bulk™

2021

Bulk Infrastructure Group AS **Annual Report**

Creative power

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Bulk Infrastructure Group AS **Annual Report 2021**

Creative power

Letter from the Founder and Executive Chair

Since the very beginning, Bulk has been built on our values, Respect, Creative Power and Passion. When we combine our values with our strategy of creating scalable and sustainable infrastructure solutions – something interesting happens. The work gives a motivation to succeed beyond personal success and it gives a greater sense of purpose. This has helped our company to succeed and attracted skilled and motivated people.

Our values give us a solid framework and shapes our decisions. They also provide our customers with a clear view of what they can expect from us.

I have always welcomed curiosity and discussions about new opportunities to excel our company. However, it is important that creative ideas do not take away focus and we need to weed out bad ideas and to turn the good ones into results. Therefore, I have always found openness to be an efficient process.

A business idea can be good or bad depending on many factors – demand, timing, complexity, risk factors that all determines its likelihood to succeed. Bad ideas usually get resistance from the beginning and can be quickly terminated, but with good ideas the opposite happens. It usually attracts people into conversations that gives valuable insight and introductions to others that helps to realize them.

This is what happened when Bulk went from one business of industrial real estate and expanded into data centers and fiber networks. The idea to create an extremely scalable digital infrastructure platform in the Nordics with data centers, renewable power and fiber highways seemed very unusual at the time.

Today Bulk is placed in highly attractive sectors with great demand, and we find ourselves in the center of the gravity for sustainable digital services in the Nordics.

We often say, "Bulk needs to be bigger than itself" as we wish to make an impact beyond our peers. Our subsea fiber routes to and from the Nordics is already such an example. What started as an idea, has given us valuable experience from working with some of the most advanced companies in the business and new creative ideas have evolved from it.

In October 2021, I visited the Canadian provinces of Quebec and Newfoundland & Labrador. I wanted to see for myself some of the World's biggest renewable energy production and test if a new subsea fiber cable could connect the two renewable giants in the World – Atlantic Canada and the Nordics. I took a road-trip of 1800 kilometres from Montreal to Happy Valley/Goose Bay along the trans-Labrador highway. On the way I met with Governments, local groups and businesses to discuss the idea of a new trans-Atlantic subsea cable called "Leif Erikson" from Norway to Canada. So far, the project has received a lot of support from stakeholders in Canada and on the international arena, so we are ramping up the work.

Creating the first trans-Atlantic subsea fiber cable running on 100% renewable energy and connecting Canada and Norway, "the World's biggest renewable batteries", might be an idea that will survive the pandemic.

"Since the very beginning Bulk has been built on our values respect, creative power and passion.

Peder Nærbø
Founder and Executive Chair

Letter from the CEO

Bulk is positioned for growth. In 2021 we have strengthened our financial muscles, recruited a number of talented people and built an organizational structure that is robust enough to handle the speed and complexity that success going forward entails.

All three business areas experience tailwind from global mega trends. Global e-commerce sales are growing at a rate of close to 40 per cent per year, making efficient logistics solutions even more important than for traditional retail. Digital growth continues in the double digits, and demand for redundant, high capacity and secure data transmission, storage and processing fuels both our Fiber Networks and Data Centers businesses.

At Bulk we have four overarching strategic priorities.

First, we will work hard every day to earn the right to serve existing and new customers with scalable and sustainable solutions. Customer success remains our top priority.

Second, we continue to develop our structures and way-of-working, so that all our businesses can rapidly scale with limited complexity. The Bulk-way is about combining great people with simple processes and tools to get the job done with minimum complexity. In 2021 I am especially proud of how we grew our team of capable, driven and inspiring Bulkies. Growing the organization with more than 20% during a year of Covid and home office is remarkable.

Third, we will remain creative and opportunistic in our investment approach to further add scalability to our asset portfolio. In 2021 we expanded geographically and we constantly look for new land and infrastructure opportunities to grow our portfolio and our sustainability impact throughout the Nordic region.

Fourth, sustainability remains a fundamental part of our vision and an inspiration for everything we do. Not only in terms of enabling renewable energy consumption for our Fiber Networks and Data Center customers, but indeed in terms of making new and innovative sustainability solutions in our infrastructure and buildings themselves. Important progress has been achieved in 2021 both with respect to heat re-use at our data centers and solar energy solutions to ensure renewable energy supply for the buildings we develop.

Going forward, we are excited about the opportunities to create positive impact at scale in all our business areas. At the same time, we are humble about the challenges and uncertainty we all face as a global community. We will use our creative power, passion and respect to everyday do our best to solve our customers' problems and to contribute to a more sustainable future for us all.

"First, we will work hard every day to earn the right to serve existing and new customers with scalable and sustainable solutions. Customer success remains our top priority.

Jon Gravråk
CEO

Group presentation

Bulk Infrastructure Group is a leading provider of sustainable digital infrastructure in the Nordics. We believe in the value creation opportunity of enabling our digital society to be fully sustainable.

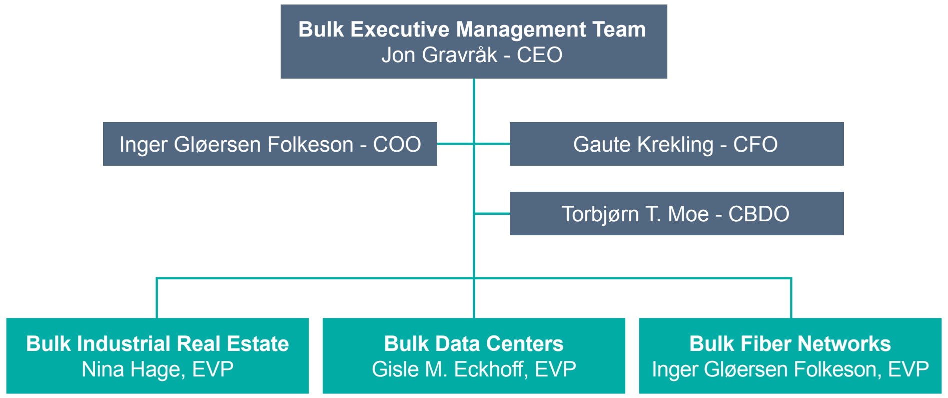
Win the customer
Our key focus is to win the customer every day. We are proud to have grown our customer base in all three business areas, e.g. DSV Solutions chose Bulk industrial Real Estate to build their logistics facility in Vestby, and our first customers went live on the Havfrue transatlantic subsea fiber system. We have established strategic partnerships, e.g. with DE-CIX, Europe's leading Internet Exchange (IX), who chose Bulk Data Centers for their Nordic expansion strategy. To support our customer growth, we have strengthened our customer facing organization, in particular in the data center business.

Scale the "Bulk Way"
Total book equity increased from NOK 1.7bn in 2020 to NOK 4.1bn in 2021. With this strong platform and a maturing business, the company structure was strengthened with three new EVPs in early Q3: Nina Cathrin Hage as EVP Industrial Real Estate from Solon Eiendom, Gisle M. Eckhoff as EVP Data Centers from Digiplex, and Inger Gløersen Folkeson as Group COO and EVP Fiber Networks from Telenor. In Bulk, we continuously improve core processes and capabilities, and in 2021 we maintained our certifications on ISO 9001, 14001, 22301 and 27001.

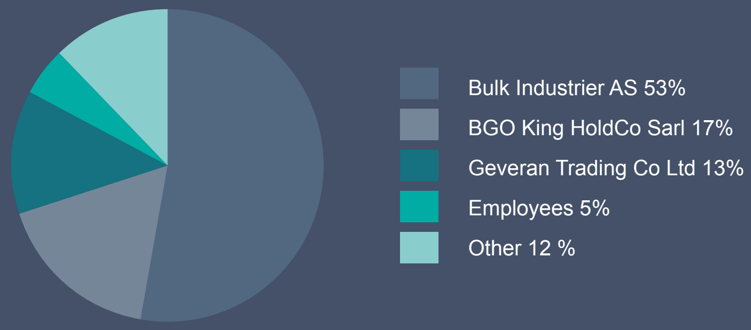
Create opportunity
We continue to invest in new land to create runways for new opportunities, both in Norway and Denmark. In Norway, Bulk Industrial Real Estate entered into agreements at Langhus, Danebuåsen and Vestby, to name a few. We also expanded our footprint in Copenhagen on the back of existing buildings and new zoned land opportunities. We continue to work on digital infrastructure opportunities, i.e. through new fiber systems such as the new Havsil cable from Kristiansand to Esbjerg, and powered land opportunities.

Lead on sustainability
Bulk makes sustainability a business, and always strives to be a frontrunner in the area. In January 2021, Stine Bjønnstu Holthe was announced as our new Head of Sustainability. During the year, we have established a fact-based baseline of our climate footprint, and embarked on energy efficiency projects to reduce our climate footprint. Bulk shares the sense of urgency of climate change, and we live our vision:

Racing to bring sustainable infrastructure to a global audience.



Bulk Infrastructure Group AS is owned by Bulk Infrastructure Holding AS, which has the following ownership structure:



Key Figures (Consolidated)

MNOK	2021	2020	%
Revenues	365.7	431.4	-15.2%
Operating Profit	1,215.2	152.7	695.6%
Profit after tax	936.8	76.4	1126.1%
Equity Ratio (%)	43.8%	48.6%	-4.9%
Number of employees	70	58	20.7%

Bulk Fiber Networks

Bulk Fiber Networks owns and controls dark fiber infrastructure with the purpose of enabling the Nordics for large scale data processing. Our over 10,000 kilometer of fiber infrastructure is modern with high capacity including both subsea and terrestrial systems.

In 2021 Bulk Fiber Networks has continued expanding its fiber networks while simultaneously planning for further expansion. The organization was strengthened when Inger Gløersen Folkeson was named as Group COO and EVP of Fiber Networks in Bulk Infrastructure in June.

The successful landing of the Havsil subsea cable from Hanstholm in Denmark to Kristiansand in Norway was achieved ahead of time in September. Havsil unlocks the shortest route from Norway to continental Europe. The terrestrial route in Denmark is finalized, running down Denmark's west coast, avoiding the more congested and traditional city routings. The endpoints include Bulk's highly scalable N01 data center campus in Kristiansand, Norway and the DK01 data centre in Esbjerg, Denmark.

The Havsil cable was selected by Arelion (Former Telia Carrier), supported by the Norwegian Communications Authority (NKOM), as the new main fiber system for Norway's international data traffic. Key rationale was to create a new diverse route that avoids going through Sweden, to ensure high uptime and low latency. This is also in line with Norway's ambitions of becoming a European central for data center investment as specified in its National Data Center Strategy.

In 2021 our first customers went live on the Havfrue transatlantic subsea fiber system. The system connects the USA and Denmark with branches to Ireland and Norway. Bulk is a co-builder of the system together with Aqua Comms, Facebook and Google.

Customers are now live on all segments of the Inter-City Ring terrestrial fiber system that connects four of Norway's largest cities: Oslo, Kristiansand, Stavanger and Bergen. The Inter-City Ring makes Bulk the natural partner for dark fiber to and through Norway, with a complete service offering including multiple modern and resilient telehousing, 24/7 Network Operations Center (NOC) and remote hands services.

In 2021 a pre-study was completed for the Leif Erikson subsea segment and successful stakeholder meetings was held in Canada. The Leif Erikson subsea system will connect two of the main renewable giants in the world, the Nordics and Atlantic Canada, in order to grow sustainable digital infrastructure driven by an abundance of renewable energy. The system will also secure a true diverse route avoiding the route similarities in other trans-Atlantic networks. The Leif Erikson project was shortlisted for the best ESG initiative at the Global Carrier Awards at Capacity Europe in London in Q4 2021.

