

# Bulk Industrier AS

## Board of Directors Report - first quarter 2022

### Business description

Bulk Industrier AS is an industrial investment company primarily investing in real estate developments within warehousing and 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. The Group is an industrial investor, developer and operator of industrial real estate, data centers and dark fiber networks. Bulk believes in the value creation opportunity of enabling our digital society to be fully sustainable. Hence the vision: Racing to bring sustainable infrastructure to a global audience.

### Our three Business Areas

**Bulk Industrial Real Estate** is a Nordic real estate developer and owner, specializing in industrial buildings, large modern warehouses, cross-dock terminals and logistics parks. We seek to be the preferred partner for our customers, offering prime locations, state-of-the-art facilities and sustainable solutions. The business area was established in 2006 and has demonstrated a significant ability to develop industrial properties for a large and diversified portfolio of customers. In 2022 we will have completed more than 50 development projects since establishment, summing up to more than 500,000 square meters of high quality, flexible and energy efficient facilities. We also own a considerable portfolio of yielding properties, and a vast plot bank, allowing us to take part in value creation in all phases of real estate development and ownership.

**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, telehousing and cable landing facilities 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 opportunities that enable or deliver a fundamentally more sustainable global society
- **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 investment criteria are set to ensure a mindset and focus to support the Group's long-term vision. The Group has a strong capital allocation capability that makes it robust to fundamental changes in market dynamics.

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

## Q1 2022 in short

- **Industrial Real Estate:** The Group acquired a plot at Danebuåsen late 2021 with hand over in Q1 2022. In addition, the Group acquired the remaining 50% of AE Bulk Co-Invest AS holding 25% of Berger Terminal Holding II AS in the first quarter 2022.
- **Data Centers:** New contracts are signed on our data center sites during Q1 2022. Projects to significantly increase power capacity and prepare more land at N01 is in progress, in addition to assessment of alternatives for reuse of heat from the data centers. The remaining 50% of OS-IX was acquired during Q1 2022.
- **Fiber Networks:** The installation is completed for the Havsil cable system between Norway and Denmark. There are now active customers on all segments of the Inter City Ring. The construction and installment of the additional three telehouses between Kristiansand and Stavanger is in progress, bringing the total of telehouses to twelve on the Inter City Ring in addition to three telehouses in Denmark finalized in the first quarter 2022.
- The effects of the Coronavirus outbreak are still limited to the business. The three business segments are experiencing limited 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 62.1 million for the first quarter compared to NOK 34.6 million last year. The increase is mainly due to newly acquired real estate and finalized construction projects contributing to increased rental income in addition to the acquisition of the last 50% of OS-IX in January 2022. NOK 33.5 million of total income is generated from Industrial Real Estate in the first quarter, compared to NOK 16.9 million last year. The Data Centers area generated a total income of NOK 25.9 million in the first quarter 2022, compared to NOK 16.8 million last year. In the Fiber Networks area, the income in the first quarter 2022 was NOK 2.3 million compared to NOK 0.3 million in the first quarter last year. The Group's operating profit was negative by NOK 22.2 million in the first quarter 2022 compared to negative NOK 36.6 million last year. The increase is mainly related to increased revenue in the Industrial Real Estate and Data Center business areas. The net profit for the first quarter was NOK 30.7 million, an increase from NOK -71.0 million last year. The total comprehensive income for the first quarter ended at NOK 31.9 million compared to NOK -75.8 million in the first quarter 2021. Other comprehensive income is mainly driven by foreign exchange differences in subsidiaries.

Cash and cash equivalents ended at NOK 732.8 million by the end of the first quarter 2022, up from NOK 696.3 million at year-end 2021. The equity ratio ended at 35.7 % at the end of the first quarter 2022, down from 39.6 % at year-end 2021 mainly due to increased gross balance related to acquired property, plant and equipment. Mortgage debt increased by NOK 646.6 million during the first quarter of 2022, of which the long-term portion of debt increased by NOK 607.1 million and the short-term portion decreased by NOK 39.5 million. NOK 300 million of the increased long-term debt is related to the acquisition of OS-IX.

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 rates. The distribution of fixed and floating interest rates was 10/90 by the end of the period.

**Credit risk** - The Group's warehouse and logistic buildings are characterized by high standards, good locations, long lease agreements and reliable tenants. There were no material credit losses as of March 31, 2022. The Group's tenants normally pay quarterly 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 7.0 years March 31 last year to 8.6 years as of March 31, 2022. 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 2.2 % as of March 31, 2022. 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 buildup of fixed cost in early stages of new asset operations.

## Review and risk management

The Board of directors annually reviews the Group'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 Group's internal control and how risks are being managed.

In the audited consolidated financial statements for the year ended December 31, 2021, the Board of directors describes the main features of the Group's internal control and risk management systems as they are connected to the Group's financial reporting. This covers the control environment in the Group, risk assessment, control activities and information, communication, and follow-up. The board of directors is obligated to ensure that it is updated on the Group's financial situation and shall continually evaluate whether the Group's equity and liquidity are adequate in relation to the risk from the Group's activities and take immediate action if the Group's equity or liquidity at any time is shown to be inadequate. The Group's management in Bulk Infrastructure Holding 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

Apart from legal obligations, our Group will proactively protect the environment and strive to create long term sustainable solutions for the next generations.

Bulk was founded on the concept of making the sustainable and societal advantages of the Nordics available to the global market. We are proud of our vision: Racing to bring sustainable infrastructure to a global audience. We pursue opportunities to contribute to global sustainable development at scale and we use our creative power to develop new high quality, reliable and clean solutions. We respect the environment, people and society as a whole. In January 2022, Bulk joined UN Global Compact; the world's largest voluntary corporate sustainability initiative. For 2022 Bulk will report (CoP 2022) on aligning with the SDGs and the ten principles for responsible business with strategy and operations.

Our Integrated Management System is set up to soundly manage, secure and continuously improve all work processes that affect Environment, and we follow up our performance indicators from our Environmental Action plan along with systematic risk management.

