bulk™

2020

Bulk Infrastructure Group AS **Annual Report**

Contents

Board of Directors Report 2020 - Bulk Infrastructure Group AS

Business description

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

Our three Business Areas

Bulk Industrial Real Estate is a Nordic real estate developer, specializing in industrial buildings, large modern warehouses, cross-dock terminals and logistics parks. The business area was established in 2006 and has already developed and delivered to customers more than 406,834 m² of high quality, flexible and energy efficient facilities. As of December 31, 2020, additional 23,434 m² are under construction and ready to be handed over in 2021.

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

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

Investment criteria

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

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

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

2020 in short

Our financial results are a consolidation of different business models within our three Business Areas. Some of these business models represent financial results that can vary substantially from one financial reporting period to another despite limited variability in the underlying business. The primary reason for such fluctuations are a) portfolio sales of Industrial Real Estate projects, and b) delivery of data center services (e.g., design, installation, maintenance) where revenues occasionally include a significant proportion of hardware that is procured by Bulk and included in a services delivery. Additionally, there may be a difference between timing of cash flow and revenue recognition for customer contracts within our Fiber Networks business in

IFRS reports, due to the business model of selling Indefeasible Rights of Use (IRU). Please also see note 1.

- Total revenues of NOK 431.4 million compared to NOK 271.3 million last year.

- Industrial Real Estate: The Group has a number of ongoing processes with various tenants for the development of new warehouse and logistics buildings. A total of three projects was finalized in 2020, while five new projects have been signed for 2021. New and strategic land areas have been acquired in Norway during 2020, in addition to one plot and one building acquired in Denmark as a first step into a new geographical market for the real estate business. One property has also been sold during 2020, contributing significantly to the increase in revenues.

- Data Centers: The development and operation of a multi-site data center portfolio is in good progress. Our Data Center business currently consist of three data centers present in two Nordic countries with N01 Campus in Vennesla (Norway), OS-IX in Oslo (Norway) and DK01 in Esbjerg (Denmark). Both Nordic and International customers have been added during 2020 and strategically placed plots have been acquired to prepare for further growth within the Nordics.

  Fiber Networks: The Group has completed and is in progress of completing multiple dark fiber infrastructure systems at interregional, regional and national level. Havfrue has been connected between the US, Denmark and Norway, while the last branch into Ireland is expected finalized during 2021. A new fiber route named Havsil connecting our data center at N01 (Norway) and DK01 (Denmark) have been decided and is expected to be finalized during 2021.

- Group development: Bulk Infrastructure and.or relevant subsidiaries are certified in accordance with ISO 9001 Quality Management, 14001 Environmental Management, 22301 Business Continuity and 27001 Information Security. EN50600 for Data Center design and operation is now implemented. As part of our focus on sustainability, Bulk have also decided to measure the Carbon Footprint of its activities and establish a budget and action plan to reduce the greenhouse gas emissions going forward.

- As a result of the Coronavirus outbreak the Bulk Business Continuity Team has implemented comprehensive measures to reduce the spread and the effects on the business. The Coronavirus Outbreak has not caused significant short-term effects for the business and is not considered to cause a significant long-term deterioration in economic conditions for the business.

Going concern

In accordance with Section 3-3a of the Norwegian Accounting Act, we hereby confirm the assumption of going concern. The assumption is based on year-end 2020 status and TheGroup's long-term strategic forecasts for the years ahead. The Group has a solid financial position. Please also see note 4.

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 2020 signed new lease agreements of approximately 18,720 sqm for new constructions and 4,246 sqm on existing property. Bulk is also involved in zoning and development of new industrial real estate locations, both alone and in partnerships. The transaction market for commercial property in the Warehouse and Industrial real estate verticals has been strong and we expect that both low interest rates and the demand for goods bought online to continue to fuel market interest for our new build projects. On the back of earning a BREEAM-NOR "Very Good" rating for our development in Bulk Flexipark, Vestby as the first industrial building with this rating in Norway, we strengthen our efforts to remain the leading developer of sustainable solutions within industrial real estate.

Data Centers – The underlying demand for data processing and storage infrastructure is fueled by the global megatrend of digitization. The Nordic market for data center capacity is expected to grow significantly going forward. At the macro level, the expected growth is driven by the global increase in need for data processing. Cool climate, energy surplus, sustainable energy mix (zero-emission), low electricity prices and political stability represents a strong value proposition for the Nordic region, positioning the region for an increasing share of the global data center market. Bulk Infrastructure Group AS has, through fully and partly owned subsidiaries, improved our position for taking a substantial market share of this growth going forward with new capacity developed in 2020 and additional plots suitable for data center acquired in both Norway and Denmark. The combination of scalable data center assets at strategic locations in the Nordics and our capability to develop new sites with a short time to market, make Bulk a leading provider in the Nordics.

The underlying recurring revenue growth across our asset portfolio is positive with new Nordic and International customers added during 2020.

Fiber networks – The dark fiber market, including both subsea and terrestrial systems, is seeing strong growth fueled by the same megatrends as for data processing and storage (digitization). Bulk is well positioned as a leading provider of large capacity transport fiber, both going into the Nordics and within the Nordics. The Havfrue Cable System, the trans-Atlantic fiber route between US and the Nordics now has branches connected to the US, Norway and Denmark. The whole system is estimated connected and ready for service in 2021. The Havsil Cable system, connecting Kristiansand and Esbjerg is started in 2020 and is estimated finalized in 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. The underlying recurring revenue growth across our fiber networks portfolio is positive with new Nordic and International customers added on our fiber systems during 2020.

Report on the annual accounts

Total income for The Group was NOK 431.4 million compared to NOK 271.3 million last year. The increase of NOK 160.1 million mainly relates to revenue property sales and rental income, partly offset by a decrease in revenue from sales in the Data Centers area. NOK 364.4 million of total income is generated from Industrial Real Estate in 2020, compared to NOK 178.7 million last year. The Data Centers area generates a total income of NOK 62.7 million in 2020, compared to NOK 79.3 million in 2019. The decrease in the Data Centers area is mainly due to a refocusing towards long term internal growth and development, reducing revenues related to external Data Center projects including hard-ware sales. In the Fiber Networks area, we gained an income of NOK 2.9 million compared to NOK 1.3 million in 2019. The Group's operating profit was NOK 152.7 million in 2020 compared to NOK 69.8 million last year, while the annual net profit was NOK 76.4 million in 2020, an increase from NOK 33.6 million in 2019.

Industrial Real Estate contributes with a profit for the year of NOK 207.8 million in 2020, compared to NOK 114.1 million last year.

Fair value adjustment on investment properties were NOK 217.7 million in 2020, compared to NOK 195.1 million in 2019. The positive fair value adjustment is mainly related to new signed customer contracts during 2020 and a positive development of the value of both yielding properties and strategic plots.

Total current assets were NOK 333.7 million as of December 31, 2020 compared to NOK 834.9 million as of December 31, 2019.
Total cash were NOK 73.6 million as of December 31, 2020 compared to NOK 458.6 million as of December 31, 2019. Cashflow from operations were positive NOK 190.3 million in 2020 compared to negative NOK 149.5 million in 2019. The increase is mainly related to change in property under development related to sale of property. Cashflow from investments in 2020 is negative NOK 855.7 million, of which NOK 571.0 million is related to purchase and improvement in investment property and NOK 266.6 million is related to purchase of fixed assets, mainly in the data center and fiber segment. Cashflow from financing is positive with NOK 280.3 million in 2020, mainly related increased bond loan of NOK 500 million, partly offset by dividend paid of NOK 137.1 million.

The Group's total liabilities amounted to NOK 1,964.4 million as of December 31, 2020, compared to NOK 1,403.2 million as of December 31, 2019. The increase in mainly due to the tap issue on the bond loan in addition to increased borrowings related to construction of new logistics properties. The Group continuously monitors the Groups installments and expiration of the long-term debt and prepares action plans to be able to meet its obligations.

Other financial and interest costs amounted to NOK 68.5 million in 2020 compared to NOK 40.8 million in 2019. The Group monitors its financial cost and is continuously working on financial structure.

Total assets at the end of the year amounted to NOK 3,822.3 million compared to NOK 3.194.1 million last year. The equity-to-assets ratio as of December 31, 2020 was 48.6 %, compared to 56.1 % as of December 31, 2019.

The Group's financial position is strong.

The Group company is a new established company in connection with the Group restructuring in 2020. The Group company's net result was NOK 16.9 million in 2020. Total assets were NOK 2,920.0 million as of December 31, 2020. The Group company´s equity was NOK 1,786.1 million and the equity ratio as of December 31, 2020 was 61.1 %.

Research and development

The Group has invested resources and know-how into research and development during 2020. Our largest research investment relates to standardized high-capacity data center designs that offer low cost of ownership, strong operational standards, sustainable solutions and short time to market for development. The objective is to benefit from the R&D project by being the fastest provider to deliver high quality and large data center capacity to the Nordic market going forward.

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 3/97 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 2020. The Group's tenants normally pay quarterly and in advance. The lease agreements usually require an additional form of collateral or security.

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

Market risk

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

Rental Market for warehouses and logistic buildings
The Group is exposed to the risk of changes in lease and rental prices in the market. The Group has several long-term lease agreements in place. The weighted average lease term for tenants has decreased from 7.2 years last year to 7.0 years as of December 31, 2020 due to acquisition of a large building with short term contracts. The lease agreements provide The Group with fixed and predictable revenues throughout the contract period. Most lease agreements are adjusted annually 100 % in line with the consumer price index. The rate of vacancy in the groups properties is 23 % as of December 31, 2020 compared to 6.0 % as of December 31, 2019 due to acquisition of a large existing property for development.

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.

Working environment and personnel

The company had a total of 58 employees at the end of year 2020, with additional 3 consultants working between 20 – 100%. The gender balance is 26.8 % women and 73.2 % men.

Sick leave amounted to 3.1% of the total work force in 2020 compared to 2.8% in 2019. As a result of the Corona-virus 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. During the year there was completed 3 pulse surveys throughout the organization covering different aspects of the overall situation. All employees of Bulk are covered by a health insurance with access to medical and mental health advice and ergonomic treatments.

The company complies with Norwegian law i.e within maternity/ paternity leave, sick leave and sick leave days for being home with children.

The employees of Bulk have elected 2 employee representatives to submit request or grievances on behalf of the staff. The representatives have a quarterly meeting with CEO and HR.

The company has also a safety representative on each location followed by meetings together and with HR. Bulk had a yearly employee dialog late April/May 2020. There is an ambition to implement a bi-monthly engagement pulse survey covering topics such as welfare, development and more in 2021.

Bulk has established routines for notifications & deviation reports. All employees of Bulk have the right and a duty to notify, and we encourage employees to use the opportunity when needed. Guidelines for deviation reports are listed in the companies HMS Handbook.

The Company has also an internal Hotline established on an online notification channel, for employees that wants to remain anonymous and / or if want an independent party (KPMG) to receive your notice.

There were no major accidents or injuries to the Companies personnel during 2020.

Gender equality and discrimination

The Company aims to promote gender equality when recruiting for new hires and focus on nondiscriminatory and bias evaluation of candidates. During 2020 we increased to 26.8% women of the total workforce compared with 18% in 2019. 7 out of 9 new hires were women. Bulk will strive to continue this path by recruiting and searching for female professionals but maintaining a focusing on the best suitable candidate for each role. This also relates to orientation, age, nationality, and other types of discriminatory factors.

The Company is also aware of the importance of equal opportunities relating to performance, promotions, salary adjustments and development opportunities. Every year there is done a salary process where all employees are assessed. The company will also do an assessment on positions and salary mapping related to the new conditions in The Gender Equality and Discrimination Acts during 2021.

We as Company aim to promote diversity and generate equal opportunities both in our recruiting and how we facilitate and structure internal processes i.e career development, salary, benefits and welfare.

Environment reporting

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.

Corporate governance - risk management and internal control

General

It is the board of directors who has the responsibility to ensure that the company has sound and appropriate internal control systems and systems for risk management, and that these are proportionate to and reflect the extent and nature of the company's activities. Having effective internal control systems and systems for risk management in place may prevent the group from situations that can damage its reputation or financial standing. Furthermore, effective and proper internal control and risk management are important factors when building and maintaining trust, to reach the company's objectives, and ultimately create value.

Having in place an effective internal control system means that the company is better suited to manage commercial risk, operational risk, the risk of breaching legislation and regulations as well as other forms of risk that may be material to the company. As such, there is a correlation between the company's internal control systems and effective risk management. The internal control system shall also address the organization and execution of the company's financial reporting, as well as cover the company's corporate values, ethical guidelines and principles of corporate social responsibility.

The company shall comply with all laws and regulations that apply to the Group's business activities.

Annual review and risk management in the annual report

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

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

Corporate Social Responsibility

The Company's Corporate Social Responsibility (CSR) policy refers to our responsibility towards our environment. This policy applies to our company and its subsidiaries. It may also refer to suppliers and partners. We want to be a responsible business that meets the highest standards of ethics and professionalism.

Our Company's social responsibility falls under two categories: compliance and proactiveness. Compliance refers to our Company's commitment to legality and willingness to observe community values. Proactiveness is every initiative to promote human rights, help communities and protect our natural environment.

Our Company will:

- Respect the law
- Honor its internal policies
- Ensure that all its business operations are legitimate
- Keep partnerships and collaboration open and transparent

We will always conduct business with integrity and respect to human rights. We will promote:

- Safety and fair negotiations
- Respect toward the consumer
- Anti-bribery and anti-corruption practices

Protecting the environment

Our company recognizes the need to protect the natural environment. Keeping our environment clean and unpolluted is a benefit to all.

Protecting people
We will ensure that we:

- Do not risk the health and safety of our employees and the community.
- Avoid harming the lives of local and indigenous people.
- Support diversity and inclusion.

Human rights
Our company is dedicated to protecting human rights. We are a committed equal opportunity employer and will abide by all fair labor practices. We will ensure that our activities do not directly or indirectly violate human rights.