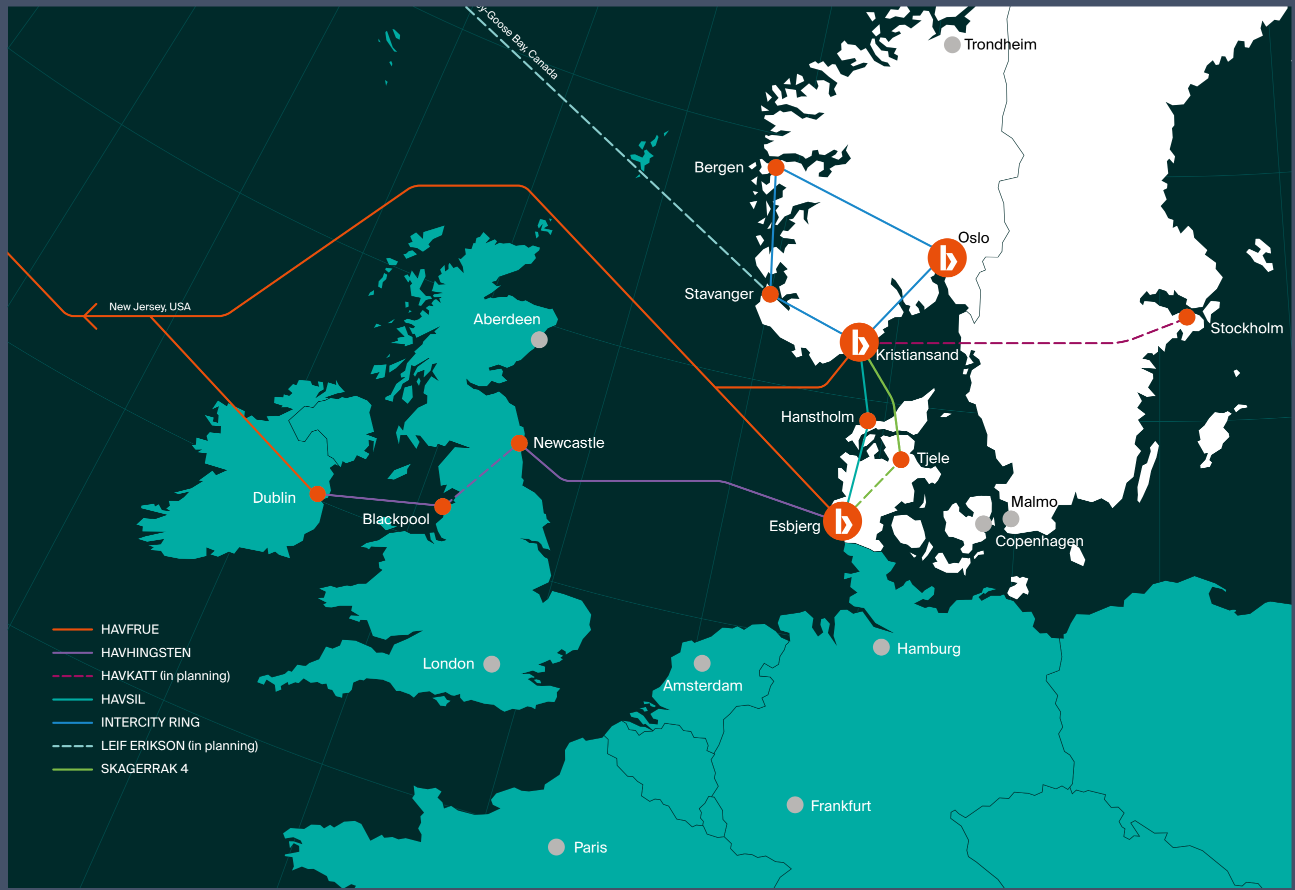
The global market for fiber capacity continues to grow quickly, driven by increased demand for low latency, high capacity and high quality secure data traffic. Bulk Fiber Networks' attractive offering is appreciated by customers worldwide.

Bulk's fiber networks unlock the Nordic region's sustainable data centers for customers globally. Low latency, high capacity fiber networks ensure that customers no longer need to rely on local data centers powered by non-renewable energy sources. High performance fiber cables also contribute to the fast growth of video conferencing, reducing unnecessary air travel and thereby CO2 emissions. When selecting suppliers, it is a requirement that their operations are run sustainably. Bulk takes care to reduce the environmental impact when fiber routes are planned both subsea and on land. Surveys are done in advance to avoid interfering with spawning grounds for fish and other sea animals.

Bulk Infrastructure Group AS **Annual Report 2021**

> The HAVSIL system is the new express route between Norway and continental Europe, offering the shortest high-capacity route in a sustainable way

Inger Gløersen Folkeson COO & EVP Bulk Fiber Networks



Bulk fiber map

Bulk Industrial Real Estate

Bulk Industrial Real Estate is a Nordic real estate developer and owner, specializing in industrial buildings, large modern warehouses, cross-dock terminals and logistics parks.

Bulk Industrial Real Estate's property portfolio increased by almost 150 per cent in 2021, from a value of NOK 1.8 billion at end 2020 to a value of NOK 4.2 billion at year end 2021.

The portfolio growth is a result of high contract signing activity and development of new projects, execution of our new acquisition activity, and a favourable sentiment for valuation of logistics real estate assets. In 2021, Bulk Industrial Real Estate crossed the 500,000 sqm threshold for signed newbuild projects since establishment, marking an important milestone.

2021 saw a total handover of nearly 40,000 sqm new builds including completion of Antra, Bulder verksted, PetXL, and Leman II, as well as Namron II and Sigurd Stave projects.

During the year, leases for almost 80,000 sqm were signed for new projects, increasing annual rent by NOK 85 million on a 100 per cent basis, including lease-agreement for 30,656 sqm with the first tenant for Jernholmen 49 in Copenhagen. The establishment in Copenhagen is another milestone, marking Bulk Real Estate's first expansion outside of Norway.

In 2021 Bulk Industrial Real Estate included acquisition of property with development potential as part of the strategy. The target list consists of strategic locations for industrial real estate projects in Norway, Sweden or Denmark. Snipetjernveien 3 and 9, a large logistics property of 26,000 sqm at Langhus, were acquired in June. Landskaugveien 33 at Enebakk, a plot of almost 26,000 sqm, with a logistics building of 4,000 sqm, was acquired in December.

Bulk Industrial Real Estate also own a highly strategic landbank for further development in core locations, totaling more than 1,5 million sqm. In Norway, Bulk is present in Trondheim, Nebbenes and Larvik as well as in the attractive area between Oslo Airport Gardermoen and the Swedish border, including Vestby, Enebakk and Gardermoen.

The organization has been strengthened to accommodate future growth. Nina Hage was appointed Executive Vice President of Bulk Infrastructure Group and Head of Industrial Real Estate. During the year the flag was planted in Denmark, with the recruitment of Thomas Hammer Tveit as Vice President with responsibility for the Danish market. Also, Torgeir Steen was recruited as Project Manager.

All Bulk projects with a size above 5,000 sqm are from 2021 BREEAM-NOR certified and equipped with roof solar panels as part of our standard offering. The first Bulk project with solar panels - Leman I – was finalized in 2021 and marks the future sustainable standard for new developments. The expansion Leman II has also been fitted out with solar panels, and around 60 per cent of the total energy consumption is now covered by solar energy. All larger new-buildings are designed to meet energy classification of A or B.

Sustainability is important also during the planning and construction phases. The environmental impact should be minimized during the construction process, and that starts with thorough planning. When construction is complete, investments are made to re-establish the ecological diversity surrounding the buildings.

The Bulk Module is a steel frame on a concrete foundation with sandwich panels, making construction efficient and maximizing flexibility for our customers. A project has been started to reduce the climate emission of the module even further. A pilot project has also been initiated to create a wood version of the Bulk Module. The planned wood constructions increase sustainability and will even include insect hotels to secure the local ecology.

"2021 saw a total handover of nearly 40,000 sqm new builds including completion of Antra, Bulder verksted, PetXL, and Leman II, as well as Namron II and Sigurd Stave projects.

Nina Hage EVP Bulk Industrial Real Estate

Park Lindeberg

Bulk Data Centers

Bulk Data Centers delivers ultra-flexible, highly connected, and massively scalable data center and colocation solutions. Powered by 100 % carbon free energy and backed by in-house expertise in data center design, engineering and operations.

Demand for data center capacity is experiencing double digit growth, fueled by digitalization and growing demand for cloud services. Gartner has estimated that global spending on data center systems will grow to USD 226 billion in 2022, an increase of 11.4 percent year on year.

Simultaneously, data center customers have become more sophisticated choosing data center providers that can deliver the highest levels of connectivity, security, stability and sustainability. In all these areas Bulk's data centers in Oslo, Norway (OS-IX), Kristiansand, Norway (N01) and Esbjerg, Denmark (DK01) have a competitive advantage.

DE-CIX, the world's leading Internet Exchange (IX) operator and home to the largest carrier and data center neutral interconnection ecosystem globally, chose Bulk in 2021 when they decided to enter the Nordic region. Their DE-CIX IX platforms will be housed in all three of Bulk's data centers.

In 2021 Bulk Data Centers expanded its new customer and existing base in all three locations. New customers include hyperscalers in search of highly connected points of presence (PoP) as well as global, regional and local businesses and public organizations.

Bulk Data Centers has strengthened its leadership team and the organization to help drive its ambitious growth plans. With a new office in Germany and the appointment of Gisle M. Eckhoff as Executive Vice President at Bulk Infrastructure Group and Head of Bulk Data Centers.

To support growth, it is important to secure sufficient energy capacity for all of Bulk's data centers. At N01, planning of increased energy capacity has been ongoing for several years, and capacity is currently being expanded by approximately 100 MW to be completed during 2022, and by several hundred MW in the coming years. Strategically located properties have been purchased in both Norway and Denmark to be prepared for the construction of further data centers to meet increasing demand.

The robustness of Bulk's data centers was evidenced by operations running uninterrupted throughout the pandemic.

Data center operations are energy consuming both with respect to powering servers but also keeping them sufficiently cool. Bulk Data Centers operates as energy efficiently as possible and explores heat re-use alternatives. Responsible and sustainable operations are important for customers, employees and Bulk.

Bulk Data Centers has signed letters of intent with companies that will be able to re-use heat from all sites. At N01, Bulk is exploring plans to establish a circular industry cluster where companies from various industries can benefit from re-using energy, which will be the first project of this kind in Norway.

When planning and constructing data centers, Bulk first consults with professional ecologists to ensure that the construction process may take place with the least environmental impact possible. When construction is complete, investments are made to re-establish the nature diversity surrounding the center.

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> Data center customers have become more sophisticated choosing data center providers that can deliver the highest levels of connectivity, security, stability and sustainability

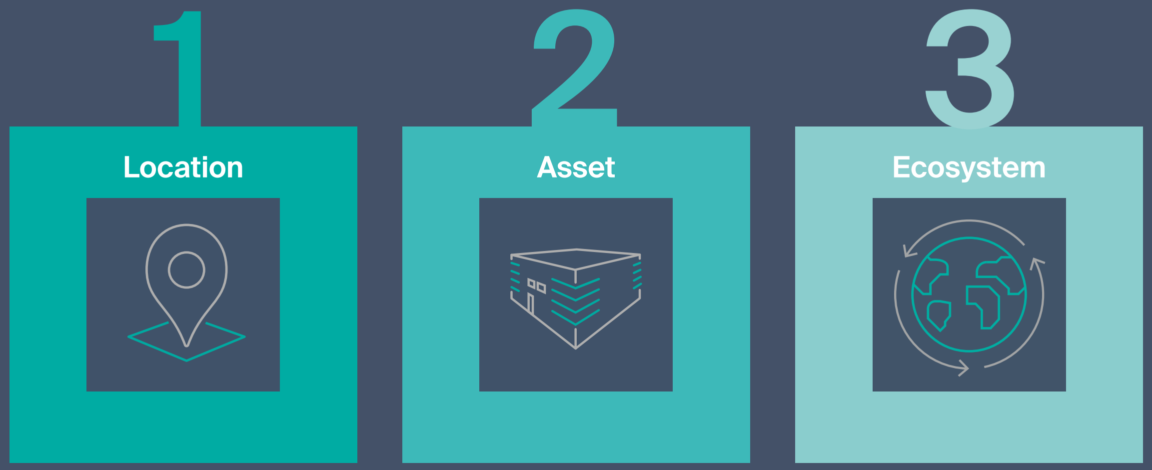
Gisle M. Eckhoff EVP Bulk Data Centers

Oslo Internet Exchange (OS-IX) in Oslo

Sustainability

Infrastructure is the backbone of modern society. A digital society needs supply chains, logistics facilities, data centers and fiber networks to function. Bulk provides this infrastructure with sustainable solutions run on renewable power. Bulk has developed a sustainability framework that has been applied to the environmental dimension. The processes relating to social and governance dimensions will be incorporated in the framework during 2022.