## Future development

**Industrial Real Estate** - The demand for new and modern industrial properties remains high and we expect continued healthy demand going forward. Bulk is 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 the demand for goods bought online to continue to fuel market interest for our new build projects.

**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 2021 and 2022, and 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 first quarter 2022.

**Fiber networks** - The strong growth in data processing and storage drives the demand for new investments in underlying fiber infrastructure, including both subsea and terrestrial systems. Bulk is well positioned as a leading provider of large capacity transport fiber, both going into the Nordics and within the Nordics. Several of Bulk's new systems will be completed and become operational during 2022: The Havfrue System, connecting the US and the Nordics is fully operational between the US, Norway and Denmark. The remaining branch connecting into Ireland, will be ready for service in the second half of 2022. The Havsil Cable system, connecting Kristiansand and Esbjerg is fully operational with live traffic during Q1 2022. The same goes for the Havhingsten system connecting the UK and Ireland into Esbjerg during Q2 2022. The Norwegian Inter-City Ring is fully completed and operational and will see the last set of Telehousing units come in place during summer 2022. We continue to explore opportunities for new fiber network developments being strategic enablers for the Nordic data center market. The underlying recurring revenue growth across our fiber networks portfolio is positive.

## Subsequent events

There are material subsequent events after the reporting period.

Oslo, May 24, 2022

The Board of Bulk Industrier AS



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Peder Nærbø  
Executive Chair

**Bulk Industrier AS**  
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# Bulk Industrier AS

## Consolidated financial statement first quarter 2022

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Disclaimer



**Bulk Industrier AS**  
**Consolidated statement of profit and loss and other comprehensive income**  
**For the quarter ended 31 March 2022**

(NOK '000)	Notes	Quarter ended		Year ended
		March 31, 2022	March 31, 2021	December 31, 2021
		Unaudited	Unaudited	Audited
Rental income	2	38 092	15 609	83 342
Revenue property sales	2	-	-	182 537
Revenue from sales	2	16 771	11 933	64 545
Other revenue	2	7 276	7 042	35 248
<b>Total revenue and other income</b>		<b>62 139</b>	<b>34 584</b>	<b>365 673</b>
Property-related expenses	2	4 412	2 518	12 269
Cost of property sales	2	-	-	173 883
Cost of sales	2	12 419	13 678	61 291
Other cost	2,3	67 508	52 059	257 356
<b>Total expenses</b>		<b>84 339</b>	<b>68 255</b>	<b>504 800</b>
<b>Operating profit before fair value adjustments on investment properties</b>		<b>-22 200</b>	<b>-33 671</b>	<b>-139 127</b>
Fair value adjustments on investment properties	4	-	-2 931	1 352 819
<b>Operating profit</b>		<b>-22 200</b>	<b>-36 602</b>	<b>1 213 692</b>
Share of profit/loss(-) of investments accounted for using the equity method		17 309	1 263	77 267
Remeasurement gain of previous held equity investments	5	90 056	-	-
Finance income		1 325	1 733	18 867
Finance costs		70 732	48 926	205 391
Fair value adjustments on derivatives		18 551	2 961	4 901
<b>Net financial items</b>		<b>56 509</b>	<b>-42 969</b>	<b>-104 357</b>
<b>Profit before income tax</b>		<b>34 309</b>	<b>-79 570</b>	<b>1 109 335</b>
Income tax expense		3 590	-8 588	267 563
<b>Profit for the period</b>		<b>30 719</b>	<b>-70 983</b>	<b>841 772</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit and loss</i>				
Exchange differences on translation on foreign operations	2	1 179	-4 819	-6 417
<b>Other comprehensive income for the year, net of tax</b>		<b>1 179</b>	<b>-4 819</b>	<b>-6 417</b>
<b>Total comprehensive income</b>		<b>31 898</b>	<b>-75 802</b>	<b>835 355</b>
<i>Attributable to:</i>				
Shareholders in the parent Company		2 276	-53 825	311 363
Non-controlling interests		29 623	-21 977	523 992
Earnings per share basic and diluted	7	319	-511	3 114

## Consolidated balance sheet

(NOK '000)	Notes	Quarter ended		Year ended
		March 31, 2022 Unaudited	March 31, 2021 Unaudited	December 31, 2021 Audited
<b>Assets</b>				
<i>Intangible fixed assets</i>				
Goodwill	8	2 070	16 948	-
Other intangible assets	8	2 609	4 413	1 445
<b>Total intangible assets</b>		<b>4 679</b>	<b>21 361</b>	<b>1 445</b>
 <i>Other non-current assets</i>				
Investment property	4	4 496 289	1 774 196	4 184 248
Property, plant & equipment	9	2 091 384	1 345 569	1 328 690
Investment in Associated company	10	199 248	248 545	289 212
Receivable from related party	7,11	17 317	-	10 229
Derivative financial instruments	6,11	15 655	-	1 139
Other receivables	11	21 757	5 550	22 468
Investment in shares	11	11 504	4 798	11 504
Right-of-use assets	12	214 525	30 820	175 101
<b>Total other non-current assets</b>		<b>7 067 679</b>	<b>3 409 478</b>	<b>6 022 592</b>
<b>Total non-current assets</b>		<b>7 072 358</b>	<b>3 430 838</b>	<b>6 024 037</b>
 <i>Current assets</i>				
Inventories		6 267	5 930	5 484
Property under development - inventory	4	-	80 067	-
Receivable related party	11	5 127	-	82 680
Trade and other receivables	11	172 946	191 324	169 724
Investment in shares	11	-	613	-
Short-term portion of derivatives	6,11	1 998	-	-
Receivable parent company Group Restructuring	11	-	-	171 553
Cash and cash equivalents	11	732 837	537 402	696 325
<b>Total current assets</b>		<b>919 175</b>	<b>815 336</b>	<b>1 125 767</b>
<b>Total assets</b>		<b>7 991 533</b>	<b>4 246 174</b>	<b>7 149 804</b>

