526 182	-	-	-	-	-	-	-	-	328 901 442	91 526 182
Operating profit	330 996 751	140 462 587	-18 222 832	-13 398 513	-27 259 712	-1 451 731	4 795 088	-18 031 182	-	-	290 309 295	107 581 161
Realized net financial items	-2 677 470	-718 254	-680 388	7 640 700	-1 891 233	3 782 242	-33 091 612	-41 829 622	-	-	-38 340 703	-31 124 934
Fair value adjustments on derivatives	-782 984	-478 417	-	-	-	-	-	-	-	-	-782 984	-478 417
Net financial items	-3 460 454	-1 196 671	-680 388	7 640 700	-1 891 233	3 782 242	-33 091 612	-41 829 622	-	-	-39 123 687	-31 603 351
Profit before income tax	327 536 297	139 265 916	-18 903 220	-5 757 813	-29 150 945	2 330 511	-28 296 524	-59 860 804	-	-	251 185 608	75 977 810
Income tax expense	73 590 656	28 435 447	-	-	-	-	-	-	-	-	73 590 656	-1 324 647
Profit for the period	253 945 641	110 830 469	-18 903 220	-5 757 813	-29 150 945	2 330 511	-28 296 524	-30 100 710	-	-	177 594 952	77 302 457
Exchange differences on translation on foreign operations	-778 372	-	2 165 034	-21 075 414	20 887	-39 336	-	-	-	-	1 407 549	-21 114 750
Other comprehensive income for the year, net of tax	-778 372	-	2 165 034	-21 075 414	20 887	-39 336	-	-	-	-	1 407 549	-21 114 750
Total comprehensive income	253 167 269	110 830 469	-16 738 186	-26 833 227	-29 130 058	2 291 175	-28 296 524	-30 100 710	-	-	179 002 501	56 187 707

*Certain items of revenue have been reclassified between Other revenue and Revenue from sales in Q2 causing an isolated negative Other revenue in Q2, both in 2021 and 2020.

Notes to the consolidated accounts for the second quarter 2021

Note 2 part 2 Segment information continues

Operating profit and loss by segment 30.06.21, YTD figures	Industrial Real Estate		Data Centers		Fiber Networks		Group/other		Eliminated		Total	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Rental income	33 913 659	22 442 877	-	-	-	-	-	-	-	-	33 913 659	22 442 877
Revenue property sales	-	296 090 023	-	-	-	-	-	-	-	-	-	296 090 023
Revenue from sales	-	-	34 697 369	22 980 478	2 634 567	828 884	-	-	-	-	37 331 936	23 809 362
Gain from sale of investment property	-4 777 140	-	-	-	-	-	-	-	-	-	-4 777 140	-
Other revenue	1 977 127	1 054 300	387 027	5 211 781	-	-	22 974 570	20 073 616	-22 020 767	-18 145 716	3 317 957	8 193 981
Total revenue and other income	31 113 646	319 587 200	35 084 396	28 192 259	2 634 567	828 884	22 974 570	20 073 616	-22 020 767	-18 145 716	69 786 412	350 536 243
Property-related expenses	6 233 511	3 968 495	-	-	-	-	-	-	-	-	6 233 511	3 968 495
Cost of property sales	-	261 575 345	-	-	-	-	-	-	-	-	-	261 575 345
Cost of sales	-	-	28 988 429	20 363 111	3 022 977	6 415 443	-	-	-	-	32 011 406	26 778 554
Other revenue	17 614 389	5 214 651	52 821 129	47 316 097	37 459 678	5 263 600	17 929 761	38 270 735	-22 020 767	-18 145 716	103 804 190	77 919 367
Total expenses	23 847 900	270 758 491	81 809 558	67 679 208	40 482 655	11 679 043	17 929 761	38 270 735	-22 020 767	-18 145 716	142 049 107	370 241 761
Operating profit before fair value adjustments on investment properties	7 265 746	48 828 709	-46 725 162	-39 486 949	-37 848 088	-10 850 159	5 044 809	-18 197 119	-	-	-72 262 695	-19 705 518
Fair value adjustments on investment properties	325 970 469	91 526 182	-	-	-	-	-	-	-	-	325 970 469	91 526 182
Operating profit	333 236 215	140 354 891	-46 725 162	-39 486 949	-37 848 088	-10 850 159	5 044 809	-18 197 119	-	-	253 707 774	71 820 664
Realized net financial items	-19 376 074	-10 624 442	-3 862 571	-3 568 683	-2 012 370	-87 254	-59 019 681	-54 414 870	-	-	-84 270 696	-68 695 249
Fair value adjustments on derivatives	2 178 267	-5 727 407	-	-	-	-	-	-	-	-	2 178 267	-5 727 407
Net financial items	-17 197 807	-16 351 849	-3 862 571	-3 568 683	-2 012 370	-87 254	-59 019 681	-54 414 870	-	-	-82 092 429	-74 422 656
Profit before income tax	316 038 408	124 003 042	-50 587 733	-43 055 632	-39 860 458	-10 937 413	-53 974 872	-72 611 989	-	-	171 615 345	-2 601 992
Income tax expense	65 003 130	27 280 669	-	-	-	-	-	-29 760 094	-	-	65 003 130	-2 479 425
Profit for the period	251 035 278	96 722 373	-50 587 733	-43 055 632	-39 860 458	-10 937 413	-53 974 872	-42 851 895	-	-	106 612 215	-122 567
Exchange differences on translation on foreign operations	86 130	-	-3 492 680	-22 539	-5 266	-	-	-	-	-	-3 411 816	-22 539
Other comprehensive income for the year, net of tax	86 130	-	-3 492 680	-22 539	-5 266	-	-	-	-	-	-3 411 816	-22 539
Total comprehensive income	251 121 408	96 722 373	-54 080 413	-43 078 171	-39 865 724	-10 937 413	-53 974 872	-42 851 895	-	-	103 200 399	-145 106