Bulk's sustainability framework consists of three perspectives; Location, Asset and Ecosystem.



Bulk Infrastructure Group AS **Annual Report 2021**

Location

Location is key to achieving sustainable solutions. Regions where renewable energy is available, such as the Nordic countries or Canada, provide locations that ensure a high level of sustainability from day one. These regions also offer a stable political environment, low climate risk and a well-developed legal and organizational framework that protects employees.

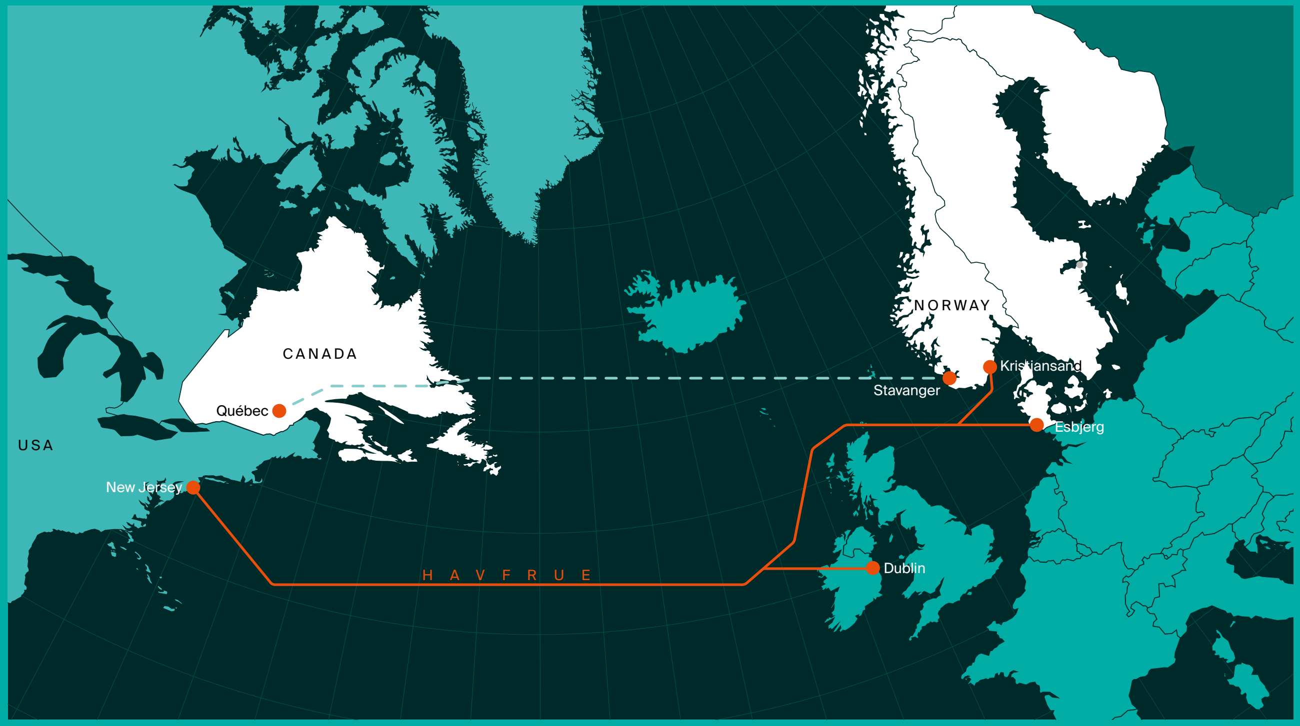
The need for digital infrastructure increases dramatically, and sustainable locations are necessary to avoid destructive environmental impact. A customer moving their data from a data center in central Europe to Norway will for example reduce their greenhouse gas emissions from power consumption by 96 per cent.

Fiber networks connecting the Nordics to the rest of Europe and Northern America ensure low latency and high capacity connectivity, enabling data center facilities powered by renewable energy.

The location of a logistics facility will affect greenhouse gas emissions from transport to and from the facility. Bulk's strategy is to find logistics locations as close to airports, ports, railway stations and major road networks as possible. Moving logistics facilities out of the city centers benefits urban development in major cities.

It is also important that the local environmental and biological impact is taken into consideration when deciding on the location of a logistics facility or a data center.

> "By moving gigabytes instead of gigawatts we are leveraging the advantages of the North such as renewable energy and cold climate
>
> **Peder Nærbø** Founder and Executive Chair



Bulk continues to explore new ways to enable digitalization on renewables.

Asset

When the location is decided, the next job is to minimize and optimize the use of resources in connection to the asset and avoid harm to the environment. Energy usage, protection of land and nature, usage and pollution of water and material management are focus areas.

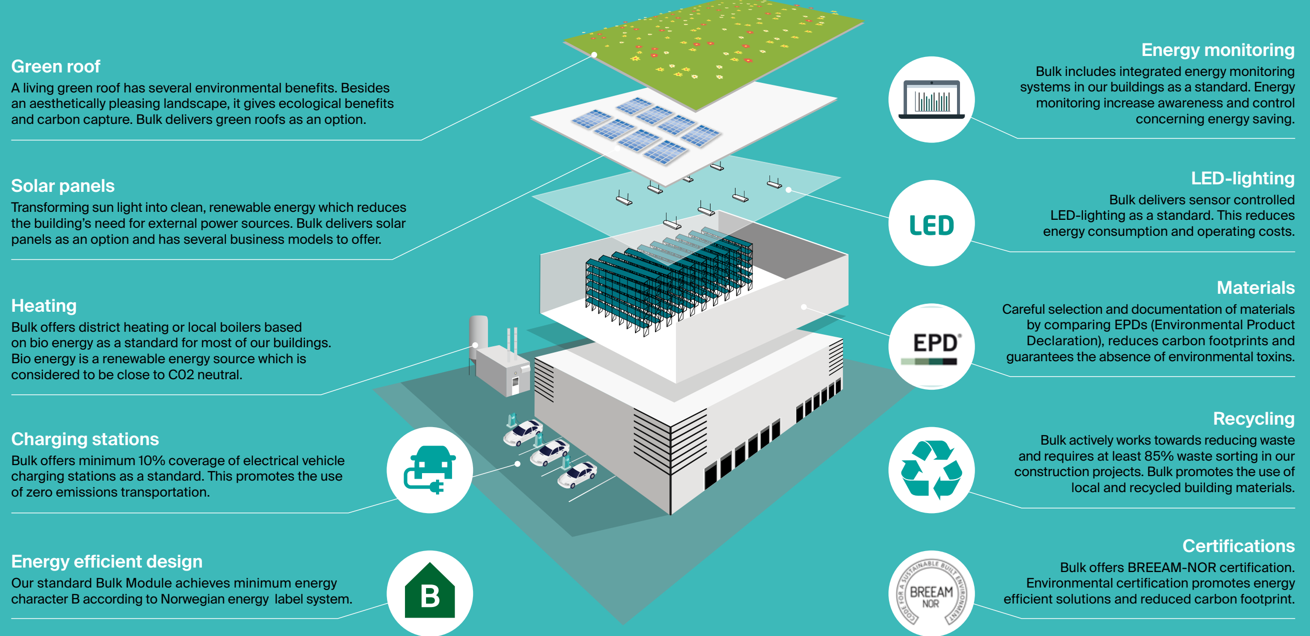
In 2021 Bulk started to map emissions for full scope 1-3 according to the Green House Gas Protocol. Scope 1 is direct emissions, scope 2 in indirect emissions from the grid, and scope 3 is indirect emissions not owned by Bulk. Climate targets towards net zero have been set and the full scope 1-3 climate account will be used to take action to optimize solutions and mitigate emissions.

A lesson learned from the mapping process was that scope 3 represents more than 90 per cent of all emissions and that getting hold of precise emission data is challenging. Bulk collaborates with the value chain and industry as a whole to get more accurate data.

Further documentation will be shared via www.bulkinfrastructure.com when available.

> The first Bulk BREEAM-NOR project, Leman I, was certified "Very-good" in 2019 and optimized with solar panels in 2021- this marks the future sustainable standard for new developments

Rune Bang Vice President Projects Industrial Real Estate



The standard Sustainable Bulk Building for Industrial Real Estate

Ecosystem

The third level of Bulk's sustainability framework is the Ecosystem. We create positive impact by choosing the right locations and optimizing the sustainability of our assets. However, significant impact can only be achieved by defining ourselves as part of a larger system and cooperating with partners, customers, suppliers and employees to change the way we all operate.

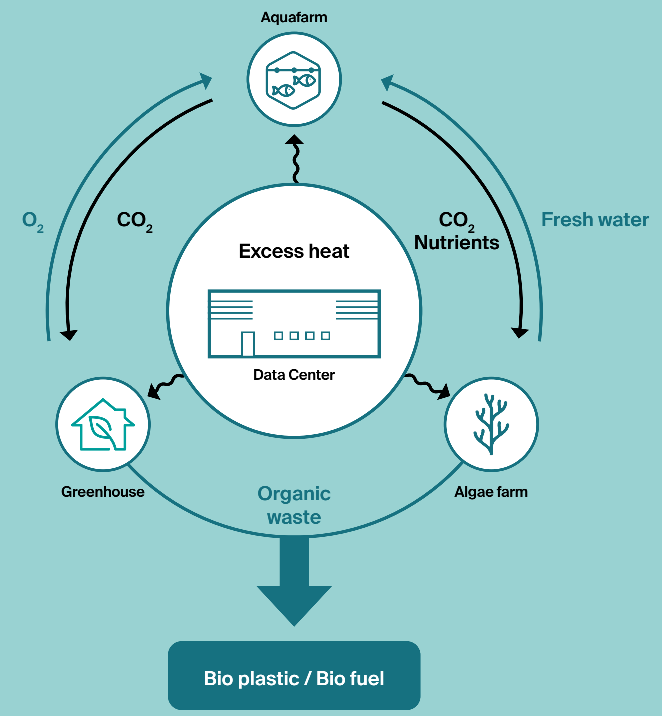
In 2021 Bulk conducted a study on circular industry clusters and mapped potential industries that can be part of such a cluster surrounding our data center N01 outside of Kristiansand in Norway.

By acquiring large areas of land surrounding the data center, Bulk was prepared from the beginning to welcome companies from other industries that can use the excess heat generated by the cooling systems as a resource in their own production processes.

Onsite renewable energy production, such as roof solar panels, will initially cover parts of a buildings' energy needs, but in the long run may also produce excess energy that can be supplied to the grid and benefit other parts of the ecosystem.

> Bulk wants contribute to something bigger than itself, and together with partners it is inspiring to see that we can contribute in new ways using our creative power

Stine Bjønnstu Holthe Head of Sustainability



Example of industries that can coexist in a circular ecosystem utilizing excess heat from Bulk's data centers

Board of Directors Report 2021 - Bulk Infrastructure Group AS

Business description

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

Our three Business Areas

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

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

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

Investment criteria

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

The investment criteria is set to ensure a mindset and focus to support the Company's long-term vision. The Company has a strong capital allocation capability that makes it robust to fundamental changes in market dynamics. The Company´s headquarter is in the city of Oslo in Norway.

2021 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 2.

- Total revenues of NOK 365.7 million compared to NOK 431.4 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 seven projects was finalized in 2021, while five new projects have been signed for 2022 in addition to three signed projects on existing properties. New and strategic land areas have been acquired in Norway during 2021 in addition to two existing properties. Two properties have also been sold during 2021.
- **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 2021.
- **Fiber Networks:** The Group has completed the Norwegian Inter-City Ring system with live customers on all segments. The Havfrue system connecting the US, Denmark and Norway, was completed in late 2020 and have been running un-interrupted with customer traffic in 2021. The last branch connecting Havfrue into Ireland is expected finalized during 2022. The subsea segment of the Havsil system connecting N01 (Norway) and DK01 (Denmark) was completed in 2021, ahead of schedule, while the terrestrial segment will be finalized early 2022. All Bulk fiber networks (completed and in operation) have been running without any interruption in services.
- **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.
- The COVID-19 pandemic had minor influence on the operations in 2021. It has not caused any critical incidents or situations in our deliverables or business continuity. The pandemic strategy has been to protect the employees and critical business activity. The Business Continuity corona team has been active also in 2021 and monitored and follow up the situation to mitigate the situation. Bulk has followed the national requirements and implemented home office and other infection control measures as required during the year. In addition the projects and operation has followed up on the supply chain to mitigate delays due to the Pandemic.