## Consolidated balance sheet

	Notes	March 31, 2022	March 31, 2021	December 31, 2021
<b>Equity and liabilities</b>				
<i>Paid in equity</i>				
Ordinary shares	7	100	100	100
<b>Total paid in equity</b>		<b>100</b>	<b>100</b>	<b>100</b>
<i>Retained earnings</i>				
Retained earnings		784 900	370 983	783 107
<b>Total retained earnings</b>		<b>784 900</b>	<b>370 983</b>	<b>783 107</b>
<b>Non-controlling interests</b>		<b>2 079 492</b>	<b>712 952</b>	<b>2 047 768</b>
<b>Total equity</b>		<b>2 864 492</b>	<b>1 084 035</b>	<b>2 830 974</b>
<i>Non-current liabilities</i>				
Bond loan	11,13	2 412 804	2 054 234	2 460 610
Borrowings	11	1 688 721	369 931	1 081 665
Derivative financial instruments	6,11	5 873	9 940	9 540
Lease liabilities	12	29 531	28 136	31 885
Contract liabilities		32 023	24 705	30 765
Other long-term liabilities	11	34 229	48 000	33 634
Deferred tax liabilities		334 892	1 043	290 204
<b>Total non-current liabilities</b>		<b>4 538 074</b>	<b>2 535 988</b>	<b>3 938 303</b>
<i>Current liabilities</i>				
Trade payables	11	111 131	42 028	75 148
Short-term portion of borrowings	11	180 172	135 210	140 618
Short-term portion of derivatives	6,11	1 234	1 679	1 279
Short-term portion of lease liabilities	12	8 443	2 287	8 144
Contract liabilities		1 685	1 300	1 308
Other payables	11	275 425	181 181	154 029
Short-term payable related party		10 876	-	-
Short-term payable minority interest		-	262 466	-
<b>Total current liabilities</b>		<b>588 967</b>	<b>626 151</b>	<b>380 527</b>
<b>Total liabilities</b>		<b>5 127 041</b>	<b>3 162 139</b>	<b>4 318 830</b>
<b>Total equity and liabilities</b>		<b>7 991 533</b>	<b>4 246 174</b>	<b>7 149 804</b>

Oslo, May 24, 2022

The Board of Bulk Industrier AS



Peder Nærbø  
Executive Chair

## Consolidated statement of changes in equity

(NOK '000)	Note	Paid in equity Share capital	Retained earnings Exchange differences on translation on foreign operations	Retained earnings	Non-controlling interests	Total equity
<b>01.01.2021</b>		100	5 526	413 754	735 637	1 155 016
Profit of the period				-51 064	-19 919	-70 983
Other comprehensive income - exchange differences			-2 761		-2 058	-4 819
Other changes				5 529	-708	4 821
<b>31.03.2021</b>		100	2 764	368 219	712 952	1 084 035
<b>01.01.2022</b>		100	2 146	780 961	2 047 768	2 830 974
Profit of the period				1 950	28 769	30 719
Other comprehensive income - exchange differences	2		621		558	1 179
Other changes				-778	2 397	1 619
<b>31.03.2022</b>		100	2 767	782 133	2 079 492	2 864 492

## Cashflow statement - consolidated

(NOK '000)	Note	Quarter ended March 31, 2022 Unaudited	Quarter ended March 31, 2021 Unaudited	Year ended December 31, 2021 Audited
<b>Cash flow from operations</b>				
Profit before income taxes		34 309	-79 570	1 109 335
Adjust for:				
Depreciation and impairment	8,9	16 961	8 212	53 097
Fair value adjustments on investment properties	4	-	2 931	-1 352 819
Share of profit/loss of investments accounted for using the equity method		-17 309	-1 263	-77 267
Remeasurement gain of previous held equity investments	5	-90 056	-	-
Finance income		-1 325	-1 733	-18 867
Finance costs		70 732	48 926	205 391
Fair value adj. on derivatives		-18 551	-2 961	-4 901
<b>Cashflow before change in working capital</b>		<b>-5 239</b>	<b>-25 458</b>	<b>-86 030</b>
Change in working capital				
Trade and other receivables	11	-26 345	-30 585	-122 172
Trade and other payables	11	54 460	-41 094	-26 332
Property under development - inventory	4	-	-20 334	62 759
<b>Net cash flow from operations (A)</b>		<b>22 876</b>	<b>-117 472</b>	<b>-171 775</b>
<b>Cash flow from investments</b>				
Purchase and improvements of investments property	4	-319 725	-48 528	-1 093 011
Purchase of shares		-	-	650
Purchase of shares in associated companies	5	-121 703	-	-761
Sale of fiber infrastructure	9	-	117 539	206 074
Purchase of fixed assets	8,9	-33 649	-88 047	-321 275
<b>Net cash flow from investments (B)</b>		<b>-475 076</b>	<b>-19 036</b>	<b>-1 208 324</b>
<b>Cash flow from financing</b>				
Sale of shares in group companies (transaction with non-controlling interest)		-	-	62 530
Finance cost paid including interest paid on derivatives		-58 965	-35 487	-187 438
Interest received		429	809	1 263
Proceeds from Borrowings		298 804	-122 832	1 000 687
Share issue minority - paid, not registered		-	262 466	-
Change in other long-term liabilities		-	-	-14 366
Change in receivable related party		252 894	-	-181 783
Principal paid on lease liabilities		-3 657	-2 340	-4 163
Interest paid on lease liabilities		-794	-2 026	-2 064
Share issue		-	-	877 146
Group restructuring		-	-	-48 710
<b>Net cash flow from financing (C)</b>		<b>488 712</b>	<b>100 589</b>	<b>1 503 104</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>		<b>36 512</b>	<b>-35 918</b>	<b>123 005</b>
Cash and cash equivalents at the beginning of the period		696 325	573 320	573 320
<b>Cash and cash equivalents at the end of the period</b>		<b>732 837</b>	<b>537 402</b>	<b>696 325</b>
Restricted funds		3 056	2 015	4 494

Certain items in the 2021 Q1 cashflow presentation has been altered to align with 2022 presentation.