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

Notes to the consolidated accounts for the second quarter 2021

Note 2 part 3 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, QTD figures

	Industrial Real Estate		Data Centers		Fiber Networks		Group/other		Eliminated		Total	
	Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Rental income	18 304 457	13 196 981	-	-	-	-	-	-	-	-	18 304 457	13 196 981
Revenue property sales	-	296 090 023	-	-	-	-	-	-	-	-	-	296 090 023
Revenue from sales	-	-	20 693 888	11 174 771	2 335 985	366 430	-	-	-	-	23 029 873	11 541 201
Gain from sale of investment property	-4 777 140	-	-	-	-	-	-	-	-	-	-4 777 140	-
<i>Other revenue</i>												
- Shared costs tenants	678 672	158 157	-2 439 083	679 249	-	-	-	-	-	-	-1 760 411	837 406
- Revenue from construction projects	-	-	-	-	-	-	-	-	-	-	-	-
- Business management/other	-	-	-	-	-	-	8 618 887	9 246 047	-8 213 347	-16 520 716	405 540	-7 274 669
Total revenue from contracts with customers	14 205 989	309 445 161	18 254 805	11 854 020	2 335 985	366 430	8 618 887	9 246 047	-8 213 347	-16 520 716	35 202 319	314 390 942

Segments, YTD figures

	Industrial Real Estate		Data Centers		Fiber Networks		Group/other		Eliminated		Total	
	Half-year ended		Half-year ended		Half-year ended		Half-year ended		Half-year ended		Half-year ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Rental income	33 913 659	22 442 877	-	-	-	-	-	-	-	-	33 913 659	22 442 877
Revenue property sales	-	296 090 023	-	-	-	-	-	-	-	-	-	296 090 023
Revenue from sales	-	-	34 697 369	22 980 478	2 634 567	828 884	-	-	-	-	37 331 936	23 809 362
Gain from sale of investment property	-4 777 140	-	-	-	-	-	-	-	-	-	-4 777 140	-
<i>Other revenue</i>												
- Shared costs tenants	1 977 127	1 054 300	387 027	5 211 781	-	-	-	-	-	-	2 364 154	6 266 081
- Revenue from construction projects	-	-	-	-	-	-	-	-	-	-	-	-
- Business management/other	-	-	-	-	-	-	22 974 570	20 073 616	-22 020 767	-18 145 716	953 803	1 927 900
Total revenue from contracts with customers	31 113 646	319 587 200	35 084 396	28 192 259	2 634 567	828 884	22 974 570	20 073 616	-22 020 767	-18 145 716	69 786 412	350 536 243

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 second quarter 2021

Note 3 Investment property

INVESTMENT PROPERTY	Half-year ended		Year ended
	30.06.2021	30.06.2020	31.12.2020
Fair value 1.1	1 777 178 999	1 005 171 135	1 005 171 135
Additions:			
- Capital expenditure	118 704 995	71 032 670	422 742 168
- Acquisition of property	649 000 000	-	148 211 100
- Exchange differences foreign currency	-4 582 777	-	-
Transferred to property under development	-40 134 018	-	-16 600 000
Changes in fair value	325 970 469	91 526 182	217 654 596
Fair value 31.03	2 826 137 668	1 167 729 987	1 777 178 999
Income and expenses from investment property	30.06.2021	30.06.2020	31.12.2020
Income from rent	33 913 659	22 442 877	45 405 073
Expenses related to leased property	-6 233 511	-3 968 495	4 159 000

Notes to the consolidated accounts for the second 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 June 30, 2021. Please refer to Note 2 - Accounting principles of the Consolidated Financial Statement in the 2020 annual report for further information.