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 2021 status and The Group's long-term strategic forecasts for the years ahead. The Group has a solid financial position.

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 2021 signed new lease agreements of 80,000 sqm for new constructions and more than 60,000 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 the demand for goods bought online to continue to fuel market interest for our new build projects.

Data Centers - The underlying demand for data processing and storage infrastructure is fueled by the global megatrend of digitization. The Nordic market for data center capacity is expected to grow significantly going forward. At the macro level, the expected growth is driven by the global increase in need for data processing. Cool climate, energy surplus, sustainable energy mix (zero-emission), low electricity prices and political stability represents a strong value proposition for the Nordic region, positioning the region for an increasing share of the global data center market. Bulk Infrastructure Group AS has, through fully and partly owned subsidiaries, improved our position for taking a substantial market share of this growth going forward with new capacity developed in 2021 and 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 2021.

Fiber networks - The strong growth in data processing and storage drives the demand for new investments in underlying fiber infrastructure, including both subsea and terrestrial systems. Bulk is well positioned as a leading provider of large capacity transport fiber, both going into the Nordics and within the Nordics. Several of Bulk's new systems will be completed and become operational during 2022: The Havfrue System, connecting the US and the Nordics is fully operational between the US, Norway and Denmark. The remaining branch connecting into Ireland, will be ready for service in the second half of 2022. The Havsil Cable system, connecting Kristiansand and Esbjerg will be fully operational with live traffic early 2022. The same goes for the Havhingsten system connecting the UK and Ireland into Esbjerg. The Norwegian Inter-City Ring was fully completed and operational in 2021 and will see the last set of Telehousing units come in place during summer 2022. We continue to explore opportunities for new fiber network developments being strategic enablers for the Nordic data center market. The underlying recurring revenue growth across our fiber networks portfolio is positive with new Nordic and International customers added on our fiber systems during 2021.

Report on the annual accounts

Total income for The Group was NOK 365.7 million compared to NOK 431.4 million last year. The decrease of NOK 65.8 million mainly relates to lower revenue property sales of NOK 115.9, partly offset by increased rental income and increase in revenue from sales in the Data Centers area. NOK 274.7 million of total income is generated from Industrial Real Estate in 2021, compared to NOK 364.4 million last year. The Data Centers area generates a total income of NOK 82.2 million in 2021, compared to NOK 62.7 million in 2020. The increase in the Data Centers area is due to the refocusing towards long term internal growth and development. In the Fiber Networks area, we gained an income of NOK 7.0 million compared to NOK 2.9 million in 2020. The Group's operating profit was NOK 1,215.2 million in 2021 compared to NOK 152.7 million last year, while the annual net profit was NOK 936.8 million in 2021, an increase from NOK 76.4 million in 2020.

Industrial Real Estate contributes with a profit for the year of NOK 1,101.3 million in 2021, compared to NOK 207.8 million last year.

Fair value adjustment on investment properties were NOK 1,352.8 million in 2021, compared to NOK 217.7 million in 2020. The positive fair value adjustment is mainly related to several new signed customer contracts during 2021 and a positive development of the value of both yielding properties and strategic plots.

Total current assets were NOK 871.5 million as of December 31, 2021 compared to NOK 235.7 million as of December 31, 2020.

Total cash were NOK 870.0 million as of December 31, 2021 compared to NOK 216.2 million as of December 31, 2020. Cashflow from operations were negative with NOK 106.1 million in 2021 compared to positive NOK 194.6 million in 2020. The decrease is mainly related to reduced change in property under development related to sale of property compared to last year in addition to increased trade and other receivables. Cashflow from investments in 2021 is negative with NOK 1,208.3 million, of which NOK 1,093.0 million is related to purchase and improvement in investment property and NOK 321.3 million is related to purchase of fixed assets, mainly in the data center and fiber segment. Cashflow from financing is positive with NOK 1,935.7 million in 2021, mainly related to proceeds from borrowings of NOK 601.5 million and capital contribution from parent company of NOK 600.0 million.

The Group's total liabilities amounted to NOK 3,866.5 million as of December 31, 2021, compared to NOK 1,964.4 million as of December 31, 2020. The increase in mainly due to increased borrowings related to ongoing construction projects and investment property, non-registered capital contribution and debt to related party. 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 81.5 million in 2021 compared to NOK 55.0 million in 2020. The Group monitors its financial cost and is continuously working on financial structure.

Total assets at the end of the year amounted to NOK 6,874.2 million compared to NOK 3,822.3 million last year. The equity-to-assets ratio as of December 31, 2021 was 43.8 %, compared to 48.6 % as of December 31, 2020.

The Group's financial position is strong.

Research and development

The Group has invested resources and know-how into research and development during 2021. 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 9/91 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 2021. The Group's tenants normally pay quarterly and in advance. The lease agreements usually require an additional form of collateral or security.

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

Market risk

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

Rental Market for warehouses and logistic buildings
The Group is exposed to the risk of changes in lease and rental prices in the market. The Group has several long-term lease agreements in place. The weighted average lease term for tenants has increased from 7.0 years last year to 7.7 years as of December 31, 2021 due to several new signed long-term agreements. 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 2,7 % as of December 31, 2021, compared to 23.0 % as of December 31, 2020.

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

Bulk had a total of 70 employees at the end of year 2021. The Bulk workforce has increased with 15 new employees. In addition to permanent employees, over 30 consultants and 15 subcontractors performing operational services on Bulks behalf.

Bulk is committed to a goal of zero harm to people, assets, and the environment. The cornerstone of this objective is a strong, structured, and companywide HSE system, setting clear standards for HSE management and leadership. Regular audits aim to identify and help address potential shortcomings. Bulk is focused on continuous improvement and learning throughout the organization. The HSE culture is founded on the principle that HSE is personally responsibility for every employee.

In total Bulk had two injuries within our subcontractors related to the industrial real estate business. One of the injuries required medical treatment, and the other one caused lost workdays (lost time injury). Both persons recovered well.

Bulk is committed to a goal of zero harm to its employees, not just through accident prevention, but also through safeguarding employee's physical and mental health. One of the key priorities in 2021 was to also care for the mental health of employees during the pandemic. This included efforts to avoid negative effects of long-term use of home office and other precautions during the past year for significant numbers of employees. The employees have been offered home office equipment, such as extra screens and office chairs, to provide better working conditions. All employees of Bulk are covered by a health insurance with access to medical and mental health services and ergonomic treatments.

The sick leave amounted to 1,9% of the total work force in 2021 compared to 3,01% in 2020. As a result of the continuance of the pandemic, most of the employees have been working from home during larger periods of the year, with exception of critical operations personnel. With the COVID-19 pandemic, a key priority in 2021 was to safeguard employees and ensure that business continuity was maintained.

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

The employees of Bulk have 2 elected 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.

Bulk has all year People process. This entails focus on Engagement, Development and Appreciation. Bulk introduced a new and updated process for the People dialogue in 2021. The People dialogue will be an annual event in February every year.

The company introduced the Engagement & Satisfaction system Winningtemp in November 2021.

Winningtemp is based on artificial intelligence in combination with international studies on well-being. The employees receive a bi-weekly short questionnaire that is linked to 9 categories concerning Engagement & Satisfaction. The survey is done anonymously. Bulks aim in introducing a system such as this, is to measure and optimize the employee experience. This enables Bulks leaders to check in with our employees across countries, time zones, at the office or working from home.

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 want an independent party (KPMG) to receive their notice.

Gender equality and discrimination

Bulk is committed to equal career opportunities and work continuously on promoting a diverse and gender balanced workforce. Out of total recruitments in 2021, 43 percent were women. Bulk has successfully recruited and increased their gender balance from 26,8 percent in 2020 to 42 percent in 2021. The executive team increased from all men to 1/3 women.

Bulk will continue recruitment of female professionals and 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 aware of the importance of equal opportunities relating to promotions, performance, development opportunities as well as compensation & benefits. These areas are all assessed and reviewed once a year.

Environment reporting/ 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.

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

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

In August 2021, the United Nations Intergovernmental Panel on Climate Change (IPCC) launched its sixth main report. The report is clear — and Bulk shares the sense of urgency about climate change. Bulk works to protect the environment by offering products and services that promote the reduction of the environmental footprint of customers' operations where possible. There is commitment from the company to reduce its own internal emissions by control of its internal activities. In 2021, Bulk started to map its greenhouse gas emissions from our business activities according to the Greenhouse Gas Protocol. Both the mandatory scope 1 and 2, and indirect in scope 3.

Bulk has set the following climate targets:

- Net zero company by 2050
- 50% emission reduction from scope 1 and 2 by 2030
- 30% emission intensity reduction from scope 1, 2, and 3 by 2030

By taking action to reduce emissions and measuring the impact Bulk is gaining knowledge as we go on how fast we can reach net-zero, therefore the reduction targets will be revised yearly and becoming stricter so that we always strive to improve faster. Bulks reduction targets and pathway to net-zero will be align with the Science-Based Target Initiative (SBTI).

Through the Climate Neutral Data Center Pact, Bulk has committed the company to the European Green Deal. Bulk will contribute to achieving the ambitious greenhouse gas reductions of the climate law and leveraging technology and digitalization to achieve the goal of making Europe climate neutral by 2050.

A key priority in 2021 was analyzing the impact of the company on the Sustainable Development Goals (SDG), and setting targets and actions to mitigate our carbon footprint towards 2030. To ensure that we deliver projects and operate our business to high environmental standards

we will in 2022 further development this Environmental action plan and set ambitious targets and actions in the categories:

- Energy efficiency
- Material management
- Water management
- Protection of land and nature

Corporate governance - risk management and internal control

General
Bulk is subject to corporate governance reporting requirements according to the Norwegian Accounting Act, section 3-3b.

Bulk's board of directors believes that good Corporate Governance is a prerequisite for a sound and sustainable company and Bulk's corporate governance is based on openness and equal treatment of shareholders. Bulk's objective for Corporate Governance is accountability, transparency, fairness, and simplicity with the goal of maximizing shareholder value while creating added value for all in compliance with laws, regulations and ethical standards.

Governing structures and controls help to ensure that we run our business in justifiable and profitable manner for the benefit of employees, shareholders, partners, customers, and society.

Bulk is committed to operate in accordance with responsible, ethical, sustainable, and sound business principles, with respect for people, the environment, and the society. The work of the board of directors is based on the existence of a clearly defined division of roles and responsibilities between the shareholders, the board of directors and the company's management. Policies and procedures have been established to manage risks and the board of directors evaluate the overall risk management systems on a regular basis.

The board of directors ensures that Bulk has in place sound and appropriate internal control systems and systems for risk management. Having effective internal control systems and systems for risk management in place prevents 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. Bulk has implemented an Integrated Management System that are proportionate to and reflect the extent and nature of Bulk's activities. The Integrated Management System carries out processes to analyze: 1) the organizational context and strategic priorities; 2) the organization's interested parties and their requirements; and 3) the organization's risks and opportunities, including those which should be treated within the structure of its management system.

The internal control system also addresses the organization and execution of the company's financial reporting, as well as cover the company's corporate values, compliance with all laws and regulations that apply to the Group's business activities, ethical guidelines and principles of corporate social responsibility. Bulk's core values are clearly defined and are reflected in the Company's Code of Ethics. The Code of Ethics includes ethical guidelines and guidelines for corporate social responsibility, hereunder bribery and anti-corruption, unlawful discrimination and human rights, health, safety, and environmental issues.

The Group have a directors and officers liability insurance in place. The insurance coverage is NOK 75 million and cover all Group Companies within ownership of 50% or more. The insurance applies to board members, CEO, members of the Group Management and employees that may incur independent management responsibility. The directors and officer's liability insurance covers the entire world for Companies registered in Norway. It does not cover lawsuits filed in USA and Canada in accordance with American laws.

Corporate governance in Bulk is subject to regular review and discussion by the board of directors.

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

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.

Bulk will follow up all required activities Human rights and rollout standardized human rights training to all in 2022.

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

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.