## Notes to the consolidated accounts for the first quarter 2022

### Note 1 General information

Bulk Industrier AS is a limited liability company registered in Norway. The head office of the company is in Karenslyst Allé 53, 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 2021 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, 2021. Please refer to "Note 2 - Accounting principles" to the Consolidated Financial Statement in the 2021 annual report for information on the Group's accounting policies. The annual report is available on [www.bulkindustrier.no](http://www.bulkindustrier.no).

## Notes to the consolidated accounts for the first quarter 2022

### Note 2 Segment information

Bulk Infrastructure Group AS has the following strategic operating segments by 31.03.22 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 31.03.22 (NOK '000)	Industrial Real Estate		Data Centers		Fiber Networks		Group/other		Eliminated		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Rental income	32 280	15 609	5 811	-	-	-	-	-	-	-	38 092	15 609
Revenue from sales*	-	-	14 449	11 635	2 322	299	-	-	-	-	16 771	11 933
Other revenue*	1 263	1 298	5 636	5 195	-	-	14 090	14 356	-13 713	-13 807	7 276	7 042
<b>Total revenue and other income</b>	<b>33 544</b>	<b>16 908</b>	<b>25 896</b>	<b>16 830</b>	<b>2 322</b>	<b>299</b>	<b>14 090</b>	<b>14 356</b>	<b>-13 713</b>	<b>-13 807</b>	<b>62 139</b>	<b>34 584</b>
Property-related expenses	2 715	2 518	1 697	-	-	-	-	-	-	-	4 412	2 518
Cost of sales**	-	-	11 451	12 264	968	1 414	-	-	-	-	12 419	13 678
Other cost**	11 293	9 219	41 306	33 068	8 962	9 473	19 658	14 106	-13 713	-13 807	67 508	52 059
<b>Total expenses</b>	<b>14 008</b>	<b>11 737</b>	<b>54 454</b>	<b>45 332</b>	<b>9 931</b>	<b>10 887</b>	<b>19 658</b>	<b>14 106</b>	<b>-13 713</b>	<b>-13 807</b>	<b>84 339</b>	<b>68 255</b>
<b>Operating profit before fair value adjustments on investment property</b>	<b>19 536</b>	<b>5 170</b>	<b>-28 558</b>	<b>-28 502</b>	<b>-7 608</b>	<b>-10 588</b>	<b>-5 569</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>-22 200</b>	<b>-33 671</b>
Fair value adjustments on investment properties	-	-2 931	-	-	-	-	-	-	-	-	-	-2 931
<b>Operating profit</b>	<b>19 536</b>	<b>2 239</b>	<b>-28 558</b>	<b>-28 502</b>	<b>-7 608</b>	<b>-10 588</b>	<b>-5 569</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>-22 200</b>	<b>-36 602</b>
<b>Net financial items</b>	<b>-11 400</b>	<b>-13 737</b>	<b>81 808</b>	<b>-3 182</b>	<b>-7 416</b>	<b>-121</b>	<b>-6 483</b>	<b>-25 928</b>	<b>-</b>	<b>-</b>	<b>56 509</b>	<b>-42 969</b>
<b>Profit before income tax</b>	<b>8 136</b>	<b>-11 498</b>	<b>53 250</b>	<b>-31 685</b>	<b>-15 024</b>	<b>-10 710</b>	<b>-12 052</b>	<b>-25 678</b>	<b>-</b>	<b>-</b>	<b>34 309</b>	<b>-79 570</b>
Income tax expense	3 147	-8 588	443	-	-	-	-	-	-	-	3 590	-8 588
<b>Profit for the period</b>	<b>4 989</b>	<b>-2 910</b>	<b>52 806</b>	<b>-31 685</b>	<b>-15 024</b>	<b>-10 710</b>	<b>-12 052</b>	<b>-25 678</b>	<b>-</b>	<b>-</b>	<b>30 719</b>	<b>-70 983</b>
Exchange differences on translation on foreign operations	3 881	865	-2 907	-5 658	205	-26	-	-	-	-	1 179	-4 819
<b>Other comprehensive income for the year, net of tax</b>	<b>3 881</b>	<b>865</b>	<b>-2 907</b>	<b>-5 658</b>	<b>205</b>	<b>-26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 179</b>	<b>-4 819</b>
<b>Total comprehensive income</b>	<b>8 870</b>	<b>-2 046</b>	<b>49 900</b>	<b>-37 342</b>	<b>-14 819</b>	<b>-10 736</b>	<b>-12 052</b>	<b>-25 678</b>	<b>-</b>	<b>-</b>	<b>31 898</b>	<b>-75 802</b>

\*Electricity income is reclassified from "Revenue from sales" to "Other revenue" in 2021 Q1 figures to align with 2022 Q1 presentation, which is deemed more appropriate for the nature of revenues.

\*\*Electricity is reclassified from "Cost of sales" to "Other costs" in 2021 Q1 figures to align with 2022 Q1 presentation, which is deemed more appropriate for the nature of costs.

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

## Notes to the consolidated accounts for the first quarter 2022

### 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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
(NOK '000)												
Rental income	32 280	15 609	5 811	-	-	-	-	-	-	-	38 092	15 609
Revenue from sales*	-	-	14 449	11 635	2 322	299	-	-	-	-	16 771	11 933
Other revenue												
- Shared costs tenants	1 263	1 298	618	2 826	-	-	-	-	-	-	1 881	4 125
- Revenue from construction projects	-	-	-	-	-	-	-	-	-	-	-	-
- Electricity*	-	-	5 018	2 369	-	-	-	-	-	-	5 018	2 369
- Business management/ other	-	-	-	-	-	-	14 090	14 356	-13 713	-13 807	377	548
<b>Total revenue from contracts with customers</b>	<b>33 544</b>	<b>16 908</b>	<b>25 896</b>	<b>16 830</b>	<b>2 322</b>	<b>299</b>	<b>14 090</b>	<b>14 356</b>	<b>-13 713</b>	<b>-13 807</b>	<b>62 139</b>	<b>34 584</b>

\*Electricity income is reclassified from "Revenue from sales" to "Other revenue" in 2021 Q1 figures to align with 2022 Q1 presentation, which is deemed more appropriate for the nature of revenues.