Donations and aid
Our company may preserve a budget to make monetary donations. These donations will aim to:

- Advance the arts, education and community events
- Alleviate those in need
- Support initiatives related to sustainability

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

Examples of relevant activities include:

- Creating sustainable digital infrastructure through developing environmentally friendly datacenters connected with fiber networks
- Building energy friendly logistic properties
- Recycling
- Using green energy
- Using environmentally-friendly technologies

Supporting the community
Our company may initiate and support community investment and educational programs. It can provide support to nonprofit organizations or movements to promote cultural and economic development of global and local communities.

Subsequent events
Bulk Infrastructure Holding AS, the holding company of Bulk Infrastructure Group AS, performed an equity issue of NOK 602.1 million registered on March 9, 2021. The equity issue was targeted existing share holders and employees. The equity issue secures the future funding of Bulk Infrastructure Group AS.

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

Profit. Loss for the year and allocation of funds
The Board of Directors proposes that the profit for the year for Bulk Infrastructure Group AS amounting to NOK 16,904,562 will be transferred as follows;

Other equity	NOK	16,904,562
Total brought forward	**NOK**	**16,904,562**

Oslo, March 25, 2021
The board of Bulk Infrastructure Group AS

Peder Nærbø

Peder Nærbø
Chairman of the board

Bulk Infrastructure Group AS Consolidated financial statements 2020

Consolidated financial statements 2020

Presentations

Notes to the consolidated accounts for 2020

Consolidated statement of profit and loss and other comprehensive income

For the year ended 31 December 2020

	Notes	2020	2019
Rental income	3,22	45,405,073	44,862,179
Revenue property sales	3,8	303,173,300	119,587,012
Revenue from sales	3	62,432,051	77,125,443
Gain from sale of investment property	3,8	0	6,874,649
Other revenue	3	20,421,161	22,848,166
Total revenue and other income	**3,22**	**431,431,585**	**271,297,449**
Property-related expenses	3	4,159,000	6,602,935
Cost of property sales	3,8	261,575,345	177,991,032
Cost of sales	3	73,607,075	53,922,041
Loss from sale of investment property	3,8	0	9,062,959
Other cost	23,24	157,002,612	149,017,620
Total expenses		**496,344,032**	**396,596,587**
Operating profit before fair value adjustments onbinvestment properties		**-64,912,447**	**-125,299,138**
Fair value adjustments on investment properties	8	217,654,596	195,085,914
Operating profit		**152,742,149**	**69,786,776**
Share of profit.loss(-) of investments accounted for using the equity method	12	-7,874,511	1,736,477
Finance income	12,25	16,045,922	6,119,025
Finance costs	25	68,532,630	40,752,433
Realized net financial items		**-60,361,219**	**-32,896,931**
Fair value adjustments on derivatives	25	-2,935,027	189,481
Net financial items		**-63,296,246**	**-32,707,450**
Profit before income tax		**89,445,903**	**37,079,326**
Income tax expense	26	13,037,183	3,489,841
Profit for the year		**76,408,720**	**33,589,485**
Other comprehensive income			
Currency translation difference		9,687,270	-93,022
Other comprehensive income for the year, net of tax		**9,687,270**	**-93,022**
Total comprehensive income		**86,095,990**	**33,496,463**
Attributable to:			
Shareholders in the parent Company		86,095,990	33,496,918
Non-controlling interests		-	-455

Consolidated balance sheet

	Notes	2020	2019
Assets			
Intangible fixed assets			
Goodwill	10,11	16,947,796	16,947,796
Other intangible assets	10	4,527,542	4,375,882
Deferred tax assets	19	-	6,644,190
Total intangible assets		**21,475,338**	**27,967,868**
Other non-current assets			
Investment property	4,6,8,23	1,777,178,999	1,005,171,135
Property, plant & equipment	9	1,390,238,487	1,141,249,378
Investment in Associated company	7,12	247,040,094	147,758,390
Receivable from related party	14	133,825,605	-
Other receivables	12,14	3,491,359	419,899
Investment in shares		1,249,170	1,249,170
Right-of-use assets	28	31,597,271	35,337,266
Total other non-current assets		**3,584,620,985**	**2,331,185,238**
Total non-current assets		**3,606,096,323**	**2,359,153,106**
Current assets			
Inventories	27	5,931,972	5,568,749
Property under development	8	19,599,354	209,519,310
Trade and other receivables	14,15	117,082,497	161,251,648
Cash and cash equivalents	14,16	73,561,381	458,607,304
Total current assets		**216,175,204**	**834,947,011**
Total assets		**3,822,271,527**	**3,194,100,117**

Consolidated balance sheet

	Notes	2020	2019
Equity and liabilities			
Paid in equity			
Ordinary shares		2,630,242	2,630,242
Own shares		0	-110,011
Share premium		1,656,631,214	1,659,982,225
Total paid in equity	**17**	**1,659,261,456**	**1,662,502,456**
Retained earnings			
Retained earnings		198,635,375	120,941,851
Total retained earnings		**198,635,375**	**120,941,851**
Non-controlling interests		-	7,499,531
Total equity	**17**	**1,857,896,831**	**1,790,943,838**
Non-current liabilities			
Bond loan	14,18,30	966,205,031	453,475,000
Borrowings	14,18	364,500,050	324,920,974
Derivative financial instruments	13,14	12,901,340	10,550,112
Right-of-use liabilities	28	32,878,327	36,331,606
Other long-term liabilities	4	48,000,000	-
Deferred tax liabilities	19	10,017,246	-
Total non-current liabilities		**1,434,501,993**	**825,277,692**
Current liabilities			
Trade payables	20	94,193,369	82,538,135
Short-term portion of borrowings	13,14,18	259,385,019	324,375,711
Short-term portion of derivatives	13,14	1,679,416	1,095,616
Other payables	14	174,614,899	169,869,125
Total current liabilities	**14**	**529,872,703**	**577,878,587**
Total liabilities		**1,964,374,696**	**1,403,156,279**
Total equity and liabilities		**3,822,271,527**	**3,194,100,117**

Oslo, March 25, 2021

The board of Bulk Infrastructure Group AS

Peder Nærbø

Chairman of the board

Consolidated statement of changes in equity

		Paid in equity			Retained earnings		
	Note	Share capital	Own shares	Share premium	Retained earnings	Non-controlling interests	Total equity
1.1.2019		**2,283,783**	**-**	**1,338,532,700**	**328,977,202**	**-**	**1,669,793,685**
Total comprehensive income					33,496,918	-455	33,496,463
Share issue	17	346,459		321,449,525			321,795,984
Purchase own shares	17		-110,011		-106,754,741		-106,864,752
Dividend	17				-134,777,958		-134,777,958
Sale of shares to minority	17					7,499,986	7,499,986
Other changes					430		430
31.12.2019		**2,630,242**	**-110,011**	**1,659,982,225**	**120,941,851**	**7,499,531**	**1,790,943,838**
1.1.2020		**2,630,242**	**-110,011**	**1,659,982,225**	**120,941,851**	**7,499,531**	**1,790,943,838**
Group restructuring - demerger/merger			110,011	-3,351,011	-11,551,176	-7,499,531	-22,291,707
Total comprehensive income					86,095,990		86,095,990
Other changes					3,148,710		3,148,710
31.12.2020		**2,630,242**	**-**	**1,656,631,214**	**198,635,375**	**-**	**1,857,896,831**

Cashflow statement - consolidated

	Note	2020	2019
Cash flow from operations			
Profit before income taxes		89,445,903	37,079,326
Adjust for:			
Depreciation	9	32,245,999	27,305,611
Fair value adj. on investment properties	8	-217,654,596	-195,085,914
Finance income	25	-5,236,384	-8,044,983
Finance costs	25	68,532,630	40,752,433
Cashflow before change in working capital		-32,666,448	-97,993,527
Change in working capital			
Trade and other receivables		44,474,463	-146,085,629
Trade and other payables		-28,052,271	175,358,815
Property under development		206,519,956	-80,739,102
Net cash flow from operations (A)		**190,275,700**	**-149,459,443**
Cash flow from investments			
Purchase and improvements of investments property	8	-570,953,268	-238,365,485
Sales credit purchase investment property		89,000,000	175,932,831
Cash effect sale of investment property		-	-112,938,953
Dividend received		1,350,000	1,300,000
Purchase of shares in associated companies		-108,506,215	-14,999,958
Purchase of fixed assets	9,10	-266,561,828	-516,669,557
Net cash flow from investments (B)		**-855,671,311**	**-705,741,122**
Cash flow from financing			
Sale of shares in group companies		-	7,499,986
Finance cost paid including interest paid on derivatives		-68,532,630	-32,899,892
Interest received		7,381,363	2,288,590
Proceeds from Borrowings	18	487,318,415	733,251,388
Proceeds from other long-term liabilities		-	-
Change in receivable related party		-	-
Cash effect demerger		-8,685,842	-
Share issue		-	321,795,984
Dividend paid*		-137,131,618	-134,777,958
Net cash flow from financing (C)		**280,349,688**	**897,158,098**
Net change in cash and cash equivalents (A+B+C)		**-385,045,923**	**41,957,534**
Cash and cash equivalents at the beginning of the period		458,607,304	416,649,770
Cash and cash equivalents at the end of the period		**73,561,381**	**458,607,304**
Restricted funds	16	4,024,142	3,523,838

* Dividend paid from Bulk Infrastructure Holding AS prior to restructuring

Note 1

Corporate information

Bulk Infrastructure Group 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 subsidiary of the holding company Bulk Infrastructure Holding AS. The Company is the parent company of Bulk Industrial Real Estate AS, Bulk Data Centers AS and Bulk Fiber Networks AS.

Bulk Infrastructure Group AS was established on June 22, 2019. The company was acquired by Bulk Infrastructure AS in December 2019 as part of a planned reorganization of Bulk Infrastructure AS. The Group reorganization of Bulk Infrastructure AS was performed to achieve greater operational and strategic flexibility. The reorganization was effective as of June 26, 2020 and was carried out with continuity for both tax and accounting purposes.

As part of the reorganization, all activity, employees and assets and liabilities in Bulk Infrastructure AS, except the shares in the subsidiary Klub Bulk AS was transferred to Bulk Infrastructure Group AS. (Klub Bulk owns 4.67 % of the shares in Bulk Infrastructure AS, which is own shares in the consolidated accounts of Bulk Infrastructure.) Bulk Infrastructure AS was carried forward as a holding company, renamed Bulk Infrastructure Holding AS, while Bulk Infrastructure Group AS is the operating company. These consolidated financial statement for Bulk Infrastructure Group reflect that Bulk Infrastructure Group in substance is a continuation of Bulk Infrastructure AS. The comparative figures are the financial information for Bulk Infrastructure AS for 2019. The equity in Bulk Infrastructure Group AS was reduced with NOK 22.3 million as a result of the reorganization, mainly related to the own shares, dividend and minority not transferred in the demerger. The cash effect of the demerger is negative with NOK 8.7 million, related to cash effects not transferred in the demerger.

Bulk Industrial Real Estate is a Nordic real estate developer, specializing in industrial buildings, large modern warehouses, cross-dock terminals and logistics parks. The business area was established in 2006 and has already developed and delivered to customers more than 406,834 m² of high quality, flexible and energy efficient facilities. As of December 31, 2020, additional 23,434 m² are under construction and ready to be handed over in 2021.

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

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

The Board of Directors authorized these financial statements for issue on March 25, 2021.

Note 2

Accounting principles

2.1 Basis of preparation

The consolidated financial statement has been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The Group also present additional disclosures as required under the Norwegian Accounting Act.

The consolidated financial statement has been prepared on a historical cost basis, with the following exceptions:

- Investment properties are recognized at their fair value and changes in fair value are recognized as fair value adjustment in the income statement
- Financial derivatives are recognized at their fair value over the profit and loss statement
- Investment in shares is recognized at fair value over profit and loss

The consolidated accounts have been prepared with consistent accounting principles for similar transactions and events. The corresponding figures have been prepared on the basis of the same accounting principles.

2.2 Changes in accounting policies

New and amended standards effective from 2020
There are no new standards effective for the fiscal year 2020. However, there are several new amendments to standards and interpretations that are effective for the fiscal year 2020.

There have been amendments to the IFRS 3 definition of a business, and amendments to the definition of material in IAS 1/IAS 8. The amendments have not had significant impact on the Group's financial statements but may have impact on the financial statements in future periods. In addition, there has been amendments relating to IFRS 9, IAS 39 and IFRS 7 - the IBOR reform, and IFRS 16 - Covid-19-Related Rent Concessions. These amendments are not further outlined as they are not considered to have significant impact on the Group's consolidated accounts.

2.3 Consolidation

Subsidiaries
When the company has control over an investee, it is classified as a subsidiary. The company controls an investee if the company has power over the investee, is exposed to variable returns from the investee, and has the ability to use its power over the investee to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date the group gains control until the date control ceases.

Acquisitions of subsidiaries – business combinations
The group applies the acquisitions method to account for acquisition of subsidiaries or other entities. The assets and debt transferred in business combinations are recognized at their fair values at the acquisition date. Deferred tax is calculated based on the difference between fair value and the tax bases of assets and debt.

Goodwill is calculated as the excess of the consideration and the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire and the fair value of the non-controlling interest in the acquire. The minority interest is valued either at fair value or by the non-controlling interest share of the net assets. Goodwill is not depreciated but an impairment test is performed each year. If the fair value of net asset is in excess of consideration transferred ("negative goodwill") a gain is recognized in profit and loss on the date of acquisition.

Acquisition of subsidiaries not viewed as business combinations
Acquisition of entities in which the activities do not constitute a business, are accounted for as a purchase of assets. The acquisition cost is allocated to the acquired assets and no deferred tax is recognized for temporary differences that arises at initial recognition. The Group's business continuously includes acquisitions, mostly within the Industrial Real Estate segment. During 2020 the Group has carried out two acquisitions.