Property under development	Half-year 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	57 071 162	52 056 035	55 055 389
- Sale of property under development	-	-261 575 345	-261 575 345
Inventory value 30.06	116 804 534	-	19 599 354

Notes to the consolidated accounts for the second 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	1 187 841 312
Additions	3 318 748	948 554	5 599 458	3 227 591	2 973 933	10 805 702	26 873 986
Exchange differences	14 161 374	669 251	724 259	191 362	-	-	15 746 246
Transfer from assets under construction	143 755 765	6 800 366	7 363 638	-157 919 768	-	-	-
Balance at June 30, 2020	227 972 742	174 324 454	109 220 552	83 816 516	24 809 807	610 317 473	1 230 461 544
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	5 059 493	79 245 498	7 607 108	21 590 494	488 173	59 792 408	173 783 174
Disposals	-	-	-	-	-	-203 943 707	-203 943 707
Reclassification from intangible assets	-	-	-	2 643 642	-	-	2 643 642
Exchange differences	-3 266 302	-217 336	-203 406	-226 003	-	-	-3 913 047
Balance at June 30, 2021	217 405 612	397 723 882	118 296 830	49 910 395	23 433 382	625 983 963	1 432 754 064
<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
Depreciation charge for the period	1 426 677	8 697 155	420 041	-	1 473 602	1 023 801	13 041 276
Balance at June 30, 2020	8 312 220	36 118 372	1 750 170	-	9 209 963	4 242 486	59 633 211
Balance at January 1, 2021	9 934 804	41 830 823	2 170 212	-	12 548 791	7 460 883	73 945 513
Depreciation charge for the period	4 183 048	7 458 020	439 677	-	1 886 926	3 101 109	17 068 780
Other adjustments - currency	-106 226	-370 861	-19 637	-	-	-	-496 724
Balance at June 30, 2021	14 011 626	48 917 982	2 590 252	-	14 435 717	10 561 992	90 517 569
<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	1 141 249 377
At June 30, 2020	219 660 523	138 206 082	107 470 382	83 816 516	15 599 844	606 074 987	1 170 828 333
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 June 30, 2021	203 393 986	348 805 900	115 706 578	49 910 395	8 997 665	615 421 971	1 342 236 495
Expected useful economic life	50 years	5-35 years	-	-	4-10 years	20-30 years	

Property, plant and equipment is located in Norway, Denmark and the United Kingdom.

Notes to the consolidated accounts for the second 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	-	1 895 654	-	1 895 654
Balance at June 30, 2020	16 947 796	3 752 217	3 159 480	23 859 493
Balance at January 1, 2021	16 947 796	1 894 913	3 695 105	22 537 814
Additions	-	-	-	-
Transfer to property, plant & equipment	-	-	-2 643 642	-2 643 642
Other adjustments - currency	-	-	-2 793	-2 793
Balance at June 30, 2021	16 947 796	1 894 913	1 048 670	19 891 379
<i>Accumulated amortization and impairment</i>				
Balance at January 1, 2020	-	640 161	-	640 161
Amortization charge for the year	-	189 492	-	189 492
Balance at June 30, 2020	-	829 653	-	829 653
Balance at January 1, 2021	-	1 012 997	49 478	1 062 475
Amortization charge for the year	-	183 345	37 240	220 585
Balance at June 30, 2021	-	1 196 342	86 718	1 283 060
<i>Net book value</i>				
At January 1, 2020	16 947 796	1 216 402	3 159 480	21 323 678
At June 30, 2020	16 947 796	2 922 564	3 159 480	23 029 840
At January 1, 2021	16 947 796	881 916	3 645 627	21 475 339
At June 30, 2021	16 947 796	698 571	961 952	18 608 319

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 second quarter 2021

Note 6 Derivative financial instruments	Half-year ended		Year ended
	30.06.2021	30.06.2020	31.12.2020
Interest rate swaps	-12 402 488	-17 373 135	-14 580 755
Total liabilities	-12 402 488	-17 373 135	-14 580 755

Interest rate swaps

	30.06.2021	30.06.2020	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 second quarter 2021