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 2022

### Note 3 Share-based payments

#### *Key Employee Share Option Plan*

The subsidiary of Bulk Industrier AS, Bulk Infrastructure Holding AS, established a share option plan in the end of 2021. The options are synthetic, hence the employee receives no ownership rights. The Employee Option Plan is designed to provide long-term incentives for key employees and executives to deliver long-term shareholder returns. Under the plan, participants are granted options which vest by 1/3 each year over a period of three years. The options may be realized in the period 01.01.2025 to 01.09.2026. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

In the given period of realization, 25 % of the options has to be exercised upon each realization. The gain depends on Bulk Infrastructure Holding AS's total shareholder return, including share price growth, dividends and capital returns.

Options are granted under the plan for no consideration and carry no dividend or voting rights.

When exercisable, any gain from the options are paid as an extraordinary bonus within three months of realization. The gain will only become payable if the employee is still employed and not in resignation at the time of payment.

The exercise price of options is based on the weighted average price at which the company's shares are traded in share issues targeting minority interests.

Set out below are summaries of options granted under the plan:

	31.03.2022		31.03.2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 January	-	-	-	-
Granted during the period	19,94	1 271 120	-	-
Exercised during the period	-	-	-	-
Forfeited during the period	-	-	-	-
As at 31 March	19,94	1 271 120	-	-

The share option plan was effective 1 January 2022. As such, all options are presented as granted as of 31 March 2022. Options can not be exercised until 1 January 2025.

Share options outstanding at the end of the period have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options 31 March 2022	Share options 31 March 2021
1 January 2022	01.09.2026	19,94	1 271 120	-

*Fair value of options granted*

The assessed fair value at grant date of options granted during the period ended 31 March 2022 was NOK 19,943 per option. The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

The model inputs for options granted during the period ended 31 March 2022 included:

- a) options are granted for no consideration and vest based on Bulk Infrastructre Holding AS ranking within a peer group of 16 selected companies over a four-year period. Vested options are exercisable for a period of 1,75 years after vesting
- b) exercise price: NOK 19,943
- c) grant date: 1 January 2022
- d) expiry date: 1 September 2026
- e) share price at grant date: NOK 19,943
- f) expected price volatility of the company's shares: 31%
- g) expected dividend yield: 0
- h) risk-free interest rate: 1,6 %

The expected price volatility is based on the historic volatility of 16 peer group companies, adjusted for dividend and stock splits.

## Notes to the consolidated accounts for the first quarter 2022

### Note 4 Investment property and inventories property

INVESTMENT PROPERTY (NOK '000)	Quarter ended		Year ended
	31.03.2022	31.03.2021	31.12.2021
Fair value 1.1	4 184 248	1 777 179	1 777 179
Additions:			
- Capital expenditure	188 279	48 528	399 046
- Acquisition of property	131 446	-	693 965
- Minority share of acquisition of property	-	-	18 702
Transferred to property under development	-	-40 134	-43 160
Currency translation on property in foreign subsidiaries	-7 684	-8 447	-14 304
Changes in fair value	-	-2 931	1 352 819
<b>Fair value 31.03</b>	<b>4 496 289</b>	<b>1 774 196</b>	<b>4 184 248</b>

### Income and expenses from investment property

Income from rent	32 280	15 609	83 342
Other revenue - shared cost tenants	1 263	1 298	5 685
Expenses related to leased property	2 715	2 518	12 269

## Notes to the consolidated accounts for the first quarter 2022

### Note 4 Investment property and inventories property continue

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, 2021. 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 2021 annual report for further

Property under development (NOK '000)	Quarter ended		Year ended
	31.03.2022	31.03.2021	31.12.2021
Value 1.1	-	19 599	19 599
Additions:			
- Reclassification from investment property	-	40 134	43 160
- Additions	-	20 334	112 181
- Sale of property under development	-	-	-174 939
<b>Inventory value 31.03</b>	<b>-</b>	<b>80 067</b>	<b>-</b>

## Notes to the consolidated accounts for the first quarter 2022

### Note 5 Acquisitions and business combinations

#### Acquisition of OS-IX Eiendom Holding AS

On January 19, 2022, Bulk Data Centers AS acquired additional 50 % of the shares in OS-IX Eiendom Holding AS from Akershus Energi. Acquiring the final 50 % of OS-IX is a natural step in Bulk's strategy to scale a pan-Nordic platform of sustainable data centers. With that, the Group takes full ownership of the OS-IX data center, and the company is consolidated from the date of acquisition.

The acquisition is treated as a business combination and accounted for using the acquisition method. The consideration transferred is measured at acquisition date fair value. No non-controlling interests were acquired. The acquisition resulted in a gain from the fair value of the remeasurment of previously held equity investment amounting to NOK 87.6 million. Goodwill arising from the acquisition was calculated to NOK 2 million. The consideration for the company is paid partly in January and with a seller's credit to be settled in

#### Acquisition of AE Bulk Co-Invest AS

On January 19, 2022, Bulk Infrastructure Group AS acquired additional 50 % of the shares in AE Bulk Co-Invest AS from Akershus Energi. With the acquisition follows a ownership share of 25% in Berger Terminal Holding II AS, which is treated as an investment in associated company. With that, the Group takes full ownership of AE Bulk Co-Invest AS, and the company is consolidated in full from the date of acquisition.