Joint arrangements
A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements are classified as joint operations and joint ventures depending on the rights and obligations of the parties to the arrangement.

- *Joint operations:* In joint operations, two or more organizations contribute on a specific project. The organizations operate individually and there are agreements in place regarding resources and responsibilities related to the project. The Group currently has such an ongoing project related to the transatlantic subsea system, Havfrue.
- *Joint ventures:* Joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. Profits and losses arising on transactions between the Group and joint ventures are recognized only to the extent of unrelated investors' interests in the entity. The investor's share in the joint venture's profits and losses resulting from these transactions is eliminated against the carrying amount of the investment in the joint venture. The Group currently has three joint ventures. Refer note disclosures for further details.

Associates
Investments in associates are entities over which the group has significant influence but not control (generally accompanying a shareholding of between 20% and 50% of the voting rights). Associates are included using the equity method from the date when the group achieves significant influence. When the group no longer have significant influence the equity method is no longer applied. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

Elimination of transactions
Inter-company transactions and balances between group companies are eliminated.

Unrealized gains on transactions with associates are eliminated to the extent of the group's interest in the associate. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Foreign currency translation

The Group's presentation currency is NOK. This is also the functional currency of the parent company and most of the subsidiaries. The Group has two subsidiaries in the UK of which the functional currency is GBP. Further, five subsidiaries are located in Denmark and have DKK as the functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items in foreign currencies are translated to the year-end transaction date. Foreign exchange gains and losses are recognized in the income statement.

2.5 Investment property

Property held with the purpose of achieving rental income, increase in value or both are classified as investment property. Investment property also include property under development for future use as investment property.

Owned investment property is initially measured at cost. Transaction costs are included in the initial measurement. Cost comprises of the purchase price and any directly attributable expenditure, including professional fees for legal services, property transfer taxes and other transaction costs.

After initial recognition, the investment property is measured at fair value. The Group obtains valuations on investment property semi-annually from an external party. The valuations related to projects under construction are presented at discounted fair value of the property. The valuation does not account for costs related to finalization of the projects. As such, management adjusts the valuation on these projects with remaining construction cost. Gains or losses arising from changes in fair value are recognized over profit and loss in the period they arise. If significant costs occur between semi-annual external valuation, management conducts internal valuation based on input from projects. The necessity for external valuation on a quarterly basis is under consideration following the increased reporting frequency as of January 2021.

Subsequent costs relating to investment property are included in the carrying amount if it is probable that they will result in future economic benefits for the investment property and the costs can be measured reliably. Expenses relating to operations and maintenance of the investment property are recognized in profit and loss in the financial period in which they are incurred.

Investment properties are derecognized when they are sold or are permanently withdrawn from use and no future economic benefit is expected if disposed of. All gains or losses relating to sales or disposal are recognized in profit and loss.

Investment property is transferred from investment property only when there is a change in use. A reclassification from investment property to inventories is made when development with a view to sell is commenced.

2.6 Property, plant and equipment

Properties that do not qualify as investment property is presented as property, plant and equipment. Such property is mostly related to fiber infrastructure, data center buildings, technical infrastructure, and land, and other fixed assets. Other fixed assets include, among other things, electric cars and upgrade of rented office premises. All property, plant and equipment are recognized at cost less accumulated and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be reliable measured. All other repairs and maintenance are recognized in profit and loss as incurred.

Land is not depreciated. However, ground works that are subject to physical deterioration will be depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. All other items of property, plant and equipment are depreciated over their expected useful economic lives. The expected useful economic life currently ranges from 4 – 50 years, of which the highest expected life relates to data center buildings and fiber infrastructure.

2.7 Lease agreements

(a) When a group company is the lessee
Upon lease commencement the Group recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred. After lease commencement, the Group measures the right-of-use asset using a cost model.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability and are initially measured using the index or rate as at the commencement date. Amounts expected to be payable by the Group under residual value guarantees are also included. Variable lease payments that are not included in the measurement of the lease liability are recognized in profit or loss in the period in which the event or condition that triggers payment occurs.

The lease liability is subsequently remeasured to reflect changes in:

- the lease term (using a revised discount rate)
- the assessment of a purchase option (using a revised discount rate)
- the amounts expected to be payable under residual value guarantees (using an unchanged discount rate)
- future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate)

The remeasurements are treated as adjustments to the right-of-use asset.

(b) When a group company is the lessor
The group classifies each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease.

Examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease are:

- the lease transfers ownership of the asset to the lessee by the end of the lease term
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable that, at the inception of the lease, it is reasonably certain that the option will be exercised.
- the lease term is for the major part of the economic life of the asset, even if title is not transferred.
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset.
- the leased assets are of a specialized nature such that only the lessee can use them without major modifications being made.

Upon lease commencement, the Group recognize assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. The group recognizes finance income over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment. The Group recognizes operating lease payments as income on a straight-line basis or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis.

Property leased on an operational lease is included in investment property on the group balance sheet. Rental income is included on a straight-line basis over the period of the lease. The group pays fee to consultants in negotiations of new lease agreements. Fees paid in relation to new lease agreements is included in the carrying amount of the investment property and is amortized over the lease term. Other payments, free rental periods or other incentives are also recognized on a straight-line basis over the lease term.

The Group classifies its long-term fiber IRUs (Indefeasible right of use) as finance leases for the following reasons:

- The leases transfer substantially all the risks and rewards incidental to ownership of the underlying fiber assets.
- The lease terms are for the major part of the economic life of the fiber assets.

The Group classifies its short-term fiber IRUs as operational leases, as none of the above criteria for classification as financial lease are met for these IRUs.

2.8 Goodwill

Goodwill represents the excess of the cost of a business combination over, the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired and, the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

The cost of a business combination comprises the fair value of assets given, liabilities assumed, and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and. Direct costs of acquisition are recognized immediately as an expense.

Goodwill is measured at cost less any accumulated impairment loss.

2.9 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill, intangible assets that have an indefinite useful life or intangible assets not ready to use are also tested annually for impairment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). An impairment loss is recognized for the amount by which the asset's/CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Prior impairments of non-financial assets other than goodwill, are reviewed for possible reversal at each reporting date.

2.10 Financial assets and liabilities

Financial assets
The group currently classifies its financial assets in one of the following categories: (a) at fair value through profit or loss and (b) loans and receivables. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit and loss
Financial assets that are not measured at amortized cost or fair value through other comprehensive income, is measured at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also measured at fair value through profit and loss, unless they are designated as hedge instruments. The Group does not apply hedge accounting. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

The Group currently has one interest rate swap related to a loan in the Industrial Real Estate segment that is measured through profit and loss. Further, the Group holds investments in shares that are measured at fair value through profit and loss.

Financial assets are initially recognized at fair value, and transaction costs are expensed. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is presented as financial items in the income statement.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

(b) Financial assets at amortized cost
Financial assets are measured at amortized cost when the financial asset is held to collect contractual cash flows and when the contractual terms of the financial asst give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's financial assets at amortized cost comprise 'receivable from related party', 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

Receivable from related party
Receivable from related party is a receivable from parent company arising from the restructuring carried out in June 2020. The receivable is classified as non-current as it is expected to be collected in more than one year.

Trade receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, bank deposits, other short-term highly liquid investments with original maturities of three months or less.
Financial assets at amortized cost are initially recognized at fair value, transaction costs are added to the carrying amount. Financial assets at amortized cost are subsequently carried at amortized cost.

Impairment of financial assets
The group recognizes an allowance for expected credit losses

(ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Financial liabilities at amortized cost
Financial liabilities at amortized cost include all financial liabilities not classified at fair value through profit and loss. All the group's financial liabilities, except for derivatives, are classified as financial liabilities at amortized cost.

Trade payables and other short-term payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Borrowings
Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest method. The difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Offsetting financial assets and obligations
Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities
Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expires. This normally happens when the group pays the financial liability.

2.11 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are included in the cost of those assets.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Financial liabilities are presented as non-current liabilities when the group has an unconditional right to defer settlement for at least 12 months after of the end of the reporting period.

2.12 Inventory

Raw materials, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's, equity share capital (treasury shares), the consideration paid is deducted from equity. When such ordinary shares are subsequently reissued, any consideration received, is included in equity attributable to the company's equity holders. Voting rights related to treasury shares are annulled and no dividend is allocated to treasury shares.

2.14 Current and deferred income tax

The tax expense for the period comprises current and changed in deferred tax. Tax expense is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets and liabilities are determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Restructuring provisions typically comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.16 Revenue recognition

Revenue is recognized when or as control of a good or service transfers to a customer. The amount recognized reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue comprise of rental income, revenue from property sales, revenue from sales and other revenue. Rental income and revenue from property sales are mainly generated in the Industrial Real Estate segment. Revenue from sales is attributable to Data Centers and Fiber Networks.

Rental income
Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term.

Income arising from expenses recharged to tenants is recognized in the period the associated cost is incurred.

Revenue from property sales
Revenue from property sales is generated from sale of completed property or sale of property under construction. For sale of completed property revenue is recognized at point of sale. In the occasion where a contract is entered into for sale of property under construction, we have considered the performance obligations satisfied over time. The criteria for revenue recognition over time read as follows:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

One of the three criteria needs to be met for the revenue from the sale of property under construction to be recognized over time. The first criteria is not applicable as property is not a service that can be consumed as the construction is ongoing. The third criteria is not met as the Group could construct the property for rental purposes, and as such, create an alternative use. However, the second criteria is considered more relevant. The Group's procedure is that no control of the property is transferred to the buyer while the construction is ongoing. As such, the buyer cannot utilize the property before delivery. Further, the risk of the project lies with the Group as the price is already agreed by contract and additional costs would accrue to the Group. Following these arguments, we conclude that none of the criteria for the performance obligations satisfied over time is met. Hence, the Group recognize revenue from sale of property under construction at point of delivery when all control is transferred to the buyer. Payment terms from property sales are usually upon completion in the case of construction of a property and upon delivery in the case of sale of completed properties. Contracts generally do not have significant financing components, but occasionally contracts relating to property sales contain guarantee rent components.

Revenue from sales
Revenue from sales is comprised of sale of fiber capacity (IRUs) and revenue from sales from data centers.

Revenue from sales from data centers is comprised of sale of data center services and related goods. The revenue is recognize when control of the goods or services are transferred to the customer. The data center services are simultaneously received and consumed by the customer. As such, revenue is recognized over time in line with the performance obligations satisfied over time. The amount recognized reflects the amount which the group expects to be entitled in exchange for those goods or services. The performance obligation is satisfied over time as control is transferred to the customer. Revenue is recognized in line with transfer of control. Transfer of control is complete when one of the following criteria is met:

- the customer simultaneously receives and consumes the benefit provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Data center services meet the first criteria, and revenue will as such be recognized over time.

Revenue from sale of fiber capacity (IRUs) is recognized based on the classification of individual contracts as either financial or operational leases. Long-term IRU are classified as financial leases, under which the Group recognizes assets held as receivable at amounts equal to the net investment in the respective lease. The Group recognizes income of the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment. Revenue from long-term IRUs is usually recognized at RFS (ready for service) date. The RFS date is in line with the commencement date of which the fiber is available for use. Short-term IRUs are classified as operational leases, under which the Group recognizes lease payments on a straight-line basis. The performance obligation satisfied over time is applied for revenue recognition of short-term IRUs as outlined above for data center services. The same principle apply as the customer is considered to receive and consume the benefit of the fiber over time.

The group satisfies its obligations in contracts with customers regarding sale of fiber capacity or data center services upon delivery, or as services are rendered. Payment terms for revenue from sales are typically 30 days.

Other revenue
Other revenue mainly consists of business management for external parties and shared cost charged to tenants. In addition, there will at times by presented revenue generated within a segment that is not suited for categorization on the core revenue financial lines of that segment. For instance, tenant adaptions within Bulk Industrial Real Estate. Other revenue is recognized point in time as the shared costs are invoiced to tenants.

2.17 Property-related expenses and other costs

Costs directly related to the operation of existing properties are recognized as property-related expenses, other costs are included as administration costs. Costs are recognized as incurred.

Cost of property sales and cost of sales
Cost of sales is recognized as an expense in the period in which the related revenue is recognized.

2.18 Interest income

Interest income is recognized using the effective interest method.