Bulk engage in local initiatives like partnering with the Sustainability Festival in Kristiansand – and sponsoring Sustainathon for students, Global Goals World Cup and Sustainable Conference. Bulk also collaborate with a local university providing cases for Master theses and participate in local research projects – like Norce regarding hydrogen distribution and storage.

Subsequent events

Bulk Data Centers AS, the subsidiary of Bulk Infrastructure Group AS, acquired the remaining 50 % of associated company, OS-IX Eiendom Holding AS, from Akershus Energi on January 19, 2022. As such, Bulk Data Centers takes full ownership of OS-IX.

Bulk Infrastructure Group AS received a Capital contribution from parent company, Bulk Infrastructure Holding AS, in November 2021. The capital contribution is not registerred as of December 31, 2021. The capital contribution was formally registerred on February 2, 2022.

The Group established an incentive program in the end of 2021 with certain new employees. The program includes synthetic options which will be effective Januray 1, 2022. 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 loss for the year for Bulk Infrastructure Group AS amounting to NOK 12,844 thousand will be transferred as follows;

Other equity	-12,844
Total brought forward	**-12,844**

Oslo, March 24, 2022
The board of Bulk Infrastructure Group AS

Peder Nærbø
Founder and Executive Chair

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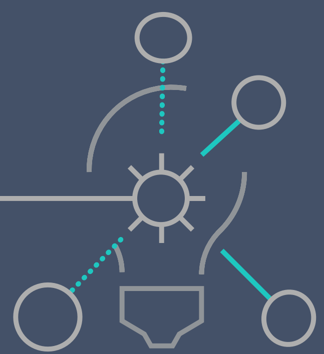

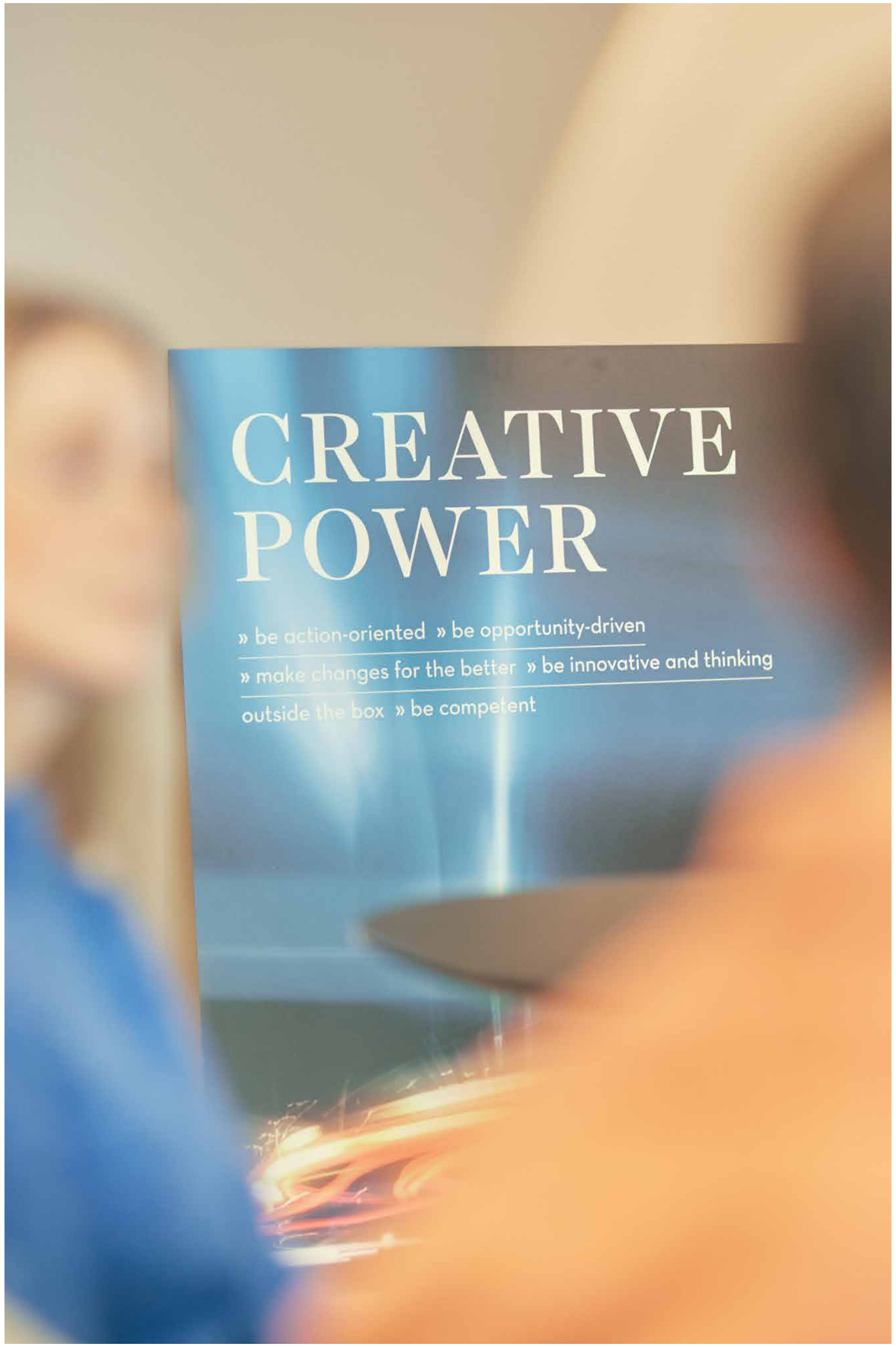

Bulk Infrastructure Group AS **Annual Report 2021**

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Consolidated statement of profit and loss

For the year ended 31 December 2021

(NOK '000)	Notes	2021	2020
Rental income	4,5	83,342	45,405
Revenue property sales	4,6	182,537	303,173
Revenue from sales	4	64,545	50,411
Other revenue	4	35,248	32,442
Total revenue and other income	**4,5**	**365,673**	**431,432**
Property-related expenses	4	12,269	4,159
Cost of property sales	4,6	173,883	261,575
Cost of sales	4	61,291	56,936
Other cost	7,8	255,805	173,673
Total expenses		**503,248**	**496,344**
Operating profit before fair value adjustments on investment properties		**-137,575**	**-64,912**
Fair value adjustments on investment properties	6	1,352,819	217,655
Operating profit		**1,215,243**	**152,742**
Share of profit/loss(-) of investments accounted for using the equity method	9	77,267	-7,875
Finance income	10	19,243	16,046
Finance costs	10	112,812	68,533
Fair value adjustments on derivatives	10	4,901	-2,935
Net financial items		**-11,402**	**-63,296**
Profit before income tax		**1,203,841**	**89,446**
Income tax expense	11	267,009	13,037
Profit for the year		**936,832**	**76,409**

Bulk Infrastructure Group AS **Annual Report 2021**

Consolidated statement of profit and loss

For the year ended 31 December 2021

(NOK '000)	Notes	2021	2020
Profit for the period		**936,832**	**76,409**
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation on foreign operations	4	-6,417	9,687
Other comprehensive income for the year, net of tax		**-6,417**	**9,687**
Total comprehensive income		**930,415**	**86,096**
Attributable to:			
Shareholders in the parent Company		768,729	86,096
Non-controlling interests		161,685	-
Earnings per share basic and diluted (NOK)	22	3,51	0,16

Manic-5 hydroelectric dam in Québec, Canada

Consolidated balance sheet

(NOK '000)	Notes	2021	2020
Assets			
Intangible fixed assets			
Goodwill	12,13	-	16,948
Other intangible assets	13	1,445	4,528
Total intangible assets		**1,445**	**21,475**
Other non-current assets			
Investment property	4,6	4,184,248	1,777,179
Property, plant & equipment	14	1,328,690	1,390,238
Investment in Associated company	9,15,28	289,212	247,040
Receivable from related party	16	10,497	133,826
Derivative financial instruments	16,26	1,139	-
Other receivables	16,17	12,616	3,491
Investment in shares	16	1,249	1,249
Right-of-use assets	18	175,101	31,597
Total other non-current assets		**6,002,752**	**3,584,621**
Total non-current assets		**6,004,197**	**3,606,096**
Current assets			
Inventories	19	5,484	5,932
Property under development - inventory	6	-	19,599
Receivable from related party	16	15,093	-
Trade and other receivables	16,20	154,564	117,082
Cash and cash equivalents	16,21	694,826	73,561
Total current assets		**869,967**	**216,175**
Total assets		**6,874,164**	**3,822,272**

Consolidated balance sheet

(NOK '000)	Notes	2021	2020
Equity and liabilities			
Paid in equity			
Ordinary shares		2,731	2,630
Share premium		1,856,531	1,656,631
Total paid in equity	**22,28**	**1,859,261**	**1,659,261**
Retained earnings			
Retained earnings		937,008	198,635
Total retained earnings		**937,008**	**198,635**
Non-controlling interests		**211,367**	**-**
Total equity	**22,28**	**3,007,636**	**1,857,897**
Non-current liabilities			
Bond loan	16,25	969,350	966,205
Borrowings	16,23,25	1,081,665	364,500
Derivative financial instruments	16,26	9,540	12,901
Lease liabilities	18	31,885	28,661
Contract liabilities	4	30,765	26,902
Other long-term liabilities	16,23	33,634	48,000
Deferred tax liabilities	11	290,451	10,017
Total non-current liabilities		**2,447,291**	**1,457,187**
Current liabilities			
Trade payables	27	74,927	94,193
Short-term portion of borrowings	16,23,25	140,618	259,385
Short-term portion of derivatives	16,26	1,279	1,679
Short-term portion of lease liabilities	18	8,144	4,217
Non-registered capital increase	28	400,000	-
Debt to related party	16	662,768	-
Contract liabilities	4	1,308	941
Other payables	16	130,192	146,772
Total current liabilities		**1,419,237**	**507,188**
Total liabilities		**3,866,528**	**1,964,375**
Total equity and liabilities		**6,874,164**	**3,822,272**

Oslo, March 24, 2022

The board of Bulk Infrastructure Group AS

Peder Nærbø

Founder and Executive Chair

Consolidated statement of changes in equity

(NOK '000)	Note	Paid in equity			Retained earnings			
		Share capital	Own shares	Share premium	Exchange differences on translation on foreign operations	Retained earnings	Non-controlling interests	Total equity
1/1/2020		**2,630**	**-110**	**1,659,982**	**-**	**120,942**	**7,500**	**1,790,944**
Profit for the period						76,409		76,409
Other comprehensive income - currency					9,687			9,687
Group restructuring - demerger/merger			110	-3,351		-11,551	-7,500	-22,292
Other changes						3,149		3,149
12/31/2020		**2,630**	**-**	**1,656,631**	**9,687**	**188,948**	**-**	**1,857,897**
1/1/2021		**2,630**	**-**	**1,656,631**	**9,687**	**188,948**	**-**	**1,857,897**
Profit for the period						775,147	161,685	936,832
Other comprehensive income - currency					-6,417			-6,417
Share issue	22	100		199,900				200,000
Sale of shares to minority						-35,073	49,681	14,608
Other changes						4,716		4,716
12/31/2021		**2,731**	**-**	**1,856,531**	**3,270**	**933,738**	**211,367**	**3,007,636**

Cashflow statement - consolidated

(NOK '000)	Note	2021	2020
Cash flow from operations			
Profit before income taxes		1,203,841	89,446
Adjust for:			
Depreciation and impairment	13,14	53,097	32,246
Fair value adj. on investment properties	6	-1,352,819	-217,655
Share of profit/loss(-) of investments accounted for using the equity method	9,10	-77,267	7,875
Finance income	10	-19,243	-16,046
Finance costs	10	112,812	68,533
Fair value change derivatives	10	-4,901	2,935
Cashflow before change in working capital		**-84,478**	**-32,666**
Change in working capital			
Trade and other receivables		-59,959	48,841
Trade and other payables		-24,466	-28,052
Property under development - inventory		62,759	206,520
Net cash flow from operations (A)		**-106,144**	**194,642**
Cash flow from investments			
Purchase and improvements of investments property	6	-1,093,011	-570,953
Sales credit purchase investment property		-	89,000
Sale of fiber infrastructure	14	206,074	-
Dividend received	9	650	1,350
Purchase of shares in associated companies		-761	-108,506
Purchase of fixed assets	13,14	-321,275	-266,562
Net cash flow from investments (B)		**-1,208,324**	**-855,671**
Cash flow from financing			
Sale of shares in group companies		62,493	-
Finance cost paid including interest paid on derivatives	10	-94,859	-68,533
Interest received	10	1,051	7,381
Proceeds from Borrowings	23	601,544	487,318
Change in other long-term liabilities		-14,366	-
Change in receivable related party		123,329	-
Change in payable related party		662,768	-
Principal paid on lease liabilities	18	-4,163	-2,340
Interest paid on lease liabilities	18	-2,064	-2,026
Cash effect demerger		-	-8,686
Share issue		200,000	-
Non-registered share issue		400,000	-
Dividend paid		-	-137,132
Net cash flow from financing (C)		**1,935,733**	**275,983**
Net change in cash and cash equivalents (A+B+C)		**621,265**	**-385,046**
Cash and cash equivalents at the beginning of the period		73,561	458,607
Cash and cash equivalents at the end of the period		**694,826**	**73,561**
Restricted funds	21	4,494	4,024

Certain items in the 2020 cashflow presentation has been altered to align with 2021 presentation.