The acquisition is treated as an asset acquisition. The conclusion is made based on the identification of the individual asset related to the ownership of shares in Berger Terminal Holding II AS. The acquisition resulted in a gain from the fair value of the remeasurment of previously held equity investment amounting to NOK 2.4 million

## Notes to the consolidated accounts for the first quarter 2022

### Note 6 Derivative financial instruments

(NOK '000)	Quarter ended		Year ended
	31.03.2022	31.03.2021	31.12.2021
Interest rate swaps	17 653	-	1 139
<b>Total assets</b>	<b>17 653</b>	<b>-</b>	<b>1 139</b>

Interest rate swaps	-7 108	-11 620	-10 819
<b>Total liabilities</b>	<b>-7 108</b>	<b>-11 620</b>	<b>-10 819</b>

#### *Interest rate swaps*

	31.03.2022	31.03.2021	31.12.2021
Nominal amount interest rate swaps	-424 060	-40 560	-199 060
<b>Total nominal amount</b>	<b>-424 060</b>	<b>-40 560</b>	<b>-199 060</b>

The Company receives floating interest and pay fixed interest

## Notes to the consolidated accounts for the first quarter 2022

### Note 7 Paid in equity and shareholders

	Quarter ended		Year ended
	31.03.2022	31.03.2021	31.12.2021
Share capital	100 000	100 000	100 000

Change in paid in equity and share premium:

	Total shares			Share capital (IN NOK)		
	31.03.2022	31.03.2021	31.12.2021	31.03.2022	31.03.2021	31.12.2021
<b>Ordinary shares</b>						
Issued stock and paid in capital						
At the beginning of the year	100	100	100	100 000	100 000	100 000
Capital increase	-	-	-	-	-	-
<b>At the end of the year</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100 000</b>	<b>100 000</b>	<b>100 000</b>

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 Nærbo	Ordinary	Norway	100	100 %
<b>Total number of shares at 31.03</b>			<b>100</b>	<b>100 %</b>

### Shareholder loan - Related party disclosures

	Quarter ended		Year ended
	31.03.2022	31.03.2021	31.12.2021
Short-term mortgage to shareholder	15 992 739	22 830 161	22 830 161

Mortgages are charged with an interest rate of 1.4 % p.a., in line with the normal interest rate for the taxation of low-cost loans from an employer. The incurred interest was NOK 53,859 in the first quarter of 2022 and NOK 89,809 in the

Mortgage to shareholder was partly allocated to Green Keeper AS as part of the Group the restructuring.

### Dividend

The company has not proposed a dividend for approval at the AGM in 2022.

### 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
	31.03.2022	31.03.2021	31.12.2021
Total comprehensive income, net of tax, attributable to shareholders in the parent Company	31 898 388	-75 802 102	-53 992 257
Weighted average number of outstanding shares	100	100	100
Basic and diluted earnings per share	318 984	-758 021	-539 923

## Notes to the consolidated accounts for the first quarter 2022

### Note 8 Intangible assets

(NOK '000)	Goodwill	Software licenses	Other intangible assets	Total
<b>Cost</b>				
Balance at January 1, 2022	16 948	1 895	1 053	19 896
Additions	2 070	-	-	2 070
Other adjustments - currency	-	-	-3	-3
Acquisition of OS-IX	-	-	1 267	1 267
Balance at March 31, 2022	19 018	1 895	2 318	23 230
Balance at January 1, 2021	16 948	1 895	3 695	22 538
Additions	-	-	-	-
Other adjustments - currency	-	-	-4	-4
Balance at March 31, 2021	16 948	1 895	3 691	22 533
<b>Accumulated amortization and impairment</b>				
Balance at January 1, 2022	16 948	1 380	123	18 451
Amortization charge for the year	-	82	18	100
Balance at March 31, 2022	16 948	1 462	141	18 551
Balance at January 1, 2021	-	1 013	49	1 062
Amortization charge for the year	-	92	19	110
Balance at March 31, 2021	-	1 105	68	1 173
<b>Net book value</b>				
At January 1, 2022	-	515	930	1 445
At March 31, 2022	2 070	433	2 177	4 679
At January 1, 2021	16 948	882	3 646	21 475
At March 31, 2021	16 948	790	3 623	21 361

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 2022

### Note 9 Property, plant & Equipment

(NOK '000)	Datacenter buildings	Datacenter technical infrastructure	Datacenter land	Under construction	Other fixed assets	Fiber infrastructure	Total
<b>Accumulated cost</b>							
Balance at January 1, 2022	213 212	430 859	122 556	67 224	25 727	578 227	1 437 804
Additions	291	4 191	759	17 576	804	7 958	31 579
Disposals	-	-	-	-	-	-	-
Exchange differences	-3 981	-223	-199	-232	-	-157	-4 792
Reclassification to Right-Of-Use asset	-	-	-	-	-	-11 251	-11 251
Acquisition of OS-IX	480 278	389 885	36 395	56 640	3 147	-	966 345
Balance at March 31, 2022	689 800	824 711	159 511	141 208	29 678	574 777	2 419 685
<b>Accumulated depreciation</b>							
Balance at January 1, 2021	215 612	318 696	110 893	25 902	22 945	770 135	1 464 184
Additions	2 128	54 752	7 594	5 130	197	18 246	88 047
Disposals	-	-	-	-	-	-117 539	-117 539
Exchange differences	-6 411	-366	-327	-364	-	-	-7 468
Balance at March 31, 2021	211 330	373 082	118 160	30 668	23 142	670 842	1 427 224
Balance at January 1, 2022	17 939	56 191	3 015	-	15 761	16 210	109 114
Depreciation charge for the period	2 936	8 137	238	-	3 243	2 307	16 861
Other adjustments - currency	-1 157	-1 176	-26	-	-	-149	-2 509
Acquisition of OS-IX	122 987	81 848	-	-	-	-	204 834
Balance at March 31, 2022	142 703	144 999	3 227	-	19 004	18 368	328 301
Balance at January 1, 2021	9 935	41 831	2 170	-	12 549	7 461	73 946
Depreciation charge for the period	2 005	3 752	226	-	1 006	1 114	8 102
Other adjustments - currency	-78	-299	-16	-	-	-	-393
Balance at March 31, 2021	11 861	45 284	2 380	-	13 555	8 574	81 655
<b>Net book value</b>							
At January 1, 2022	195 273	374 668	119 542	67 224	9 966	562 017	1 328 690
At March 31, 2022	547 097	679 712	156 284	141 208	10 674	556 410	2 091 384
At January 1, 2021	205 678	276 865	108 723	25 902	10 396	762 674	1 390 238
At March 31, 2021	199 469	327 798	115 780	30 668	9 587	662 268	1 345 569
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.