2.19 Classification of assets and debt

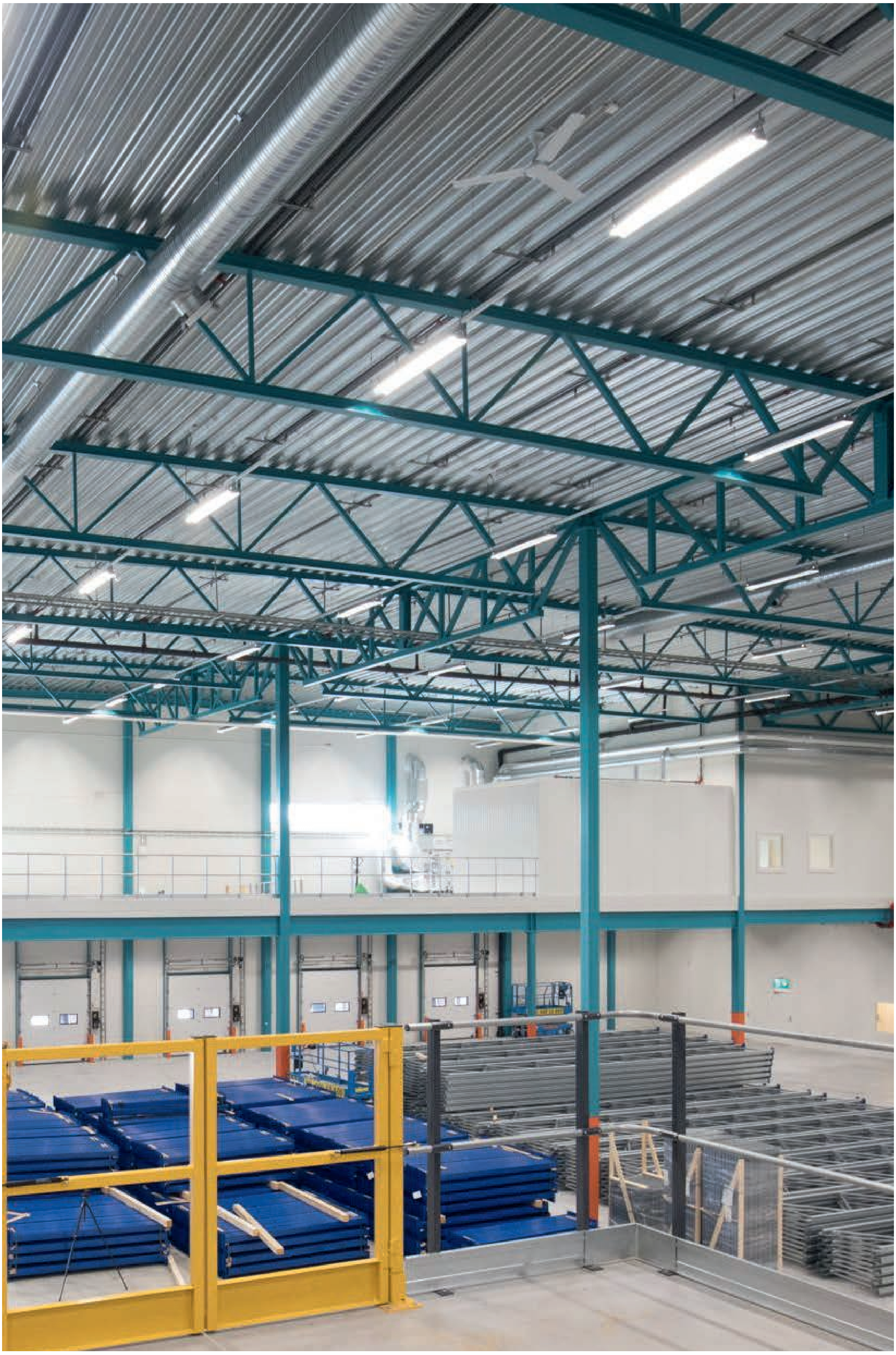
Assets and liabilities expected to be settled within 12 months, and other items that are included in the company's normal operating cycle are classified as current. First year installment of the long-term debt is classified as current liabilities.

2.20 Dividend distribution

Dividend distribution to the company's shareholders is recognized as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the corporate management.



Note 3

Segment information

Bulk Infrastructure Group has the following strategic operating segments by 31.12.20 presented in accordance with internal reporting to management

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

	Industrial Real Estate		Data Centers	
Operating profit and loss after segment 31.12.20	**2020**	**2019**	**2020**	**2019**
Rental income	45,405,073	44,862,179	-	-
Revenue property sales	303,173,300	119,587,012	-	-
Revenue from sales	-	-	59,518,025	75,798,239
Gain from sale of investment property	-	6,874,649	-	-
Other revenue	15,823,391	7,351,279	3,184,514	3,508,627
Total revenue and other income	**364,401,764**	**178,675,119**	**62,702,539**	**79,306,866**
Property-related expenses	4,159,000	6,602,935	-	-
Cost of property sales	261,575,345	177,991,032	-	-
Cost of sales	-	-	61,369,412	53,006,302
Loss from sale of investment property	-	9,062,959	-	-
Other cost	29,829,048	13,268,962	103,042,775	68,213,761
Total expenses	**295,563,393**	**206,925,888**	**164,412,187**	**121,220,063**
"Operating profit before fair value adjustments on investment properties"	**68,838,371**	**-28,250,769**	**-101,709,648**	**-41,913,197**
Fair value adjustments on investment properties	217,654,596	195,085,914	-	-
Operating profit	**286,492,967**	**166,835,145**	**-101,709,648**	**-41,913,197**
Realized net financial items	**-34,380,638**	**-28,556,837**	**-29,722,459**	**-15,804,023**
Fair value adjustments on derivatives	-2,935,027	189,481	-	-
Net financial items	**-37,315,665**	**-28,367,356**	**-29,722,459**	**-15,804,023**
Profit before income tax	**249,177,302**	**138,467,789**	**-131,432,107**	**-57,717,220**
Income tax expense	41,369,151	24,354,597	-22,053,990	-11,636,728
Profit for the year	**207,808,151**	**114,113,192**	**-109,378,117**	**-46,080,492**
Other comprehensive income	-	-	9,677,400	-88,550
Other comprehensive income for the year, net of tax	**-**	**-**	**9,677,400**	**-88,550**
Total comprehensive income	**207,808,151**	**114,113,192**	**-99,700,717**	**-46,169,042**

Please also see note 2 for further explanation of the segments

Fiber Networks		Group/other		Eliminated		Total	
2020	2019	2020	2019	2020	2019	2020	2019
	-	-	-	-	-	45,405,073	44,862,179
	-	-	-	-	-	303,173,300	119,587,012
2,914,026	1,327,204	-	-	-	-	62,432,051	77,125,443
-	-	-	-	-	-	-	6,874,649
-	-	43,568,866	43,303,921	-42,155,610	-31,315,661	20,421,161	22,848,166
2,914,026	**1,327,204**	**43,568,866**	**43,303,921**	**-42,155,610**	**-31,315,661**	**431,431,585**	**271,297,449**
-	-	-	-	-	-	4,159,000	6,602,935
-	-	-	-	-	-	261,575,345	177,991,032
12,237,663	915,739	-	-	-	-	73,607,075	53,922,041
-	-	-	-	-	-	-	9,062,959
26,407,399	9,888,087	39,879,000	86,681,029	-42,155,610	-29,034,219	157,002,612	149,017,620
38,645,062	**10,803,826**	**39,879,000**	**86,681,029**	**-42,155,610**	**-29,034,219**	**496,344,032**	**396,596,587**
-35,731,036	**-9,476,622**	**3,689,866**	**-43,377,108**	**-**	**-2,281,442**	**-64,912,447**	**-125,299,138**
-	-	-	-	-	-	217,654,596	195,085,914
-35,731,036	**-9,476,622**	**3,689,866**	**-43,377,108**	**-**	**-2,281,442**	**152,742,149**	**69,786,776**
-15,765,253	**-14,838,603**	**19,507,130**	**26,302,532**	**-**	**-**	**-60,361,219**	**-32,896,931**
-	-	-	-	-	-	-2,935,027	189,481
-15,765,253	**-14,838,603**	**19,507,130**	**-17,074,576**	**-**	**-**	**-63,296,246**	**-32,707,450**
-51,496,289	**-24,315,225**	**23,196,996**	**-17,074,576**	**-**	**-2,281,442**	**89,445,903**	**37,079,326**
-10,951,539	-5,343,591	4,673,561	-3,884,437	-	-	13,037,183	3,489,841
-40,544,750	**-18,971,634**	**18,523,435**	**-13,190,139**	**-**	**-2,281,442**	**76,408,720**	**33,589,485**
9,870	-4,473	-	-	-	-	9,687,270	-93,022
9,870	**-4,473**	**-**	**-**	**-**	**-**	**9,687,270**	**-93,022**
-40,534,880	**-18,976,107**	**18,523,435**	**-13,190,139**	**-**	**-2,281,442**	**86,095,990**	**33,496,463**

Note 3 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

Segments	**Industrial Real Estate**		**Data Centers**	
	2020	**2019**	**2020**	**2019**
Rental income	45,405,073	44,862,179	-	-
Revenue property sales	303,173,300	119,587,012	-	-
Revenue from sales	-	-	59,518,025	75,798,239
Gain from sale of investment property	-	6,874,649	-	-
Other revenue				
- Shared costs tenants	7,045,446	7,351,279	3,184,514	3,508,627
- Revenue from construction projects	8,777,945	-	-	-
- Business management/other	-	-	-	-
Total revenue from contracts with customers	**364,401,764**	**178,675,119**	**62,702,539**	**79,306,866**

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

Fiber Networks		Group/other		Eliminated		Total	
2020	2019	2020	2019	2020	2019	2020	2019
-	-	-	-	-	-	45,405,073	44,862,179
-	-	-	-	-	-	303,173,300	119,587,012
2,914,026	1,327,204	-	-	-	-	62,432,051	77,125,443
-	-	-	-	-	-	-	6,874,649
-	-	-	-	-	-421,452	10,229,960	10,438,454
-	-	-	-	-	-	8,777,945	-
-	-	43,568,866	43,303,921	-42,155,610	-30,894,209	1,413,256	12,409,712
2,914,026	**1,327,204**	**43,568,866**	**43,303,921**	**-42,155,610**	**-31,315,661**	**431,431,585**	**271,297,449**

Note 4

Financial risk management

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's overall risk management programme seeks to minimise potential adverse effects on the group's financial performance.

Market risk
The group is exposed to market risk arising from changes in interest rates and foreign exchange rates. The exposure is reduced mainly by the use of finical derivatives. The group has operations in Norway, Denmark and the UK.

Interest rate risk
The group's interest rate risk arises on a short and long term because part of the company's borrowings are held at variable rates. The debt related to investement property is serviced with income from lease agreements. The lease is not altered according to interest rate levels, but according to the terms of the lease contract. Changes in the interest rate level will have a direct impact on the future cash flow for the group.

To reduce the interest rate exposure, it is group policy to maintain a share of its borrowings at fixed interest rates. The distribution between floating and fixed rates will not necessarily be the same for all group companies. Some of the current loan agreements have hedging ratio-covenants. The group use interest rate derivatives to manage their interest rate exposure.

As of December 31, 2020 NOK 40,6 million of the Group's borrowings of NOK 1,590,1 million is hedged at a fixed rate. Hedged nominal amount of NOK 40,6 expires in 2033. The sensitivity is calculated by the Group, and the Groups interest cost is estimated to increase/decrease by NOK 8,0 million for 2020 based on a change in the interest rate of +/- 0.5%.

Credit risk
Credit risk is the risk of loss when a party is unable to redeem their obligations to the group. The risk is mainly linked to trade receivables and other receivables and based on historical losses the risk is considered not significant. The risk is managed by doing thorough evaluations of the credit quality of the customer when new lease agreements are signed, demand deposits or guarantees, and perform regular monitoring of the credit quality of material customers. The maximum exposure to credit risk at year end is equal to the carrying amount of financial assets. The majority of the Group's customers pay in advance for the services received. As such, the credit risk is deemed as low. There are no material amounts outstanding to spesific customers except associated companies. The group deems obligations to the group to be in default when payments are 90 days past due. Please also see aging analysis in note 15.

Liquidity risk
Liquidity risk is the risk that the group will not be able to meet their obligations at maturity, and the risk that the group will not be able to meet their liquidity obligations without a significant increase in cost. At a broader perspective, liquidity risk also include the risk that the group is not able to finance necessary investments in the properties. The Group continuously monitors the Group's liquidity and has a long-term liquidity forecast in place. Management also monitors the Group's installments and expiration of the long-term debt and prepares action plans to be able to meet its obligations. A plan to refinance the Group's debt with expiration in 2021 is in progress.

Liquidity risk is reduced by having a sufficient liquidity reserve, and by ensuring that the debt maturities are distributed over time.

The table below illustrates the maturity structure of liabilities.

		Expected cashflow			
Financial liability 2020	**Carrying amount**	**Year 1**	**Year 2**	**Year 3-5**	**After year 5**
Bond loan	966,205,031			966,205,031	
Borrowings (bank)	623,885,069	259,385,019	26,363,492	335,942,876	2,193,682
Other long-term liabilities - seller credit	48,000,000	-	16,000,000	32,000,000	
Trade payables	94,193,369	94,193,369			
Interest costs (bond loan)	-	46,571,082	46,571,082	80,918,603	
Interest costs (bank)	-	14,875,196	10,539,549	5,104,954	65,810
Other current payables	102,755,630	102,755,630			
Total non-derivative financial obligations	**1 835 039 099**	**517 780 297**	**99 474 124**	**1 420 171 464**	**2 259 492**
Derivative financial intruments	14,580,755	1,679,416	1,613,166	4,145,710	7,142,464
Total derivative financial obligations	**14,580,755**	**1,679,416**	**1,613,166**	**4,145,710**	**7,142,464**

		Expected cashflow			
Financial liability 2019	**Carrying amount**	**Year 1**	**Year 2**	**Year 3-5**	**After year 5**
Bond loan	453,475,000			453,475,000	
Borrowings (bank)	649,296,685	55,295,553	165,142,010	131,453,029	297,406,093
Other short-term liabilities	-				
Trade payables	82,538,135	82,538,135			
Interest costs (bond loan)	-	28,750,315	28,750,315	51,431,119	
Interest costs (bank)	-	28,098,531	23,116,642	16,413,594	13,442,755
Other current payables	169,869,125	169,869,125			
Total,non-derivative,financial,obligations	**1,355,178,945**	**364,551,659**	**217,008,967**	**652,772,742**	**310,848,848**
Derivative financial intruments	11,645,728	1,095,616	1,065,208	3,147,521	6,337,383
Total derivative financial obligations	**11,645,728**	**1,095,616**	**1,065,208**	**3,147,521**	**6,337,383**

When calculating interest costs only ordinary instalments are taken into consideration.

Fair value of financial derivatives

Fair value of derivatives, including interest rate swaps, is determined upon the present value of future cash flows relating to the agreements. The present value is calculated based on interest rate curves on the date of appraisal. The calculations are made by the bank with which the agreement is made.