Note 1

Corporate information

Bulk Infrastructure Group AS is a limited liability company registered in Norway. The head office of the company is in Karenslyst Allé 53, Oslo, Norway. The Company is the subsidiary of 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.

The covid-19 pandemic has not had any significant impact on the Group.

Bulk Industrial Real Estate is a Nordic real estate developer, specializing in industrial buildings, large modern warehouses, crossdock terminals and logistics parks. The business area was established in 2006 and has already developed and delivered to customers more than 500,000 m² of high quality, flexible and energy efficient facilities. As of December 31, 2021, additional 60,453 m² are under construction and ready to be handed over in 2022.

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 24, 2022.

Note 2

Accounting principles

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Bulk Infrastructure Group AS **Annual Report 2021**

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 are 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 2021
There are no new standards effective for the fiscal year 2021. However, there are several new amendments to standards and interpretations that are effective for the fiscal year 2021.

There have been amendments to the IFRS 4 - Extension of the temporary exemption from applying IFRS 9, and amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest rate benchmark reform - phase 2. Further, there has been amendments to 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. Control is determined by significant influence in another entity through majority of shares. 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. All entities of which the Group has ownership of at least 51 % is defined as a subsidiary. As of 2021, the Group has two subsidiaries in the Real Estate segment with 51 % ownership.

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. No business combinations were performed in 2021.

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 in accordance with IFRS 3. The acquisition cost is allocated to the acquired assets. No goodwill is calculated for this type of acquisition, 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 2021 the Group has carried out two acquisitions accounted for as purchase of single asset.

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 parties in the joint operation have joint control of the assets, and obligations for the liabilities, relating to the arrangement. The Group currently has such an ongoing project related to the transatlantic subsea system, Havfrue. Bulk recognizes our part, according to the Havfrue project agreement, of the assets and liabilities in the joint operation, as well as revenue and expenses. The accounting treatment is in line with IFRS 11.
- *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.

The balance sheet items of foreign subsidiaries are translated and consolidated with the year-end currency rate. The income statement is translated using the average currency rate for the period.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated to the year-end transaction date and recognized in other comprehensive income. Foreign exchange gains and losses are recognized in the income statement. The average exchange rate was 1.3631 DKK/NOK in 2021 (2020: 1.4382) and 11.9398 GBP/NOK in 2021 (2020: 12.0514). At 31 December 2021 an exchange rate of DKK/NOK 1.3432 (2020: 1.4071) and GBP/NOK 11.8875 (2020: 11.6462) was used for the valuation of balance sheet items.

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. Management conducts internal valuation based on input from projects on a quarterly basis.

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 depreciation 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 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.

As of December 31, 2021, the goodwill in the Group has been impaired in full based on the result of the yearly assessment.

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 two interest rate swaps related to loans in the Industrial Real Estate segment that is measured 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 asset 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 associated company. 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 changes 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 is transferd 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 comprises 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 in accordance with IFRS 15. 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 dark fiber (IRUs) and revenue from sales of data center services.

Revenue from sales of data center service is comprised of sale of data center services and related goods. These services consist of cooling, security, and access to fiber for the customer's data servers. The services are invoiced up-front monthly or quarterly, based on the contracts, and revenue accrued and recognized monthly. Further, electricity is invoiced monthly and settled based on annual calculation of actual consumption at the end of the year. The revenue is recognized 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. In addition, "smart hands" is offered to the customer, which is a service where data center personnel make immediate physical adjustments or maintenance on the server based on customer request. The service is invoiced and recognized at point of delivery.

Revenue from sale of dark fiber (IRUs) is recognized based on the classification of individual contracts as either financial or operational leases, in accordance with IFRS 16. 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 dark fiber over time. As of December 31, 2021, the Group has not considered any of the contracted IRUs to qualify as financial lease. As such, all IRUs are treated as operational, and revenue is recorded over the period of the IRU contract.

The group satisfies its obligations in contracts with customers regarding sale of dark fiber 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 common cost recharged. 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, leasehold improvements 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

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
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.
See also note 6.

Impairment considerations regarding property, plant and equipment

Data centers and fiber networks
At the end of each reporting period the Group will assess whether there is any indication of impairment. Identification of impairment indicators is based on an assessment of development in market rates, earnings for the data centers and sale of fiber networks, opex, operating profit, technological development, change in regulations, interest rates and discount rate. If any indication exist, the Group will estimate the recoverable amount of the asset. Recoverable amount is set as the highest of fair value less cost to sell and value in use. If carrying value exceeds the estimated recoverable amount, impairment is recognised. Impairments are reversed in a later period if recoverable amount exceeds carrying amount. As per year end 2020 and 2021 no indicators for impairment were identified.

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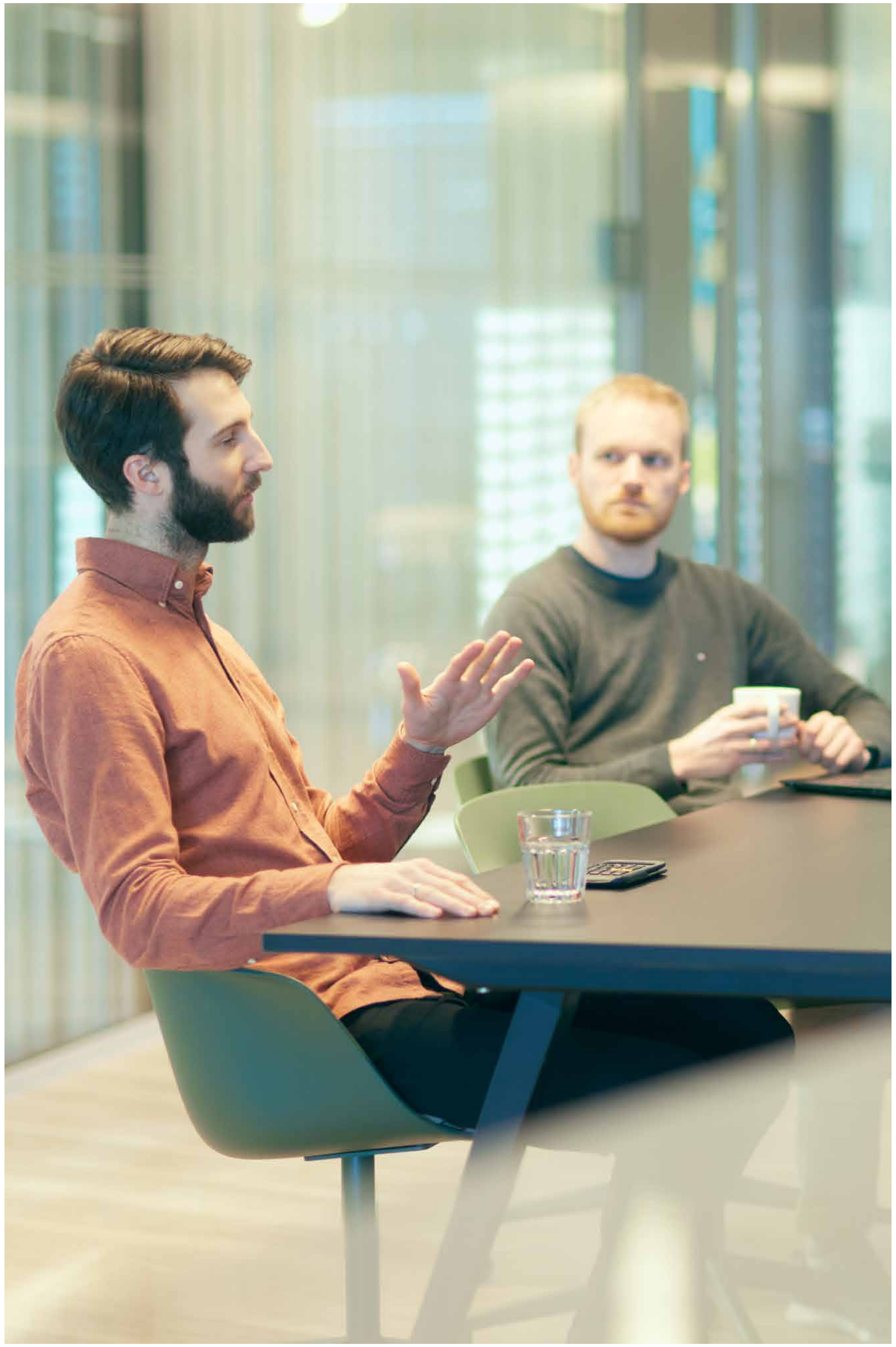

Bulk Infrastructure Group AS **Annual Report 2021**

Note 4

Segment information

Bulk Infrastructure Group has the following strategic operating segments by 31.12.21
presented in accordance with internal reporting to management

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

	Industrial Real Estate		Data Centers		Fiber Networks		Group/other		Eliminated		Total	
(NOK '000)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Rental income	83,342	45,405	-	-	-	-	-	-	-	-	83,342	45,405
Revenue property sales	182,537	303,173	-	-	-	-	-	-	-	-	182,537	303,173
Revenue from sales*	-	-	58,507	47,497	6,038	2,914	-	-	-	-	64,545	50,411
Other revenue*	8,852	15,823	23,712	15,205	943	-	60,777	43,569	-59,035	-42,156	35,248	32,442
Total revenue and other income	**274,731**	**364,402**	**82,219**	**62,703**	**6,981**	**2,914**	**60,777**	**43,569**	**-59,035**	**-42,156**	**365,673**	**431,432**
Property-related expenses	12,269	4,159	-	-	-	-	-	-	-	-	12,269	4,159
Cost of property sales	173,883	261,575	-	-	-	-	-	-	-	-	173,883	261,575
Cost of sales**	-	-	48,537	44,699	12,755	12,238	-	-	-	-	61,291	56,936
Other cost**	46,637	29,829	155,092	119,713	54,586	26,407	58,525	39,879	-59,035	-42,156	255,805	173,673
Total expenses	232,789	295,563	203,628	164,412	67,341	38,645	58,525	39,879	-59,035	-42,156	503,248	496,344
Operating profit before fair value adjustments on investment properties	**41,942**	**68,838**	**-121,410**	**-101,710**	**-60,360**	**-35,731**	**2,252**	**3,690**	**-**	**-**	**-137,575**	**-64,912**
Fair value adjustments on investment properties	1,352,819	217,655	-	-	-	-	-	-	-	-	1,352,819	217,655
Operating profit	**1,394,761**	**286,493**	**-121,410**	**-101,710**	**-60,360**	**-35,731**	**2,252**	**3,690**	**-**	**-**	**1,215,243**	**152,742**
Net financial items	**14,276**	**-37,316**	**-11,389**	**-29,722**	**-8,297**	**-15,765**	**-5,992**	**19,507**	**-**	**-**	**-11,402**	**-63,296**
Profit before income tax	**1,409,037**	**249,177**	**-132,798**	**-131,432**	**-68,657**	**-51,496**	**-3,740**	**23,197**	**-**	**-**	**1,203,841**	**89,446**
Income tax expense	307,719	41,369	-22,634	-22,054	-14,245	-10,952	-3,831	4,674	-	-	267,009	13,037
Profit for the year	**1,101,318**	**207,808**	**-110,164**	**-109,378**	**-54,412**	**-40,545**	**91**	**18,523**	**-**	**-**	**936,832**	**76,409**
Other comprehensive income	-1,082	-	-5,402	9,677	67	10	-	-	-	-	-6,417	9,687
Other comprehensive income for the year, net of tax	**-1,082**	**-**	**-5,402**	**9,677**	**67**	**10**	**-**	**-**	**-**	**-**	**-6,417**	**9,687**
Total comprehensive income	**1,100,236**	**207,808**	**-115,567**	**-99,701**	**-54,345**	**-40,535**	**91**	**18,523**	**-**	**-**	**930,415**	**86,096**

*Electricity income is reclassified from “Revenue from sales” to “Other revenue” in 2020 figures to align with 2021 presentation, which is deemed more appropriate for the nature of revenues.
**Electricity is reclassified from “Cost of sales” to “Other costs” in 2020 figures to align with 2021 presentation, which is deemed more appropriate for the nature of costs.