## Notes to the consolidated accounts for the first quarter 2022

### Note 10 Investments in subsidiaries, joint ventures and associated companies

#### Bulk Industrier AS - Group:

Subsidiaries of Bulk Industrier AS:	Office location	Vote-/ Ownership 31.03
Bulk Infrastructure Holding AS	Oslo	52,7 %

#### Joint venture of Bulk Industrier AS:

Hood AS	Oslo	50,0 %
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#### Bulk Infrastructure Holding AS - Group:

Subsidiaries:	Office location	Vote-/ Ownership 31.03
Bulk Infrastructure Group AS	Oslo	100,0 %
AE Bulk Co-Invest AS*	Oslo	100,0 %
Bulk Industrial Real Estate AS	Oslo	100,0 %
Bulk Eiendom Farex AS	Oslo	100,0 %
Bulk Lindeberg II AS	Oslo	100,0 %
Bulk Lindeberg V AS	Oslo	100,0 %
Bulk Lindeberg VI AS	Oslo	100,0 %
Bulk Gardermoen IV AS	Oslo	100,0 %
Bulk Vinterbro II AS	Oslo	100,0 %
Bulk Eiendom Vestby AS	Oslo	100,0 %
Bulk Eiendom Vestby II AS	Oslo	100,0 %
Bulk Vestby I AS	Oslo	100,0 %
Bulk Marina AS	Oslo	100,0 %
Bulk Berger IV AS	Oslo	100,0 %
Bulk Forus AS	Oslo	100,0 %
Bulk Eiendom Solgaard Skog AS	Oslo	100,0 %
Logibulk I AS	Oslo	100,0 %
Bulk Ormlia AS	Oslo	100,0 %
Hofstad Næring 5 AS	Oslo	100,0 %
Hofstad Næring 10 AS	Oslo	100,0 %
Bulk Industrial Real Estate ApS	Copenhagen, Denmark	100,0 %
Bulk Jernholmen ApS	Copenhagen, Denmark	100,0 %
STC Logistics Denmark AS	Oslo	100,0 %
Logistik Terminal Køge ApS	Copenhagen, Denmark	100,0 %
Bulk Lindeberg VII AS	Oslo	100,0 %
Bulk Lindeberg IX AS	Oslo	100,0 %
Bulk Vestby Nord AS	Oslo	100,0 %
Bulk Langhus AS	Oslo	100,0 %
Snipetjernveien 3 AS	Oslo	100,0 %
Bulk Danebuåsen AS	Oslo	100,0 %
Bulk Enebakk AS	Oslo	100,0 %
Bulk Landskaugveien AS	Oslo	100,0 %
Bulk Vestby II AS	Oslo	51,0 %
Bulk Park Enebakk II AS	Oslo	51,0 %
Bulk Data Centers AS	Oslo	100,0 %
N01 Services AS	Oslo	100,0 %
N01 Utilities AS	Oslo	100,0 %
N01 Real Estate AS	Oslo	100,0 %
N01 Power AS	Oslo	100,0 %
Bulk Facility Services AS	Oslo	100,0 %
Oslo Internet Exchange AS	Oslo	100,0 %
DK01 ApS	Esbjerg, Denmark	100,0 %
Bulk Innovation AS	Oslo	100,0 %
Data Center Technology AS	Oslo	100,0 %
Data Center Services AS	Oslo	100,0 %
Norway as a Service AS	Oslo	100,0 %
Bulk Infrastructure UK Ltd	London, UK	100,0 %
OS-IX Eiendom Holding AS*	Oslo	100,0 %

Bulk Fiber Networks AS	Oslo	100,0 %
Electric City-Link Norway AS	Oslo	100,0 %
Optibulk Skagerak AS	Oslo	100,0 %
Optibulk Havfrue AS	Oslo	100,0 %
Bulk Fiber Networks Denmark ApS	Copenhagen, Denmark	100,0 %
Bulk Fiber Networks UK Ltd	London, UK	100,0 %
Fiberlykta AS	Oslo	100,0 %
Infragreen Communications AS	Oslo	100,0 %
Bulk Fiber Networks Ireland Limited	Dublin, Ireland	100,0 %

\*AE Bulk Co-Invest AS and OS-IX Eiendom Holding AS were associated companies in 2021. Bulk Infrastructure Group AS and Bulk Data Centers AS acquired the remaining 50% of AE Bulk Co-Invest AS and OS-IX Eiendom Holding AS from Akershus Energi on 19 January 2022. As such, Bulk Infrastructure Group AS is the sole owner and the companies are accounted for as subsidiaries from January 2022.

#### **Associated companies**

Bulk Park Enebakk AS	Oslo	50,0 %
Berger Terminal Holding II AS**	Oslo	25 %

\*\*Berger Terminal Holding II AS was included as an associated company as a result of the acquisition of AE Bulk Co-Invest AS. AE Bulk Co-Invest AS has an ownership of 25% in the company, which is now consolidated in the Group financials.