Sensitivity effect of change in variables (MNOK):

		Fair value change	
Variables	**Change in variables**	**+ 1 %**	**- 1%**
NIBOR	+/- 1 %	5,00	-5,64

Note 5

Capital structure and capital management

The group's objectives relating to capital management are to ensure continued operation, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The main objective of the group's capital management is to maintain a good debt and equity ratio and reduce the Groups interest cost. The group seeks to maintain a satisfactory equity ratio, but the main focus is related to the debt ratio (loan-to-value.LTV). The LTV ratio is calculated as gross debt divided by fair value of investment property and book value of other assets. The group's goal is to have a debt ratio below 60 %. According to the group's loan agreements the LTV ratio should not exceed 65 % respectively. Requirements related to LTV in the loan agreements are adhered to both by year-end and for the first half year periods in 2019 and 2020. The Group's LTV is 52 % as of December 31, 2020. To change the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group's capital needs are influenced by the need for a liquidity reserve for existing and possible new projects.

Solidity and liquidity
Equity and liquidity reserve are central key figures in the management of the group capital structure. The group liquidity reserve should be in proportion to all ongoing projects and any new projects.

Group covenants
As per December 31, 2020, the Group is in compliance with all financial covenants. The Group has several financial covenants from loan agreements on both group level and within the subsidiaries. The financial covenants relate to minimum equity, equity ratio, minimum liquidity and loan-to-value.

Note 6

Accounting estimates

When preparing the financial accounts according to IFRS the group management makes judgement that may have significant impact on the amounts recognised in the financial statements. The management also makes estimates based on assumption. Uncertainty relating to these assumptions and estimates may require material adjustement to the carrying amount of the group assets or liabilities in future periods.

Estimates
The group's most significant estimates relates to the following:

Fair value of investment property, see note 8

Impairment considerations regarding property, plant and equipment
Investment property is recognized at fair value on the year end date.

As the Group collects external valuation semi-annualy for all investment property, the estimate only relates to the adjustment of the external valuation. These adjustments are made based on the remaining construction cost and risk considerations. Risk considerations are a discussion between management and engineers responsible for the respective investment.

Note 7

Investments in subsidiaries, joint ventures and associated companies

Group:

Subsidiaries:	**Office location**	**Vote- . Ownership 31.12**
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 VIII AS	Oslo	100,0 %
Bulk Vestby Nord AS	Oslo	100,0 %
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 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 %
Bulk Infrastructure UK Ltd	London, UK	100,0 %
Fiberlykta AS	Oslo	100,0 %
Norway as a Service AS	Oslo	100,0 %
Bulk Facility Services AS	Oslo	100,0 %
Infragreen Communications 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 %
Bulk Fiber Networks Ireland Limited	Dublin, Ireland	100,0 %

Joint Venture	Office location	Vote- . Ownership 31.12
OS-IX Eiendom Holding AS	Oslo	50,0 %
AE Bulk Co-Invest AS	Oslo	50,0 %
Bulk Park Enebakk AS	Oslo	50,0 %

Note 8

Investment property and property under development

Investment property	2020	2019
Fair value 1.1	1,005,171,135	804,478,389
Additions:		
- Capital expenditure	422,742,168	134,211,566
- Acquisition of property	148,211,100	104,153,919
- Sale of property	0	-175,932,831
Transferred to property under development	-16,600,000	-56,825,822
Changes in fair value	217,654,596	195,085,914
Fair value 31.12	**1,777,178,999**	**1,005,171,135**
Income and expenses from investment property		
Income from rent	45,405,073	44,862,179
Expenses related to leased property	4,159,000	6,602,935

Fair value of the Group's investment property is based on a valuation by a qualified independent valuer. The valuation is carried out twice a year.

Overview over input used for valuation	2020	2019
Valuation level	3	3
Valuation model	DCF	DCF
Fair value as of December 31	1,777,178,999	1,005,171,135
Total sqm	93,997	77,721
Current rent per sqm (range)	469-1145	305-1400
Current rent per sqm (average)	836	779
Remaining lease period actual contracts (range)	2,4-18,1	0,1-19,0
Remaining lease period actual contracts (average)	9,8	7,1
Market rent per sqm (range)	427-1145	300-1400
Market rent per sqm (average)	854	777
Estimated CPI	2,0 %	2,0 %
Actual vacancy	23,0 %	6,0 %
Valuation yield.discount rate (range)	5 % - 8%	5 % - 8 %
Valuation yield.discount rate (average)	5,67%	6,19%

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 an independent party, Akershus Eiendom AS.

The sensitivity of the fair value of investment properties are thus among others associated yield, interest rates, inflation (CPI) and the market rent for the properties. As indicated below are the separate effects of changes in these variables (amounts in NOK million):

			Fair value change
Variables	**Changes in variables**	**+**	**-**
Yield	+/- 0.25%	-37	91
Market rent	+/- 5%	62	-3

Property under development	**2020**	**2019**
Value 1.1	209,519,310	71,954,386
Additions:		
- Reclassification from invenstment property	16,600,000	56,825,822
- Additions	55,055,389	253,577,409
- Sale of inventory property under development	-261,575,345	-172,838,307
Inventory value 31.12	**19,599,354**	**209,519,310**

Note 9

Property, plant & Equipment

	Datacenter buildings	Datacenter technical infrastructure	Datacenter land	Under construction	Other fixed assets	Fiber infrastructure	Total
Accumulated cost							
Balance at January 1, 2019	30,416,168	81,102,909	93,919,472	210,890,576	17,833,110	239,846,372	674,008,607
Additions	136,560	4,283,314	1,613,725	144,130,943	4,002,764	359,665,399	513,832,706
Disposals	-	-			-		-
Other adjustments - VAT	-	-	-	-	-	-	-
Reclassification from intangible assets	-	-	-	-	-	-	-
Transfer from assets under construction	36,184,127	80,520,061	-	-116,704,188	-	-	-
Balance at December 31, 2019	**66,736,855**	**165,906,284**	**95,533,197**	**238,317,331**	**21,835,874**	**599,511,771**	**1,187,841,313**
Balance at January 1, 2020	66,736,855	165,906,284	95,533,197	238,317,331	21,835,874	599,511,771	1,187,841,313
Additions	7,796,396	58,240,594	7,771,327	20,446,710	1,109,335	170,623,490	265,987,853
Disposals	-	-			-		-
Other adjustments - currency	9,356,594	393,208	479,276	125,759	-	-	10,354,836
Reclassification from intangible assets	-	-	-	-	-	-	-
Transfer from assets under construction	131,722,576	94,155,634	7,109,328	-232,987,538	-	-	-
Balance at December 31, 2020	**215,612,421**	**318,695,720**	**110,893,128**	**25,902,262**	**22,945,209**	**770,135,261**	**1,464,184,001**
Accumulated depreciation							
Balance at January 1, 2019	4,141,198	10,040,439	236,821	-	5,097,937	100,590	19,616,985
Disposals	-	-	-	-	-	-	-
Depreciation charge for the year	2,744,345	17,380,778	1,093,308	-	2,638,424	3,118,095	26,974,950
Balance at December 31, 2019	**6,885,543**	**27,421,217**	**1,330,129**	**-**	**7,736,361**	**3,218,685**	**46,591,935**
Balance at January 1, 2020	6,885,543	27,421,217	1,330,129	-	7,736,361	3,218,685	46,591,935
Disposals	-	-	-	-	-	-	-
Depreciation charge for the year	3,872,640	17,876,471	1,019,946	-	4,812,430	4,242,198	31,823,685
Other adjustments - currency	-823,379	-3,466,865	-179,863	-	-	-	-4,470,107
Balance at December 31, 2020	**9,934,804**	**41,830,823**	**2,170,212**	**-**	**12,548,791**	**7,460,883**	**73,945,513**
Net book value							
At January 1, 2019	**26,274,970**	**71,062,470**	**93,682,651**	**210,890,576**	**12,735,173**	**239,745,782**	**654,391,622**
At December 31, 2019	**59,851,312**	**138,485,067**	**94,203,068**	**238,317,331**	**14,099,513**	**596,293,086**	**1,141,249,378**
At January 1, 2020	**59,851,312**	**138,485,067**	**94,203,068**	**238,317,331**	**14,099,513**	**596,293,086**	**1,141,249,378**
At December 31, 2020	**205,677,617**	**276,864,897**	**108,722,916**	**25,902,262**	**10,396,418**	**762,674,378**	**1,390,238,488**
Expected useful economic life	50 years	5-35 years	-	-	4-10 years	20-30 years	

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

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

Note 10

Intangible assets

	Goodwill	Software licenses	Other intangible assets	Total
Cost				
Balance at January 1, 2019	16,947,796	1,363,087	816,105	19,126,988
Additions	-	493,476	2,343,375	2,836,851
Balance at December 31, 2019	16,947,796	1,856,563	3,159,480	21,963,839
Balance at January 1, 2020	16,947,796	1,856,563	3,159,480	21,963,839
Additions	-	38,350	535,625	573,975
Balance at December 31, 2020	16,947,796	1,894,913	3,695,105	22,537,814
Accumulated amortization and impairment				
Balance at January 1, 2019	-	309,500	-	309,500
Amortization charge for the year	-	330,661	-	330,661
Balance at December 31, 2019	-	640,161	-	640,161
Balance at January 1, 2020	-	640,161	-	640,161
Amortization charge for the year	-	372,836	49,478	422,314
Balance at December 31, 2020	-	1,012,997	49,478	1,062,475
Net book value				
At January 1, 2019	**16,947,796**	**1,053,587**	**816,105**	**18,817,488**
At December 31, 2019	**16,947,796**	**1,216,402**	**3,159,480**	**21,323,678**
At December 31, 2020	**16,947,796**	**881,916**	**3,645,627**	**21,475,339**

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

Goodwill: indefinite
Software licenses: 3-5 years
Software under development: n.a.

Note 11

Goodwill and impairment

Impairment testing for cash-generating units containing goodwill

Goodwill is included in the balance sheet with a total amount of NOK 16 947 796. The Goodwill originates from 2016 with the acqusition of Data Center Technology AS (DCT AS). DCT AS with subsidiary constitutes a cash generating unit (CGU). An annual impairment test is performed for this CGU.

Cash flow projections and assumptions
The model was based on a 5 year forecast of discounted cash flow plus a terminal value (calculated by Gordon's model). The net discounted cash flows were calculated before tax. The NPV-model included the following assumptions:

The estimated cash flows included in the impairment test includes a five years projection based on the long term business plan. Estimated cash flow projections beyond the period covered by the most recent long term business plan are derived by extrapolating the projections based on the forecasts using a growth rate of 2.0 % for subsequent years.

Discount rate assumptions
The required rate of return was calculated by use of the WACC methodology. The imput data of the WACC was chosen by individual assessment of each parameter. Information from representative sources, peer groups etx. Was used to determine the best estimate. The WACC was calculated to 13.6 % after tax.

The following parameteres were applied:

- Risk free rate: 3.5 %. Based market rate for covered bonds.
- Beta: 1.00 Based on unlevered beta for industy peer group.
- Market Risk Premium: 5 % (post tax). Based on market sources
- Cost of debt: 4.6 % Based on risk free rate plus risk component
- Capital structure: Based on the industry average (comparable companies) equity ratio of 10 %.

Impairment - test result and conclusion
The value of DCT AS exceeds the carrying amount. A reasonable change in assumptions used, would not cause the carrying amount to exceed the recoverable amount. No impairment loss is recognized.

Note 12

Joint venture and associated companies

Associated companies 2020

	Foundation / Acquisition date	Country	Office location	Ownership	Book value 1.1	Share issues / dividends	Share of net profit after tax	Book value 31.12
OS-IX Eiendom Holding AS	20.11.2015	Norway	Oslo	50%	132,665,620	-	-13,948,768	118,716,852
AE Bulk Co-Invest AS	2.11.2016	Norway	Oslo	50%	15,092,770	-1,350,000	6,074,257	19,817,027
Bulk Park Enebakk AS	6.7.2020	Norway	Oslo	50%	-	108,506,215	-	108,506,215
Total					**147,758,390**	**107,156,215**	**-7,874,511**	**247,040,094**

Figures on 100% basis in accordance with NGAAP

Company		Assets	Liabilities	Equity	Total income	Net Profit
OS-IX Eiendom Holding AS	-Parent company only	352,169,280	1,147,247	351,022,033	-	886,796
AE Bulk Co-Invest AS	-Parent company only	20,926,730	87,569	20,839,161	-	1,116,573
Bulk Park Enebakk AS*	-Parent company only	373,874,742	160,543,114	213,331,628	-	239,819
Total		**746,970,752**	**161,777,930**	**585,192,822**	**-**	**2,243,188**

* The aquisition of Bulk Park Enebakk and subsidiaries was not finalized until December 2020. As such, the company will be included in consolidated statements from 2021 as presented below for the other associated companies.

Associated companies 2019

	Foundation / Acquisition date	Country	Office location	Ownership	Book value 1.1	Share issues / dividends	Share of net profit after tax	Book value 31.12
OS-IX Eiendom Holding AS	20.11.2015	Norway	Oslo	50%	118,434,397	14,999,958	-768,735	132,665,620
AE Bulk Co-Invest AS	2.11.2016	Norway	Oslo	50%	13,887,558	-1,300,000	2,505,212	15,092,770
Total					**132,321,955**	**13,699,958**	**1,736,477**	**147,758,390**

Figures on 100% basis in accordance with NGAAP

Company		Assets	Liabilities	Equity	Total income	Net Profit
OS-IX Eiendom Holding AS	-Parent company only	350,831,331	696,095	350,135,236	-	9,405,462
AE Bulk Co-Invest AS	-Parent company only	22,423,181	593	22,422,588	-	803,482
Total		**373,254,512**	**696,688**	**372,557,824**	**-**	**10,208,944**

Summary of financial information in the consolidated financial statement of OS-IX Holding AS on 100% basis in accordance with IFRS

Income statement:	**2020**	**2019**
Total income	**46,984,653**	**42,208,077**
Total expenses	**65,095,060**	**48,134,633**
Operating profit	**-18,110,407**	**-5,926,556**
Net financial items	**-17,734,155**	**-8,806,893**
Profit before income tax	**-35,844,562**	**-14,733,449**
Tax expence	-7,947,027	-13,195,978
Profit for the year	**-27,897,536**	**-1,537,471**

Balance sheet:		
Assets		
Non-current assets	498,139,156	484,372,521
Current assets	34,487,217	55,190,389
- Cash and cash equivalents	27,869,834	37,115,740
Total assets	**532,626,372**	**539,562,910**
Equity and liabilities		
Equity	225,898,300	254,074,122
Current liabilities	34,461,610	24,721,338
- current financial liabilities other than accounts payable and provisions	20,617,387	16,097,460
Non-current liabilities	272,266,464	260,767,451
Total Equity and liabilities	**532,626,372**	**539,562,910**

Reconciliation of carrying amount

	Shareholding (%)	**2020**	**2019**
Net assets	100 %	225,898,300	254,074,122
Group's shareholding in the company	50 %	112,949,150	127,037,061
Carrying amount of Group's shareholding	**50 %**	**112,949,150**	**127,037,061**

The OS-IX Group's property is classified as property, plant and equipment and measured at cost minus accumulated depreciation and impairment. The fair value of the property is NOK 211.1 million higher than the carrying amount included in the above summary of financial information as of December 31, 2020.