Please also see note 2 for further explanation of the segments

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Note 4 part 2

Revenue from contracts with customers

Set out below is the disaggregation of the group's revenue from contracts with customers.

Operating activities are based in Norway, Denmark and United Kingdom

Segments	**Industrial Real Estate**		**Data Centers**		**Fiber Networks**		**Group/other**		**Eliminated**		**Total**	
(NOK '000)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Rental income	83,342	45,405	-	-	-	-	-	-	-	-	83,342	45,405
Revenue property sales	182,537	303,173	-	-	-	-	-	-	-	-	182,537	303,173
Revenue from sales	-	-	58,507	47,497	6,038	2,914	-	-	-	-	64,545	50,411
Other revenue												
- Shared costs tenants	5,685	7,045	6,350	3,185	-	-	-	-	-	-	12,035	10,230
- Leasehold improvements	3,166	8,778	-	-	-	-	-	-	-	-	3,166	8,778
- Electricity*	-	-	16,293	12,021	-	-	-	-	-	-	16,293	12,021
- Business management/other	-	-	1,069	-	943	-	60,777	43,569	-59,035	-42,156	3,754	1,413
Total revenue from contracts with customers	**274,731**	**364,402**	**82,219**	**62,703**	**6,981**	**2,914**	**60,777**	**43,569**	**-59,035**	**-42,156**	**365,673**	**431,432**

*Electricity income is reclassified from "Revenue from sales" to "Other revenue" in 2020 figures to align with 2021 presentation, which is deemed more appropriate for the nature of revenues.

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

Vestby

Note 4 part 3

Revenue from contracts with customers continues

(NOK '000)	2021	2020	2019
Contract balances			
Trade receivables	-	-	-
Contract assets	-	-	-
Contract liabilities	32 073	27 843	12 431

Contract liabilities include long-term advances related to IRU contracts in the fiber segment where the Group delivers dark fiber on fiber networks. The outstanding balances of these accounts decreased in 2021 due to contract obligations on fiber IRU contracts, which were fulfilled during 2021.

The Group mainly operates with services which are subject to up-front payments. Rent in Industrial real estate is normally paid 3 months in advance. Customers in our Data centers are mostly contracted with monthly payments for the services. IRU contracts on fiber networks require up-front payment and the customer purchases the right to use the fiber for a specified amount of years. As such, there are no material trade receivables or contract assets related to contracts with customers recorded in the balance statement in 2021 or 2020. Refer also note 23, Credit risk.

	2021	2020
Amounts included in contract liabilities in the beginning of the year	941	622
Performance obligations satisfied in previous years	-	-

Note 5

Rental income

(NOK '000)	2021	2020
Recognized rental income		
Recognized minimum rent from minimum payments	83,342	45,405
Recognized variable rent	-	-
Total income from rent	**83,342**	**45,405**

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

	2021	2020
Within 1 year	150,688	67,573
During year 2	187,196	71,899
During year 3	157,188	63,265
During year 4	187,994	57,510
During year 5	181,827	56,807
After 5 years	924,354	401,688
Total	**1,789,248**	**718,742**

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

	2021	2020
Investment property	4,184,248	1,777,179
Total	**4,184,248**	**1,777,179**

Note 6

Investment property and inventories property

(NOK '000)	2021	2020
Investment property		
Fair value 1.1	1,777,179	1,005,171
Additions:		
- Capital expenditure	399,046	422,742
- Acquisition of property	693,965	148,211
- Minority share of acquisition of property*	18,702	-
- Sale of property	-	-
Transferred to property under development	-43,160	-16,600
Currency translation on property in foreign subsidiaries	-14,304	-
Changes in fair value	1,352,819	217,655
Fair value 31.12	**4,184,248**	**1,777,179**

*Minority interest purchased 49% of previously associated company.

Income and expenses from investment property		
Income from rent	83,342	45,405
Other revenue - shared cost tenants	5,685	7,045
Expenses related to leased property	12,269	4,159

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.

	2021	2020
Overview over input used for valuation		
Valuation level	3	3
Valuation model	DCF	DCF
Fair value as of December 31 *(NOK '000)*	4,184,248	1,777,179
Total sqm	220,247	93,997
Current rent per sqm (range)	444-2060	469-1145
Current rent per sqm (average)	972	836
Remaining lease period actual contracts (range)	0,8-17,7	2,4-18,1
Remaining lease period actual contracts (average)	7,7	7,0
Market rent per sqm (range)	464-1602	427-1145
Market rent per sqm (average)	1,109	854
Estimated CPI	5,1 %	2,0 %
Actual vacancy	1,8%	23,0 %
Valuation yield/discount rate (range)	4 % - 7 %	5 % - 8 %
Valuation yield/discount rate (average)	4,60%	5,67%

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%	-194	219
Market rent	+/- 5%	129	-127

(NOK '000)	**2021**	**2020**
Property under development		
Value 1.1	19,599	209,519
Additions:		
- Reclassification from invenstment property	43,160	16,600
- Additions	112,181	55,055
- Sale of inventory property under development	-174,939	-261,575
Inventory value 31.12	**-**	**19,599**

Note 7

Other operating expenses

(NOK '000)	**2021**	**2020**
Administration costs		
Staff costs (see note 8)	90,371	65,089
Depreciation (see note 13 and 14)	36,150	32,246
Impairment (see note 13)	16,948	-
Management, accounting, legal and consulting fees	31,934	24,062
Auditors	4,398	3,261
Depreciation right-of-use assets	4,243	6,387
Other operating expenses	71,761	25,958
Total other operating expenses	**255,805**	**157,003**
Audit fees		
Statutory audit (including technical assistance with reporting)	3,488	2,497
Tax and other advice (including technical assistance with tax papers)	910	764
Total audit costs	**4,398**	**3,261**

The group recognised no operating expenses related to investment property that did not generate rental income in 2021.

Note 8

Employee benefit expense

(NOK '000)	**2021**	**2020**
Salaries and remuneration	86,662	65,077
Social security costs	11,503	9,309
Pension cost for defined contribution plan	1,936	1,564
Other employee expenses	3,746	5,466
Capitalized wages	-13,476	-16,327
Total payroll costs	**90,371**	**65,089**
Number of employees at 31 December	70	58

Pursuant to the Norwegian Act on Mandatory Occupational Pension, Bulk Infrastructure Group AS, must operatecertain 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 2021

Name	**Title**	**Salary**	**Bonus**	**Pension**	**Board fee**	**Other benefits**
Jon Gravråk	CEO	3,233	913	35	-	151
Gaute Krekling	CFO	2,106	182	35	-	124
Peder Nærbø	Executive Chair	2,758	2,669	35	150	80
Torbjørn T. Moe	Chief Business Development Officer	2,484	413	35	150	144
Nina Hage*	EVP, Industrial Real Estate	1,042	-	28	-	8
Gisle M. Eckhoff*	EVP, Data Center	833	-	22	-	4
Inger Gløersen Folkeson*	COO, EVP Fiber Networks	721	-	18	-	41
Total		**13,177**	**4,176**	**209**	**300**	**551**

*Nina Hage was employed 02.08.2021. Gisle M. Eckhoff was employed 01.09.2021. Inger Gløersen Folkeson was employed 16.08.2021.

Remuneration of senior management and the Board of directors 2020

Name	**Title**	**Salary**	**Bonus**	**Pension**	**Board fee**	**Other benefits**
Jon Gravråk	CEO	3,143	-	40	-	**138**
Gaute Krekling	CFO	1,798	21	39	-	**110**
Peder Nærbø	Executive Chair	2,754	250	44	-	**125**
Torbjørn T. Moe	EVP Business Areas	2,431	427	44	-	**130**
Total		**10,126**	**698**	**167**	**-**	**503**

In the event of resignation, the CEO, CFO and the EVPs are entitled to 6 months of salary.

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	Executive Chair	52,7%	52,7%
Torbjørn T. Moe	Board member	3,7%	3,7%

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.

Mangement has shares in Klub Bulk AS. There is an agreement in place regarding future repurchase of shares in Bulk Infrastructure Holding AS at market price. The agreement runs over 5 years, of which 3 years remain.

Note 9

Joint venture and associated companies

(NOK '000)	Foundation / Acquisition date	Country	Office location	Owner-ship	Book value 1.1	Share issues / dividends	Share of net profit after tax	Book value 31.12
Associated companies 2021								
OS-IX Eiendom Holding AS*	11/20/2015	Norway	Oslo	50%	118,717	-	-1,356	117,361
AE Bulk Co-Invest AS	11/2/2016	Norway	Oslo	50%	19,817	-650	18,449	37,616
Bulk Park Enebakk AS**	7/6/2020	Norway	Oslo	50%	108,506	-34,445	60,174	134,235
Total					**247,040**	**-35,095**	**77,267**	**289,212**

Figures on 100% basis in accordance with NGAAP

		Assets	Liabilities	Equity	Total income	Net Profit
Company						
OS-IX Eiendom Holding AS	-Parent company only	360,539	10,088	350,451	-	436
AE Bulk Co-Invest AS	-Parent company only	28,829	-	28,829	-	9,290
Bulk Park Enebakk AS	-Parent company only	314,924	156,443	158,480	-	-5,431
Total		**704,292**	**166,532**	**537,760**	**-**	**4,296**

*Refer note 28 for additional information on associated companies regarding changes in ownership.

**A demerger was performed in Bulk Park Enebakk AS resulting in the establishement of a new company where Bulk Industrial Real Estate AS has the controlling ownership share. Refer note 15 for further information.

(NOK '000)	Foundation / Acquisition date	Country	Office location	Owner-ship	Book value 1.1	Share issues / dividends	Share of net profit after tax	Book value 31.12
Associated companies 2020								
OS-IX Eiendom Holding AS	11/20/2015	Norway	Oslo	50%	132,666	-	-13,949	118,717
AE Bulk Co-Invest AS	11/2/2016	Norway	Oslo	50%	15,093	-1,350	6,074	19,817
Bulk Park Enebakk AS	7/6/2020	Norway	Oslo	50%	-	108,506	-	108,506
Total					**147,758**	**107,156**	**-7,875**	**247,040**

Figures on 100% basis in accordance with NGAAP

		Assets	Liabilities	Equity	Total income	Net Profit
Company						
OS-IX Eiendom Holding AS	-Parent company only	352,169	1,147	351,022	-	887
AE Bulk Co-Invest AS	-Parent company only	20,927	88	20,839	-	1,117
Bulk Park Enebakk AS	-Parent company only	373,875	160,543	213,332	-	240
Total		**746,971**	**161,778**	**585,193**	**-**	**2,243**

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

(NOK '000)	2021	2020
Income statement:		
Total income	**56,382**	**46,985**
Total expenses	**53,767**	**65,095**
Operating profit	**2,615**	**-18,110**
Net financial items	**-6,092**	**-17,734**
Profit before income tax	**-3,477**	**-35,845**
Income tax expense	**-765**	**-7,947**
Profit for the year	**-2,712**	**-27,898**
Balance sheet:		
Assets		
Non-current assets	553,530	498,139
Current assets	29,562	34,487
- Cash and cash equivalents	12,962	27,870
Total assets	**583,092**	**532,626**
Equity and liabilities		
Equity	233,643	225,898
Current liabilities	49,449	34,462
- current financial liabilities other than accounts payable and provisions	31,589	20,617
Non-current liabilities	300,000	272,266
Total Equity and liabilities	**583,092**	**532,626**

Reconciliation of carrying amount

	Shareholding (%)	2021	2020
Net assets	100%	233,643	225,898
Group's shareholding in the company	50%	116,821	112,949
Carrying amount of Group's shareholding	**50%**	**116,821**	**112,949**

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, 2021.