Note 7 Financial assets and liabilities

	Half-year ended				Year ended	
	Carrying amount as at 30.06.2021	Fair value as at 30.06.2021	Carrying amount as at 30.06.2020	Fair value as at 30.06.2020	Carrying amount as at 31.12.2020	Fair value as at 31.12.2020
<i>Non-current financial assets</i>						
Other receivables - non-current	6 551 726	6 551 726	744 298	744 298	3 491 359	3 491 359
Investment in shares	4 798 322	4 798 322	4 798 323	4 798 323	4 798 323	4 798 323
Total non-current financial assets	11 350 048	11 350 048	5 542 621	5 542 621	8 289 682	8 289 682
<i>Current financial assets</i>						
Trade and other receivables	174 888 787	174 888 787	130 457 672	130 457 672	161 882 002	161 882 002
Investment in shares	612 892	612 892	390 001	390 001	748 502	748 502
Cash and cash equivalents	199 916 857	199 916 857	324 432 509	324 432 509	573 319 872	573 319 872
Total current financial assets	375 418 536	375 418 536	455 280 182	455 280 182	735 950 376	735 950 376
Total financial assets	386 768 584	386 768 584	460 822 803	460 822 803	744 240 058	744 240 058
<i>Non-current financial liabilities</i>						
Bond loan	2 056 670 571	2 056 670 571	1 402 954 224	1 402 954 224	2 058 321 132	2 058 321 132
Borrowings	759 598 770	759 598 770	292 649 198	292 649 198	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	10 973 966	10 973 966	15 754 409	15 754 409	12 901 340	12 901 340
Total non-current financial liabilities	2 875 243 307	2 875 243 307	1 711 357 831	1 711 357 831	2 483 722 522	2 483 722 522
<i>Current financial liabilities</i>						
Trade payables	69 399 992	69 399 992	38 727 330	38 727 330	103 478 480	103 478 480
Short-term portion of borrowings	240 322 934	240 322 934	147 731 290	147 731 290	259 385 019	259 385 019
Short-term portion of derivatives	1 428 522	1 428 522	1 618 726	1 618 726	1 679 416	1 679 416
Other payables	135 954 897	135 954 897	100 170 219	100 170 219	191 254 197	191 254 197
Total current financial liabilities	447 106 345	447 106 345	288 247 565	288 247 565	555 797 112	555 797 112
Total financial liabilities	3 322 349 652	3 322 349 652	1 999 605 396	1 999 605 396	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 second quarter 2021

Note 8 Paid in equity and shareholders

	Half-year ended		Year ended
	30.06.2021	30.06.2020	31.12.2020
Share capital	100 000	100 000	100 000

Change in paid in equity and share premium:

	Total shares			Share capital (IN NOK)		
	30.06.2021	30.06.2020	31.12.2020	30.06.2021	30.06.2020	31.12.2020
Ordinary shares						
Issued stock and paid in capital						
At the beginning of the year	100	100	100	100 000	100 000	100 000
Capital increase	-	-	-	-	-	-
At the end of the year	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 30.06

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

Shareholder loan - Related party disclosures

	Half-year ended		Year ended
	30.06.2021	30.06.2020	31.12.2020
Short-term mortgage to shareholder	25 493 747	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 to an employer. The incurred interest was NOK 183,554 in the first half of 2021 and NOK 295,938 in the first half 2020.

Dividend

The Company has paid a dividend of NOK 7.0 million as of June 30, 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.

	Half-year ended		Year ended
	30.06.2021	30.06.2020	31.12.2020
Total comprehensive income, net of tax, attributable to shareholders in the parent Company	41 122 676	-15 502 555	-53 992 257
Weighted average number of outstanding shares	100	100	100
Basic and diluted earnings per share	411 227	-155 026	-539 923

Notes to the consolidated accounts for the second 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	21 386 890	231 104	9 979 277	31 597 271
Depreciations	-754 831	-117 391	-665 285	-1 537 507
Balance at 30 June	20 632 059	113 713	9 313 992	30 059 764

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	30.06.2021	30.06.2020
Less than one year	4 124 147	4 328 703
Between one and five years	16 311 835	16 373 419
More than five years	23 027 918	27 090 481
Total undiscounted lease liabilities at 30 June	43 463 900	47 792 603
Lease liabilities included in the statement of financial position at 30 June	26 317 345	32 804 531

Amount recognised in profit or loss

	30.06.2021
Interest on lease liabilities	960 118

Amount recognised in cash flow statement

Total cash flow from leases	3 396 953
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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 second 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 second 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 second 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 500 million subscribed on June 29, 2021. The equity issue was targeted towards existing shareholders. The equity issue was not paid or formally registered as of reporting date June 30, 2021.

Industrial Real Estate signed two new construction projects through partnerships in July for approximately 55,000 sqm.

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

Notes to the consolidated accounts for the second quarter 2021

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 - Bulk Industrier AS

The Board of Directors have today treated and approved the second quarter report for Bulk Industrier AS, the consolidated accounts of the Group, as of June 30, 2021. The consolidated second 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 June 30, 2021.

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

To the best of our knowledge, we confirm that;

- the second quarter report 2021 for the Group are prepared in accordance with applicable accounting standards
- the provided information in the financial statements gives a true and fair view of the Group's assets, liabilities, financial position and results of operations as of June 30, 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, August 25, 2021

The board of Bulk Industrier AS



Peder Nærbø
Chairman of the board