Summary of financial information in the consolidated financial statement of AE- Bulk Co-Invest AS on 100% basis in accordance with IFRS

Income statement:	2020	2019
Total income	**-**	**-**
Total expenses	**223,318**	**203,567**
Operating profit	**-223,318**	**-203,567**
Net financial items	**12,371,830**	**5,213,989**
Profit before income tax	12,148,512	5,010,422
Income tax expense	-	
Profit for the year	**12,148,512**	**5,010,422**

Balance sheet:		
Assets		
Non-current assets	41,432,855	32,061,046
Current assets	270,962	107,285
- Cash and cash equivalents	270,962	107,285
Total assets	**41,703,817**	**32,168,331**
Equity and liabilities		
Equity	41,616,248	32,167,738
Current liabilities	87,569	593
- current financial liabilities other that accounts payable and provisions	-	-
- non-current financial liabilities other then accounts payable and privisions	-	-
Total Equity and liabilities	**41,703,817**	**32,168,331**

Reconciliation of carrying amount

	Shareholding (%)	2020	2019
Net assets	100 %	41,616,248	32,167,738
Group's shareholding in the company	50 %	20,808,124	16,083,869
Carrying amount of Group's shareholding	**50 %**	**20,808,124**	**16,083,869**

Note 13

Derivative financial instruments

	2020	2019
Interest rate swaps	-14,580,755	-11,645,728
Total liabilities	**-14,580,755**	**-11,645,728**

	2020	2019
Nominal amount interest rate swaps	-40,560,000	-40,560,000
Total nominal amount	**-40,560,000**	**-40,560,000**

The Company receives floating interest and pay fixed interest

Note 14

Financial assets and liabilities

	Carrying amount as at 31.12.2020	Fair value as at 31.12.2020	Carrying amount as at 31.12.2019	Fair value as at 31.12.2019
Non-current financial assets				
Receivable from related Company - Parent Company	133,825,605	133,825,605	-	-
Other receivables - non-current	3,491,359	3,491,359	419,899	419,899
Investment in shares	1,249,170	1,249,170	1,249,170	1,249,170
Total non-current financial assets	**138,566,134**	**138,566,134**	**1,669,069**	**1,669,069**
Current financial assets				
Trade and other receivables	117,082,497	117,082,497	161,251,648	161,251,648
Cash and cash equivalents	73,561,381	73,561,381	458,607,304	458,607,304
Total current financial assets	**190,643,878**	**190,643,878**	**619,858,952**	**619,858,952**
Total financial assets	**329,210,012**	**329,210,012**	**621,528,021**	**621,528,021**
Non-current financial liabilities				
Bond loan	966,205,031	966,205,031	453,475,000	453,475,000
Borrowings	364,500,050	364,500,050	324,920,974	324,920,974
Other long-term liabilities	48,000,000	48,000,000	-	-
Derivative financial instruments	12,901,340	12,901,340	10,550,112	10,550,112
Total non-current financial liabilities	**1,391,606,421**	**1,391,606,421**	**788,946,086**	**788,946,086**
Current financial liabilities				
Trade payables	94,193,369	94,193,369	82,538,135	82,538,135
Short-term portion of borrowings	259,385,019	259,385,019	324,375,711	324,375,711
Short-term portion of derivatives	1,679,416	1,679,416	1,095,616	1,095,616
Other payables	174,614,899	174,614,899	169,869,125	169,869,125
Total current financial liabilities	**529,872,703**	**529,872,703**	**577,878,587**	**577,878,587**
Total financial liabilities	**1,921,479,123**	**1,921,479,123**	**1,366,824,673**	**1,366,824,673**

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 December 31, 2020 and carrying amount of the borrowings is considered not to be significantly different from the fair value.

Note 15

Trade and other receivables

	2020	2019
Trade receivables	13,750,842	15,524,783
Other current receivables	103,331,655	145,726,865
Trade and other receivables	**117,082,497**	**161,251,648**

Other current receivables consists of earned not invoiced revenue, VAT and other short-term receivables.

	2020	2019
Provision for impairment of trade receivables at 1.1	**60,443**	**110,443**
This years provision for receivables impairment	873,384	-
Loss on receivables	-	-
Reversal of prior years provision	-	-50,000
Provision for impairment of trade receivables at 31.12	**933,827**	**60,443**

Ageing of trade and other receivables

	Total	Not due	0-30d	30-60d	60-90d	>90d
2020	117,082,497	113,828,798	219,038	121,776	-	2,912,885
2019	161,251,648	156,603,691	2,378,085	-	1,868,645	401,227

Book value of trade and other receivables in the group's balance sheet is considered to provide a reasonable estimate of the fair value.

Note 16

Cash and cash equivalents

	2020	2019
Cash and cash equivalents	69,537,239	455,083,466
Restricted funds	4,024,142	3,523,838
Total	**73,561,381**	**458,607,304**

Note 17

Paid in equity, shareholders and retained earnings

	2020	2019
Share capital	2,630,242	2,630,242

Change in paid in equity and share premium:

	Total shares		Share capital (IN NOK)		Share premium	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Ordinary shares						
Issued stock and paid in capital						
At the beginning of the year	263,024,156	228,378,256	2,630,242	2,283,782	1,659,982,225	1,338,532,700
Group restructuring*	-	-	-	-	-3,351,011	-
Capital increase	-	34,645,900	-	346,460	-	321,449,525
At the end of the year	**263,024,156**	**263,024,156**	**2,630,242**	**2,630,242**	**1,656,631,214**	**1,659,982,225**

* see also note 1

The total numer of shares are 263 024 156, each valued at NOK 0,01, and NOK 2 630 242 in total share capital.

The company's shareholders at 31.12

Shareholder	Type of account	Country	Number of shares	Share %
Bulk Infrastructure Holding AS	Ordinary shares	Norway	263,024,156	100%

Note 18

Interest-bearing debt

	2020	2019
Total interest-bearing debt, nominal value	1,590,090,100	1,102,771,685
- of which hedged (fixed interest rate)	40,560,000	40,560,000
Hedge Ratio - hedge accounting is not applied	3%	4%
Average interest rate at floating rate, including margin (%)	3,6 %	5,0 %
Average remaining duration, borrowings (years)	4,5	4,5
Average remaining duration, hedging contracts (years)	12,0 years	13,0 years

Total interest-bearing debt, nominal value	1,590,090,100	1,102,771,685
First year instalments of debt (short-term)	259,385,019	324,375,711
Long-term interest-bearing debt excluding first year instalments	**1,330,705,081**	**778,395,974**

Maturity on long-term debt

	2020	2019
Year 2	26,363,492	165,142,010
Year 3-5	1,302,147,907	131,453,029
After year 5	2,193,682	481,800,935
Total	**1,330,705,081**	**778,395,974**

The recognized carrying amount of the assets pledged as security for liabilities as per 31.12

	2020	2019
Investment property	1,777,178,999	1,005,171,135
Total pledged assets	**1,777,178,999**	**1,005,171,135**
Borrowings secured with pledged assets	**1,590,090,100**	**1,102,771,685**

In addition to pledged investments property, the group has established priority pledge in the shares of subsidiaries, factoring and bank accounts.

Please refer note 5 for further info regarding the Groups covenants. For bond loan, refer note 29.

Note 19

Deferred tax

Changes in deferred tax.(-)tax assets	Loss carried forward	Investment property	Financial derivatives	Profit and loss account	Other items	Total deferred tax. (-)tax assets
1.1.2019	-68,899,654	65,270,893	-2,603,746	494,953	-3,686,146	-9,423,700
Changes in deferred tax	-32,622,050	26,064,914	41,686		5,139,724	-1,375,726
Change related to purchased.sold companies	36,253	4,613,936		-494,953		4,155,236
12.31.2019	**-101,485,451**	**95,949,743**	**-2,562,060**	**-**	**1,453,578**	**-6,644,190**

Changes in deferred tax.(-)tax assets	Loss carried forward	Investment property	Financial derivatives	Profit and loss account	Other items	Total deferred tax. (-)tax assets
1.1.2020	-101,485,451	95,949,743	-2,562,060	-	1,453,578	-6,644,190
Changes in deferred tax	-38,540,116	51,475,514	-645,706		4,371,743	16,661,436
Change related to purchased.sold companies						-
12.31.2020	**-140,025,566**	**147,425,257**	**-3,207,766**	**-**	**5,825,321**	**10,017,246**

Reconciliation net recognized deferred tax .(-)tax assets

	12.31.2020	12.31.2019
01.01.	-6,644,190	-9,423,700
Change related to sold companies	-	4,155,236
Deferred tax expense (income) recognized in profit and loss	16,661,436	-1,375,726
Net recognized deferred tax liability 31.12	**10,017,246**	**-6,644,190**

See note 26 for tax expense

Current income tax liabilities

	12.31.2020	12.31.2019
Current income tax	-	-
Change in prior years	-	-
Total current income tax liabilities	**-**	**-**

Loss carried forward

	12.31.2020	12.31.2019
No expiring date	-636,479,847	-461,297,503
Total loss carried forward	**-636,479,847**	**-461,297,503**

There is no deferred tax recognized in comprehensive income.

Note 20

Accounts payable and other payables

	2020	2019
Trade payables	94,193,369	82,538,135
Accrued salaries, public duties	28,261,537	52,968,435
Accrued expenses	74,494,093	59,814,004
Prepaid income	71,859,269	57,086,686
Total	**268,808,268**	**252,407,260**

Prepaid income primarily consist of prepaid fiber revenue related to IRU agreements.

Note 21

Options, contingent assets and contingent liabilities

The Group has options to acquire land on certain terms and conditions, both zoned and unzoned. The group is not obliged to exercise any of the options.

Note 22

Rental income

Recognized rental income	2020	2019
Recognized minimum rent from minimum payments	45,405,073	44,862,179
Recognized variable rent	-	-
Total income from rent	**45,405,073**	**44,862,179**

Future minimum payments to be received under non-cancellable leases:

	2020	2019
Within 1 year	67,572,793	39,990,554
During year 2	71,898,552	47,833,481
2 to 5 year	177,582,760	122,350,771
After 5 years	401,687,947	155,105,434
Total	**718,742,052**	**365,280,240**

Carrying amount of assets leased under operating leases are as follow:

	2020	2019
Investment property	1,777,178,999	1,005,171,135
Total	**1,777,178,999**	**1,005,171,135**

Note 23

Real estate related costs and other operating expenses

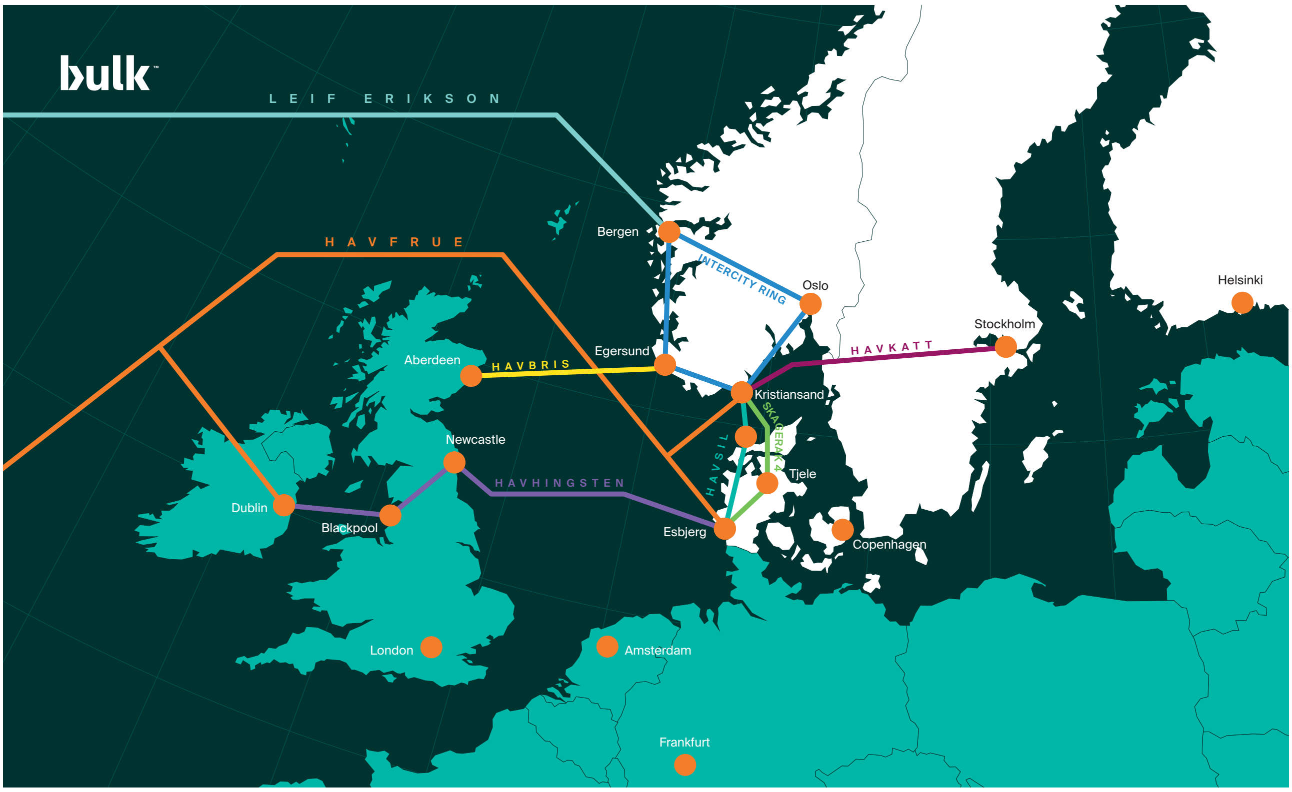
Administration costs:	**2020**	**2019**
Staff costs (see note 24)	65,088,883	66,089,721
Depreciation	32,245,999	27,305,611
Accounting, legal and consulting fees	24,062,016	29,101,688
Auditors	3,261,255	3,013,469
Depreciation right of use assets	6,386,740	3,101,642
Other operating expenses	25,957,719	20,405,490
Total other operating expenses	**157,002,612**	**149,017,620**

Audit fees	**2020**	**2019**
Statutory audit (including technical assistance with reporting)	2,497,055	1,973,484
Tax and other advice (including technical assistance with tax papers)	764,200	1,039,985
Total audit costs	**3,261,255**	**3,013,469**

The group as lessee - operating leases

Bulk has its offices in rented premises and is not a tenant of the group's owned properties.