## Notes to the consolidated accounts for the first quarter 2022

### Note 11 Financial assets and liabilities

(NOK '000)	Quarter ended					
	Carrying amount as at 31.03.2022	Fair value as at 31.03.2022	Carrying amount as at 31.03.2021	Fair value as at 31.03.2021	Carrying amount as at 31.12.2021	Fair value as at 31.12.2021
<i>Financial assets at fair value through profit or loss</i>						
Interest rate swaps	17 653	17 653	-	-	1 139	1 139
<b>Total financial assets at fair value</b>	<b>17 653</b>	<b>17 653</b>	<b>-</b>	<b>-</b>	<b>1 139</b>	<b>1 139</b>
<i>Financial assets at amortised cost</i>						
Receivable from related party - non-current	17 317	17 317	-	-	10 229	10 229
Other receivables	21 757	21 757	5 550	5 550	22 468	22 468
Investment in shares - non-current	11 504	11 504	4 798	4 798	11 504	11 504
Receivable from related party - current	5 127	5 127	-	-	82 680	82 680
Investment in shares - current	-	-	613	613	-	-
Trade and other receivables	172 946	172 946	191 324	191 324	169 724	169 724
Receivable parent company Group restructuring	-	-	-	-	171 553	171 553
<b>Total financial assets at amortised cost</b>	<b>228 651</b>	<b>228 651</b>	<b>202 285</b>	<b>202 285</b>	<b>468 159</b>	<b>468 159</b>
<b>Cash and cash equivalents</b>	<b>732 837</b>	<b>732 837</b>	<b>537 402</b>	<b>537 402</b>	<b>696 325</b>	<b>696 325</b>
<b>Total financial assets</b>	<b>979 141</b>	<b>979 141</b>	<b>739 687</b>	<b>739 687</b>	<b>1 165 624</b>	<b>1 165 624</b>
Total current	912 908	910 909	729 339	729 339	1 120 283	1 120 283
Total non-current	66 233	50 578	10 348	10 348	45 341	45 341
<i>Financial liabilities at fair value through profit or loss</i>						
Interest rate swaps	7 108	7 108	11 620	11 620	10 819	10 819
<b>Total financial liabilities at fair value</b>	<b>7 108</b>	<b>7 108</b>	<b>11 620</b>	<b>11 620</b>	<b>10 819</b>	<b>10 819</b>
<i>Financial liabilities at amortised cost</i>						
Bond loan	2 412 804	2 412 804	2 054 234	2 054 234	2 460 610	2 460 610
Borrowings	1 688 721	1 688 721	369 931	369 931	1 081 665	1 081 665
Short-term portion of borrowings	180 172	180 172	135 210	135 210	140 618	140 618
Other long-term liabilities	34 229	34 229	48 000	48 000	33 634	33 634
Trade payables	111 131	111 131	42 028	42 028	75 148	75 148
Short-term payable related party	10 876	10 876	-	-	-	-
Other payables	275 425	275 425	181 181	181 181	154 029	154 029
<b>Total financial liabilities at amortised cost</b>	<b>4 713 358</b>	<b>4 713 358</b>	<b>2 830 584</b>	<b>2 830 584</b>	<b>3 945 704</b>	<b>3 945 704</b>
<b>Total financial liabilities</b>	<b>4 720 466</b>	<b>4 720 466</b>	<b>2 842 203</b>	<b>2 842 203</b>	<b>3 956 524</b>	<b>3 956 524</b>
Total current	398 667	398 667	224 889	224 889	230 456	230 456
Total non-current	4 321 799	4 321 799	2 617 314	2 617 314	3 726 068	3 726 068

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, 2022 and carrying amount of the borrowings is considered not to be significantly different from the fair value. Fair value of derivatives are based on mark to market reports received from banks.

**Fair value hierarchy**

The Group uses financial hierarchy under IFRS 13 for determining and disclosing the fair value of financial instruments by valuation techniques. Below table presents fair value measurement to the Group's assets and liabilities at March 31, 2022.

March 31, 2022	Level 1	Level 2	Level 3	Total
<b>Assets (NOK '000)</b>				
<hr/>				
<i>Financial assets at fair value through profit or loss</i>				
Interest rate swaps		17 653		17 653
<b>March 31, 2022</b>				
<b>Liabilities (NOK '000)</b>				
<hr/>				
<i>Financial liabilities at fair value through profit or loss</i>				
Interest rate swaps		7 108		7 108
<b>March 31, 2021</b>				
<b>Assets (NOK '000)</b>				
<hr/>				
<i>Financial assets at fair value through profit or loss</i>				
Interest rate swaps		-		
<b>March 31, 2021</b>				
<b>Liabilities (NOK '000)</b>				
<hr/>				
<i>Financial liabilities at fair value through profit or loss</i>				
Interest rate swaps		11 620		11 620

The fair value of financial instruments traded in an active market is based on unadjusted quoted market prices for identical assets or liabilities at the balance sheet date and are included in level 1. For Bulk this category is not relevant as of period close.

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, are level 2 inputs. For Bulk this will typically apply for interest rate swaps, which are over-the-counter derivatives.

Level 3 inputs are unobservable inputs and are applied when relevant observable inputs are not available. The fair values presented in this category are mainly based on internal assumptions. There were no transfers between any of the levels during the reporting period.

## Notes to the consolidated accounts for the first quarter 2022

### Note 12 Leases - group as a lessee (IFRS 16 disclosure)

Right of use assets (NOK '000)	Seafiber	Office equipment	Motor vehicles	Land and buildings	Terrestrial fiber	Total
Balance at 01 January	20 018	85	-	18 705	136 434	175 242
Depreciations	515	42	223	1 250	1 129	3 160
Additions	1 465	254	373	-	40 974	43 065
Adjustments	-	-85	-11	-527	-	-622
<b>Balance at 31 March</b>	<b>20 968</b>	<b>211</b>	<b>139</b>	<b>16 928</b>	<b>176 278</b>	<b>214 525</b>

### Lease liabilities

Maturity analysis - contractual undiscounted cash flows	31.03.2022	31.03.2021
Less than one year	8 443	4 366
Between one and five years	21 883	16 497
More than five years	26 316	30 364
<b>Total undiscounted lease liabilities at 31 March</b>	<b>56 642</b>	<b>51 227</b>
<b>Lease liabilities included in the statement of financial position at 31 March</b>	<b>29 531</b>	<b>28 136</b>

### Amount recognised in profit or loss

	31.03.2022
Interest on lease liabilities	794

### Amount recognised in cash flow statement

Total cash flow from leases	4 451
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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 recognized as costs linearly over the lease periods.

## Notes to the consolidated accounts for the first quarter 2022

### Note 13 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). The bond issue replaced the previous bond BUIN01 ISIN NO0010824188. The Group further performed a tap issue of additional NOK 400 million on the unsecured bond on 1 July 2021.

#### **Specification**

ISIN	NO0010886922
Ticker Oslo Stock Exchange	BUIN
Maturity date	14.07.2023
Amount	NOK 1,500,000,000
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.

#### *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 2022

### Note 14 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.

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



## Notes to the consolidated accounts for the first quarter 2022

### 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 2021. 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 first quarter report for Bulk Industrier AS, the consolidated accounts of the Group, as of March 31, 2022. 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, 2022.

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 2022 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 March 31, 2022
- 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 24, 2022

The board of Bulk Industrier AS



Peder Nærbø  
Executive Chair