The group recognised no operating expenses related to investment property that did not generate rental income in 2020.



Note 24

Employee benefit expense

	2020	2019
Salaries and remuneration	65,076,509	57,433,998
Social security costs	9,309,154	9,183,446
Pension cost for defined contribution plan	1,563,871	1,598,066
Other employee expenses	5,466,213	4,638,331
Capitalized wages	-16,326,864	-6,764,120
Total payroll costs	**65,088,883**	**66,089,721**
Number of employees at 31 December	58	56

Pursuant to the Norwegian Act on Mandatory Occupational Pension, Bulk Infrastructure Group AS, must operate certain pension plans. The company has plans which satify these requirements (a defined contribution plan for all employees).

Remuneration of senior management and the Board of directors 2020

Name	Title	Salary	Bonus	Pension	Board fee	Other benefits
Jon Gravråk	CEO	3,142,545	-	40,020	-	138,398
Gaute Krekling	CFO	1,797,941	21,217	39,360	-	109,514
Peder Nærbø	Chairman of the board	2,754,135	250,000	44,124	-	125,076
Torbjørn T. Moe	EVP Business Areas	2,431,279	426,716	43,572	-	130,370
Total		**10,125,900**	**697,933**	**167,076**	**-**	**503,358**

Remuneration of senior management and the Board of directors 2019

Name	Title	Salary	Bonus	Pension	Board fee	Other benefits
Jon Gravråk	CEO	2,890,427	223,215	39,672	-	144,474
Gaute Krekling	CFO (from 01.11.2019)	316,666	-	6,512	-	19,887
Peder Nærbø	Chairman of the board	2,603,864	523,680	43,620	-	131,884
Torbjørn T. Moe	EVP Business Areas	2,319,588	496,312	43,104	-	140,178
Total		**8,130,545**	**1,243,207**	**132,908**	**-**	**436,423**

Shares held by executive officers and directors

The following board members and chief executives have indirect ownership in Bulk Infrastructure Group AS:

			Ownership	Capital ratio
Peder Nærbø	Chairman of the board	indirect ownership	57,8 %	57,81%
Torbjørn T. Moe	Board member	indirect ownership	4,8 %	4,77%

CEO Jon Gravråk and CFO Gaute Krekling have ownership of 3% and 0,75%, respectively, of Klub Bulk AS, which indirectly owns 4,67% of the total number of shares in Bulk Infrastructure Group AS.

Note 25

Financial income and costs

	2020	2019
Share of profit/loss(-) of investments accounted for using the equity method	-7,874,511	1,736,477

Finance income	**2020**	**2019**
Interest income	7,381,363	2,288,590
Currency gain	8,605,518	
Other finance income	59,042	3,830,435
Total finance income	**16,045,923**	**6,119,025**

Finance costs	**2020**	**2019**
Interest expense on borrowings measured at amortised cost	44,252,023	32,000,965
Finance expense on derivatives	1,465,902	898,927
Currency loss	13,510,794	
Other finance costs	9,303,911	7,852,541
Total finance costs	**68,532,630**	**40,752,433**

Net financial items	**-60,361,218**	**-32,896,931**

Net gains / losses on financial assets / liabilities valued at fair value

Derivatives	**2020**	**2019**
Fair value adjustments on derivatives	-2,935,027	189,481
Net gain on financial instruments at fair value	**-2,935,027**	**189,481**

Note 26

Income Tax

	2020	2019
Tax payable	-	-
Change in deferred tax	-38,438,331	-41,379,919
Change in deferred tax due to Investment Property	51,475,514	44,869,760
Income tax expense	**13,037,183**	**3,489,841**
Profit before income tax	89,445,903	37,079,326
Income tax expense calculated at 22 %	19,678,099	8,528,245
Permanent differences	42,840,678	19,755,291
Non taxable revenue	-50,275,877	-24,793,695
Income tax expense	**13,037,183**	**3,489,841**
Effective tax rate	14,6 %	9,4 %

Effective tax rate is lower than the general Norwegian tax rate, mainly due to the fact that gain on sale of shares is exempted from tax.

See note 19 for deferred tax.

Note 27

Inventories

	2020	2019
Gravel	4,561,020	4,539,420
Inventory data center	1,370,952	1,029,329
Total Inventories	**5,931,972**	**5,568,749**

Note 28

Group as a lessee (IFRS 16 disclosure)

Right of use assets	**Seafiber**	**Office equipment**	**Land and buildings**	**Total**
Balance at 01 January	22,896,552	501,471	11,939,243	35,337,266
Depreciations	-1,509,663	-270,367	-1,959,966	-3,739,995
Balance at 31 December	**21,386,890**	**231,104**	**9,979,277**	**31,597,271**

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	**2020**	**2019**
Less than one year	4,217,127	4,366,233
Between one and five years	16,342,627	16,497,192
More than five years	26,301,099	30,363,662
Total undiscounted lease liabilities at 31 December	**46,860,853**	**51,227,087**
Lease liabilities included in the statement of financial position at 31 December	**32,878,327**	**36,331,606**

Amount recognised in profit or loss	**2020**
Interest on lease liabilities	2,026,202
Amount recognised in cash flow statement	
Total cash flow from leases	4,366,233

Other information

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

Note 29

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
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 is listed as of 15 September, 2020.

Note 30

Subsequent events after the reporting period

Events after the balance sheet date are events, favourable or unfavourable, that occurs betweenthe 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.

Bulk Infrastructure Holding AS, the holding company of Bulk Infrastructure Group AS, performed an equity issue of NOK 602.1 million registered on March 9, 2021. The equity issue was targeted existing share holders and employees. The equity issue secures the future funding of Bulk Infrastructure Group AS.

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

Bulk Infrastructure Group AS Financial statement 2020

Income statement

Operating income and operating expenses	**Note**	**2020**	**2019**
Sales revenue	7	43,493,270	-
Rental income		156,976	-
Other operating income		2,080,907	-
Total operating income		**45,731,153**	**-**
Personnel expenses	2	29,647,097	-
Depreciation of tangible and intanglible fixed assets	6	3,096,185	-
Other operating expenses	2	10,956,111	6,250,00
Total operating expenses		**43,699,393**	**6,250,00**
Operating profit/loss		**2,031,760**	**-6,250,00**
Financial income and expenses			
Income from subsidiaries	10	3,610,380	-
Income from associated companies	11	558,287	-
Interest income from group companies	9	48,369,658	-
Other interest income		448,268	-
Other financial income		34,200	-
Other interest expenses	13	30,459,796	-
Other financial expenses		3,014,634	-
Net financial items		**19,546,363**	**-**
Result before tax		**21,578,123**	**-6,250,00**
Tax expense	3	4,673,561	-
Result for the year		**16,904,562**	**-6,250,00**

Allocation of result for the year			
Allocated to other equity	5	16,904,562	-
Loss brought forward	5	-	6,250
Total brought forward		**16,904,562**	**-6,250**

Balance sheet

Assets	Note	2020	2019
Fixed assets			
Intangible assets			
Research and development	6	2,643,641	-
Licences, patents etc.	6	881,916	-
Deferred tax assets	3	35,053,190	-
Total intangible assets		**38,578,747**	**-**
Tangible assets			
Land, buildings and other real estate	6	9,130,019	-
Equipment., fixtures and fittings and other movables	6, 8	4,485,715	-
Total tangible assets		**13,615,733**	**-**
Financial fixed assets			
Investments in subsidiaries	8, 10	2,197,551,386	-
Loan to group companies	9	611,425,487	-
Investments in associated companies	11	9,290,155	-
Other long-term receivables	2	2,747,805	-
Total financial fixed assets		**2,821,014,833**	**-**
Total fixed assets		**2,873,209,313**	**-**
Current assets			
Receivables			
Accounts receivables		11,790	-
Other short-term receivables		2,404,821	-
Receivables from group companies	9	20,388,741	-
Total receivables		**22,805,351**	**-**
Investments			
Bank deposits, cash and cash equivalents			
Bank deposits, cash and cash equivalents	12	24,000,648	39,930
Total bank deposits, cash and cash equivalents		**24,000,648**	**39,930**
Total current assets		**46,806,000**	**39,930**
Total assets		**2,920,015,312**	**39,930**

Balance sheet

Equity and liabilities	Note	2020	2019
Equity			
Paid in equity			
Share capital	4, 5, 14	2,630,242	30,000
Share premium reserve	5	1,656,631,214	9,930
Total paid-up equity		**1,659,261,456**	**39,930**
Retained earnings			
Other equity	5, 14	126,885,512	-
Uncovered loss		-	-6,250
Total retained earnings	**5**	**126,885,512**	**-6,250**
Total equity		**1,786,146,968**	**33,680**
Liabilities			
Other long-term liabilities			
Bonds	13	966,205,031	-
Liabilities to financial institutions	9	141,551,977	-
Total of other long term liabilities		**1,107,757,007**	**-**
Current debt			
Trade payables		1,764,380	-
Public duties payable		2,550,543	-
Other current debt	13	21,796,414	6,250
Total current debt		**26,111,337**	**6,250**
Total liabilities		**1,133,868,344**	**6,250**
Total equity and liabilities		**2,920,015,312**	**39,930**

Oslo, March 25, 2021

The board of Bulk Infrastructure Group AS

Peder Nærbø
Chairman of the board

Indirect cash flow

	Note	2020	2019
Cash flows from operating activities			
Profit/loss before tax		21,578,123	-6,250
Ordinary depreciation	6	3,096,185	-
Change in accounts receivable		2,530	-
Change in accounts payable		1,981,386	-
Items classified as investment or financing activities	11	-558,287	-
Change in other accrual items		9,893,688	6,250
Net cash flows from operating activities		**35,993,624**	**-**
Cash flows from investment activities			
Dividend received	11	1,350,000	-
Proceeds from sale of shares and participations in other companies	10	29,062,626	-
Payments to buy shares and participations in other companies	10	-1,275,093,890	-
Payments to buy other investments	13	-100,000,000	-
Proceeds from the sale of other investments	13	118,000,000	-
Net cash flows from investment activities		**-1,226,681,264**	**-**
Cash flows from financing activities			
Proceeds from the issuance of new long-term liabilities	13	500,000,000	-
Proceeds from the issuance of new current liabilities		135,000,000	-
Repayment of current liabilities		-365,453	-
Proceeds from equity		-	39,930
Change in receivable related party	9	594,901,108	-
Net cash flows from financing activities		**1,229,535,655**	**39,930**
Cash effect Group restructuring - demerger	5	-14,887,297	-
Net change in cash and cash equivalents		23,960,718	39,930
Cash and cash equivalents at the start of the period		39,930	-
Cash and cash equivalents at the end of the period		**24,000,648**	**39,930**

Note 1

Accounting principles

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

GROUP RESTRUCTURING 2020
The former parent company in the group, Bulk Infrastructure AS, has performed a demerger in 2020. All assets and liabilities, except shares in Klub Bulk AS, have been transferred to the new Bulk Infrastructure Group AS. The merge was implemented from January 1, 2020 with full continuity for tax purposes and from an accounting perspective as of January 1, 2020. The transactions of the Transferor Company are treated for accounting purposes as being those of the Transferee Company. Comparative figures have not been updated.

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

BOND LOAN
The bond is measured by amortized cost according to the Norwegian Accounting Act chapter 5. Amortized cost calculated by effective interest rate is accepted in the standard assessment guidelines. The amortized cost of an asset is comprised by original cost, minus transactions between the parties (eg. payments, interest and fees), plus effective interest. An impairment would decrease the calculated value.

INTANGIBLE ASSETS
Expenditure on Research and Development is capitalised providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalised development costs are amortised linearly over the asset's expected useful life.

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment (PPE) are assets held for long-term ownership and use. PPE are valued at historical cost less subsequent depreciation and impairments. Historical cost includes expenditure directly attributable to the acquisition of the items. Depreciation is calculated based on estimated useful lives for the assets. Impairments occur when historical cost exceeds long-term fair value. Previous impairments may be reversed if there are significant changes in value.

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

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

RECEIVABLES
Receivables are recognized at fair value. A provision for impairment is established when objective evidence exists that the company will be unable to collect the entire amount due in accordance with the original terms of each receivable.

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

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

CHANGES IN ACCOUNTING PRINCIPLES
There were no changes in the accounting principles applied by the company in 2020.

CONSOLIDATED FINANCIAL STATEMENTS
Bulk Infrastructure Group AS is included in the consolidated financial statements of Bulk Infrastructure Holding AS and Bulk Industrier AS. The consolidated financial statements are available at www.bulkinfrastructure.com and www.bulkindustrier.no.

Note 2

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

Payroll expenses	**2020**	**2019**
Salaries / wages	36,422,699	-
Social security fees	4,811,791	-
Pension expenses	808,972	-
Other remuneration	1,282,219	-
Allocated saleries to other group companies	-13,678,585	
Total	**29,647,097**	**-**
Average number of employees during the financial year	18	-

Salaries and remunerations to executives*	**CEO**	**Board Chairman**	**Board members**
Salaries and bonuses	3,182,565	3,048,259	2,901,567
Other remunerations	138,398	125,076	130,370
Total	**3,320,963**	**3,173,335**	**3,031,937**

The board of Bulk Infrastructure Holding AS recieved a total board fee of NOK 875,000 in 2020

The CEO of Bulk Infrastructure Holding AS, Jon Gravråk, has a trade credit of NOK 1,022,326 pr 31.12.2020 in connection with the share scheme for employees owning shares in Klub Bulk. The trade credit is charged with a interest rate of 1,5% in accordance with the ”Normrente” set by the Tax Commision office.

* The CEO, Board Chairman and Board members receive salaries and remunerations from Bulk Infrastructure Group AS, but are formally registered as CEO, Board Chairman and Board members of the sparent company, Bulk Infrastructure Holding AS.

OTP (Statuatory occupational pension)
The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension (”lov om obligatorisk tjenestepensjon”). The company's pension scheme meets the requirement of this law.

Expensed audit fee
Expenses paid to the auditor for 2020 amounts to NOK 974,550,- excl.mva.

Statutory audit fee	536,550
Tax advisory	41,000
Assurance services	-
Other assistance	397,000
Total audit fees	**974,550**

Note 3

Tax

This year's tax expense	2020	2019
Entered tax on ordinary profit/loss:		
Payable tax	-	-
Changes in deffered tax assets	4,673,561	-
Tax expense on ordinary profit/loss	**4,673,561**	**-**
Taxable income:		
Ordinary result before tax	21,578,123	-6,250
Permanent differences	-308,343	-20,070
Changes in temporary differences	-4,860,080	-
	-16,409,700	-
Taxable income	**-**	**-26,320**
Payable tax in the balance:		
Payable tax on this year's result	-794,284	-
Payable tax on received Group contribution	794,284	-
Total payable tax in the balance	**-**	**-**

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

	2020	2019	Difference
Tangible assets	117,479	-	-117,479
Tangible assets from merger/demerger	-	1,359,218	1,359,218
Allocations and more	-4,729,342	-	4,729,342
Allocations and more from merger/demerger	-	-10,831,162	-10,831,162
Total	**-4,611,863**	**-9,471,944**	**-4,860,080**
Accumulated loss to be brought forward	-154,720,820	-26,320	154,694,500
Accumulated loss to be brought forward	-	-171,104,200	-171,104,200
Merger/demerger			
Not included in the deferred tax calculation	-	26,320	26,320
Basis for deferred tax assets	**159,332,684**	**-180,576,144**	**-21,243,460**
Deferred tax assets (22 %)	**-35,053,190**	**-39,726,752**	**-4,673,561**

Refer to note 1 for further explanations of the group restructuring

Note 4

Share capital and shareholder information

Share capital	Number	Nominal value	Book value
Ordinary shares	263,024,156	0,0100	2,630,242

Shareholders	Country	Number of shares	Share of capital %
Bulk Infrastructure Holding AS	Norway	263,024,156	100 %

Board Chairman, Peder Nærbø, has an indirect ownership of 57.8 % in Bulk Infrastructure Group AS

Note 5

Equity

Equity	Share capital	Share premium reserve	Retained earnings	Total equity
Equity 01.01	30,000	9,930	-6,250	33,680
Capital increase	2,600,242	1,656,621,284	109,987,200	1,769,208,726
Annual net profit/loss			16,904,562	16,904,562
Equity 31.12	**2,630,242**	**1,656,631,214**	**126,885,512**	**1,786,146,968**

The changes in equity in 2020 are due to group restructuring - demerger/merger. Refer to note 1 for further description.

Note 6

Fixed assets

	Land	Buildings	Moveables and machines	R&D and software	Total
Purchase cost 01.01		-	-	-	-
Additions	5,125,525	7,978,751	12,254,542	4,538,554	30,105,371
Disposals	-	-	-	-	-
Purchase cost 31.12	5,125,525	7,978,751	12,462,541	4,538,554	30,105,371
Acc. depr. 31.12	-	3,974,257	1,012,997	1,012,997	12,964,081
Book value 31.12	5,125,525	4,004,494	4,485,715	3,525,557	17,141,290
Depr. this year	-	581,145	2,142,203	372,837	3,096,185
	Not depreciated	*10-15 years, linear*	*3-5 years, linear*	*5 years, linear. not depreciated*	

Note 7

Transactions with related parties

Bulk Infrastructure Group AS provide services in accounting and administration to related companies and companies in the group. The services are priced according to current market conditions. In 2020, fees for accounting, administration and project management of NOK 33.000,276 have been recognized as income.

Note 8

Liabilities to credit institutions

	2020	2019
Liabilities secured by collateral:		
Debt to credit institutions	-141,551,977	-
Book value of collateral:		
Shares in subsidiaries	2,197,551,386	-
Cars	3,835,078	-
Total book value of collateral	**2,201,386,464**	**-**

Note 9

Debtors, liabilities, pledged assets and guarantees etc.

Long-term receivables with minimum maturity of 1 year
NOK 0 of receivables are due later than 1 year.

Long-term debt with minimum maturity of 5 years	**2020**	**2019**
Debt to credit institutions	-	-
Debt to group companies	-	-

Balances with group companies	**2020**	**2019**
Long-term claims on group companies	611,425,487	-
Accounts receivable from group companies	16,778,360	-
Claims on group contributions	3,610,381	-
Claims on associtated companies	-	-
Long-term debt to group companies	-	-
Short-term debt to group companies	-	-
Total	**631,814,228**	**-**

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

Note 10

Investments in subsidiaries, associates and joint ventures

Company	**Ownership. voting rights**	**Cost price**	**Writ-down**	**Book value**
Bulk Industrial Real Estate AS	100%	499,478,101	-	499,478,101
Bulk Data Centers AS	100%	933,391,617	-	933,391,617
Bulk Fiber Networks AS	100%	764,681,668	-	764,681,668
Sum		**2,197,551,386**	**-**	**2,197,551,386**

The companies are based in Oslo, Norway.

Company	**Book value**	**P.L for 2019 (100 %)**	**Equity pr. 31.12 (100 %)**
Bulk Industrial Real Estate AS	499,478,101	41,382,866	461,319,548
Bulk Data Centers AS	933,391,617	-81,965,334	799,866,660
Bulk Fiber Networks AS	764,681,668	-12,763,256	738,946,899
Sum	**2,197,551,386**	**-53,345,724**	**2,000,133,107**

Bulk Infrastructure Group AS has in 2020 received group contributions of NOK 3,610,381.

Note 11

Investments in associated company accounted for according to the equity method

Company	Location	Ownership	Voting rights
AE Bulk Co-Invest AS	Oslo, Norway	50%	50 %

Analysis of additional value:

Name of subsidiary:	**AE Bulk Co-Invest AS**
Balance sheet equity at the acquisition date	27,500
Identifiable fair value adjustments	-
Goodwill	-
Acquisition cost	**27,500**

Calculation of result portion for the year:

Name of subsidiary:	**AE Bulk Co-Invest AS**
Share of result for the year	558,287
Result portion for the year	**558,287**

Calculation of balance sheet value 31.12

Name of subsidiary:	**AE Bulk Co-Invest AS**
Balance sheet value 01.01	10,081,867
Share of the result for the year	558,287
Transfers to.from(-) the company (dividends,group contributions)	-1,350,000
Other changes during the year	-
Balance sheet value 31.12	**9,290,155**

Note 12

Restricted funds

Funds of NOK 1,576,184 restricted to employees taxes are included in the cash-post in the balance sheet.

Note 13

Bond loan

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

Spesification	
ISIN	NO001 10865876
Maurity date	10.15.2024
Amount	NOK 1,000,000,000
Coupon	Nibor 3 mnd + 4,5 %
Coupon type	FRN
Coupon Freqency	Quarterly
Trustee	Nordic Trustee AS

Financial covenants

Issuer's financial covenants:

Equity ratio > 35%

Security

Unsecured

Listing

The bond is listed as of 15 September, 2020

Note 14

Going concern

The covid-19 pandemic has not had a significant impact during the financial year.

Following this, the covid-19 pandemic is not considered to have raised an significant uncertainty regarding the company's ability to continue operations. The annual accounts have therefore been prepared on the assumption of going concern.

Responsibility statement by the Board of Directors - Bulk Infrastructure Group AS

The Board of Directors have today treated and approved the annual report and financial statements for Bulk Infrastructure Group AS (the parent company) and the Group, the consolidated accounts, as of December 31, 2020. The consolidated financial statements have 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 December 31, 2020. The financial statements for the parent company are prepared in accordance with relevant Norwegian laws and generally accepted accounting principles in Norway as of December 31, 2020.

The annual report for the Group and the parent company is in compliance with the Accounting Act.

To the best of our knowledge, we confirm that;

- the 2020 financial statements for the Group and the parent company are prepared in accordance with applicable accounting standards
- the provided information in the financial statements gives a true and fair view of the Group and the parent company's assets, liabilities, financial position and results of operations as of December 31, 2020
- the Board of Directors report provides the Group and the parent company a fair view of
  - development, performance and position of the Group and parent company
  - the most important risks and uncertainties the Group and the parent company faces

Oslo, March 25, 2021

The board of Bulk Infrastructure Group AS

Peder Nærbø

Chairman of the board

Munkedamsveien 45
Postboks 1704 Vika
0121 Oslo
www.bdo.no

Independent Auditor's Report

To the General Meeting in Bulk Infratructure Group AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bulk Infrastructure Group AS

The financial statements comprise:	In our opinion:
• The financial statements of the parent company, which comprise the balance sheet as at 31 December 2020, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the group, which comprise the balance sheet as at 31 December 2020, and income statement, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.	• The financial statements are prepared in accordance with the law and regulations. • The accompanying financial statements give a true and fair view of the financial position of Bulk Infrastructure Group AS as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. • The accompanying financial statements give a true and fair view of the financial position of the group Bulk Infrastructure Group AS as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
Fair value of investment property The group's investment property represents a substantial portion of the total assets and consists primarily of logistics properties, with a carrying amount of NOK 1 777 178 999 Fair value adjustments of investment properties will affect the group's results, and consequently the equity, significantly over the years. Valuation of investment properties requires use of estimates that are subject to judgment by management. Key assumptions for the fair value assessment of the individual property are primarily expected future cash flow and yield, as well as property specific information. Management's estimate is to a large extent based on valuations performed by an independent valuation firm. The complexity and the judgmental aspects of the valuation lead us to define this area as an important aspect of the audit. Note 8 to the consolidated financial statements further describes the methods and assumptions applied in the valuation.	We have assessed qualifications, competence and objectivity of the valuation firm and obtained, read and understood the valuation report from this firm. We have also assessed whether information used in the valuation is consistent with other information obtained by the group. Further, we have assessed the methodology, model, and assumptions applied by management when performing the estimate.
Valuation of PPE - fiber Fiber networks constitutes a major part of the property, plant equipment in the balance sheet. The carrying values are measured at cost. Fiber networks has a carrying amount of NOK 762 674 378. Book value is measured against the highest of fair value and value in use at the balance sheet date to identify potential impairment indicators. Depreciation plan and estimates are further described in note 9 to the consolidated financial statements. Fiber networks are initially recognized at cost. Carrying value is measured against the highest of market price and value in use at the balance sheet date to identify potential impairment indicators. Where there are available marked prices, these prices are used to substantiate the value. In cases were similar transactions are not available, the fiber networks are estimated based upon signed contracts with costumers, effective from the time of completion in 2020. Management has also based it's estimates upon valuations performed by independent valuation firms.	We have read and understood the underlying contracts with future costumers and thus, verified market prices available. We have assessed whether these marked prices support the book value of fiber. Further, we have verified acquisitions by matching the carrying amounts to underlying documentation. We have also assessed management assumptions applied when performing the valuation. We have assessed qualifications, competence and objectivity of the valuation firm and obtained, read and understood the valuation report from these independent valuation firms. We have also assessed whether information used in the valuation is consistent with other information obtained by the group. Further, we have assessed the assumptions used and the estimates performed by management.

The inherent uncertainty of the valuation made us define this as a key matter in our audit. We refer to further descriptions in note 6 to the consolidated financial statements.	
Valuation of PPE - Data Centers Data Centers constitute a major part of the property, plant equipment in the balance sheet. The carrying values are measured at cost. Data Centers has a carrying amount of NOK 617 167 692. Book value is measured against the highest of fair value and value in use at the balance sheet date to identify potential impairment indicators. Depreciation plan and estimates are further described in note 9 to the consolidated financial statements. The valuation was finalized by an independent valuation firm based on the forecasts estimated by management. The inherent uncertainty of the valuation made us define this as a key matter in our audit. We refer to further descriptions in note 6 to the consolidated financial statements.	We have assessed qualifications, competence and objectivity of the valuation firm and obtained, read and understood the valuation report from this firm. We have also assessed whether information applied in the valuation is consistent with other information obtained by the group. Further, we have assessed the methodology, model, and assumptions applied by management when performing the estimate.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, March 25th 2021
BDO AS

Johan Henrik L'orange
State Authorised Public Accountant

Bulk is racing to bring sustainable infrastructure to a global audience

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