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

(NOK '000)		**2021**	**2020**
Income statement:			
Total income		-	-
Total expenses		**141**	**223**
Operating profit		-141	-223
Net financial items		37,039	12,372
Profit before income tax		36,897	12,149
Income tax expense		-	-
Profit for the year		**36,897**	**12,149**
Balance sheet:			
Assets			
Non-current assets		20,777	41,433
Current assets		28,829	271
- Cash and cash equivalents		28,829	271
Total assets		**49,607**	**41,704**
Equity and liabilities			
Equity		49,607	41,616
Current liabilities		-	88
- current financial liabilities other that accounts payable and provisions		-	-
- non-current financial liabilities other then accounts payable and privisions		-	-
Total Equity and liabilities		**49,607**	**41,704**
Reconciliation of carrying amount			
	Shareholding (%)	**2021**	**2020**
Net assets	100%	49,607	41,616
Group's shareholding in the company	50%	24,803	20,808
Carrying amount of Group's shareholding	**50%**	**24,803**	**20,808**

Summary of financial information in the consolidated financial statement of Bulk Park Enebakk AS on 100% basis in accordance with IFRS

(NOK '000)		**2021**	**2020**
Income statement:			
Total income		**2,303**	**-**
Total expenses		**1,265**	**-**
Operating profit before fair value adjustments on investment properties		**1,037**	
Fair value adjustments on investment properties		163,353	
Operating profit		**164,390**	**-**
Net financial items		-10,098	12,372
Profit before income tax		**154,292**	**12,372**
Income tax expense		-33,944	-
Profit for the year		**120,348**	**12,372**
Balance sheet:			
Assets			
Non-current assets		438,264	41,433
Current assets		30,696	271
- Cash and cash equivalents		14,184	271
Total assets		**468,960**	**41,704**
Equity and liabilities			
Equity		236,161	41,616
Current liabilities		6,430	88
- current financial liabilities other that accounts payable and provisions		6,158	-
Non-current liabilities		226,369	-
Total Equity and liabilities		**468,960**	**41,704**
Reconciliation of carrying amount			
	Shareholding (%)	2021	2020
Net assets	100%	236,161	41,616
Group's shareholding in the company	50%	118,081	20,808
Carrying amount of Group's shareholding	**50%**	**118,081**	**20,808**

Note 10

Financial income and costs

(NOK '000)	2021	2020
Share of profit/loss(-) of investments accounted for using the equity method	77,267	-7,875
Finance income		
Interest income	1,051	7,381
Currency gain	16,589	8,606
Other finance income	1,603	59
Total finance income	**19,243**	**16,046**

	2021	2020
Finance costs		
Interest expense on borrowings measured at amortised cost	74,540	44,252
Finance expense on derivatives	2,711	1,466
Currency loss	31,311	13,511
Other finance costs	4,250	9,304
Total finance costs	**112,812**	**68,533**
Net financial items	**-16,303**	**-60,361**

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

	2021	2020
Derivatives		
Fair value adjustments on derivatives	4,901	-2,935
Net gain on financial instruments at fair value	**4,901**	**-2,935**

Note 11

Tax

(NOK '000)	Loss carried forward	Investment property	Financial derivatives	Profit and loss account	Other items	Total deferred tax/ (-)tax assets
Changes in deferred tax.(-)tax assets						
01.01.2020	-101,485	95,950	-2,562	-	1,454	-6,644
Changes in deferred tax	-38,540	51,476	-646		4,372	16,661
31.12.2020	**-140,026**	**147,425**	**-3,208**	**-**	**5,825**	**10,017**

	Loss carried forward	Investment property	Financial derivatives	Profit and loss account	Other items	Total deferred tax. (-)tax assets
Changes in deferred tax.(-)tax assets						
1.1.2021	-140,026	147,425	-3,208	-	5,825	10,017
Changes in deferred tax	-34,718	307,046	1,078		-6,398	267,009
Change related to purchased/sold companies	135	13,290	-	-	-	13,425
31.12.2021	**-174,608**	**467,761**	**-2,130**	**-**	**-572**	**290,451**

	31.12.2021	31.12.2020
Reconciliation net recognized deferred tax .(-)tax assets		
01.01.	10,017	-6,644
Change related to sold companies	13,425	-
Deferred tax expense (income) recognized in profit and loss	267,009	16,661
Net recognized deferred tax liability 31.12	**290,451**	**10,017**

See note 26 for tax expense

	31.12.2021	31.12.2020
Current income tax liabilities		
Current income tax	-	-
Change in prior years	-	-
Total current income tax liabilities	**-**	**-**

	31.12.2021	31.12.2020
Loss carried forward		
No expiring date	-793,674	-636,480
Total loss carried forward	**-793,674**	**-636,480**

There is no deferred tax recognized in comprehensive income.

(NOK '000)	**2021**	**2020**
Income tax		
Tax payable		
Change in deferred tax	-40,037	-38,438
Change in deferred tax due to Investment Property	307,046	51,476
Income tax expense	**267,009**	**13,037**
Profit before income tax	1,203,841	89,446
Income tax expense calculated at 22 %	264,845	19,678
Permanent differences	101,282	43,635
Non taxable revenue	-99,118	-50,276
Income tax expense	**267,009**	**13,037**
Effective tax rate	22,2%	14,6 %

Note 12

Goodwill and impairment

Impairment testing for cash-generating units containing goodwill

At the beginning of the year, 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:

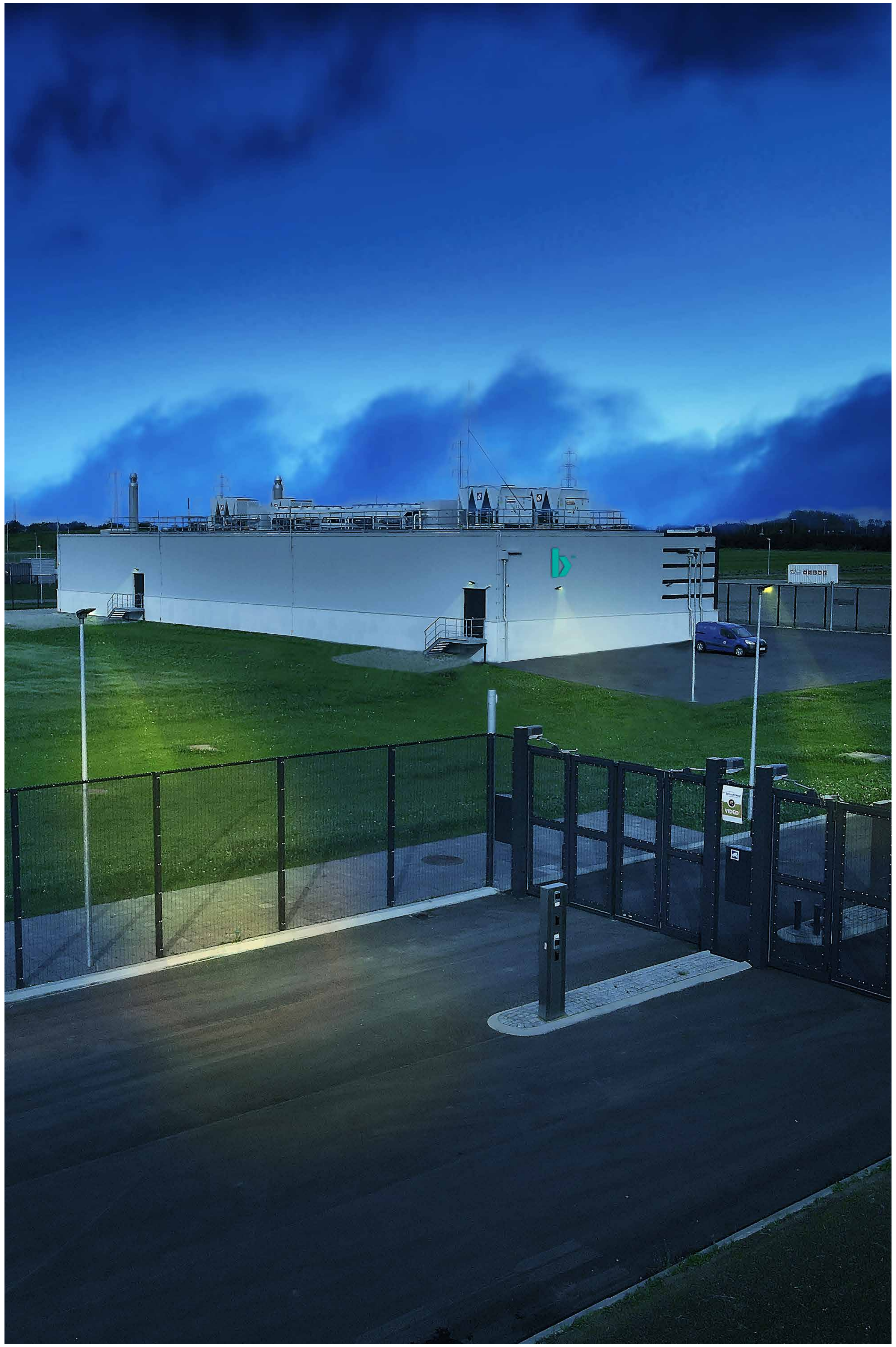
The estimated cash flows included in the impairment test includes a five years projection based on the long term business plan. Estimated cash flow projections beyond the period covered by the most recent long term business plan are derived by extrapolating the projections based on the forecasts using a growth rate of 2.5 % 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 etc. was used to determine the best estimate. The WACC was calculated to 8.2% after tax. The following parameteres were applied:

- Risk free rate: 1.72 %. 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: 3.0% 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 is below the carrying amount. The cashflow is negative due to changes in the structure in the DC segment. The value is transferred to the units of data centers, and assumed to generate value here instead of in DCT. Further, the value and cashflow is no longer possible to trace and isolate to the acquired company. As such, we have decided to recognize a full impariment of the goodwill.

Refer also note 13.



DK01 Campus in Esbjerg, Denmark

Note 13

Intangible assets

(NOK '000)	Goodwill	Software licenses	Other intangible assets	Total
Cost				
Balance at January 1, 2020	16,948	1,857	3,159	21,964
Additions	-	38	536	574
Balance at December 31, 2020	16,948	1,895	3,695	22,538
Balance at January 1, 2021	16,948	1,895	3,695	22,538
Additions	-	-	2	2
Reclassification to PPE	-	-	-2,644	-2,644
Balance at December 31, 2021	16,948	1,895	1,053	19,896
Accumulated amortization and impairment				
Balance at January 1, 2020	-	640	-	640
Amortization charge for the year	-	373	49	422
Balance at December 31, 2020	-	1,013	49	1,062
Balance at January 1, 2021	-	1,013	49	1,062
Amortization charge for the year	-	367	74	441
Impairment	16,948	-	-	16,948
Balance at December 31, 2021	16,948	1,380	123	18,451
Net book value				
At January 1, 2020	**16,948**	**1,216**	**3,159**	**21,324**
At December 31, 2020	**16,948**	**882**	**3,646**	**21,475**
At December 31, 2021	**-**	**515**	**930**	**1,445**

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 14

Property, plant & Equipment

(NOK '000)	Datacenter buildings	Datacenter technical infrastructure	Datacenter land	Under con-struction	Other fixed assets	Fiber infra-structure	Total
Accumulated cost							
Balance at January 1, 2020	66,737	165,906	95,533	238,317	21,836	599,512	1,187,841
Additions	7,796	58,241	7,771	20,447	1,109	170,623	265,988
Disposals	-	-	-	-	-		-
Other adjustments - VAT	9,357	393	479	126	-	-	10,355
Transfer from assets under construction	131,723	94,156	7,109	-232,988	-	-	-
Balance at December 31, 2020	**215,612**	**318,696**	**110,893**	**25,902**	**22,945**	**770,135**	**1,464,184**
Balance at January 1, 2021	215,612	318,696	110,893	25,902	22,945	770,135	1,464,184
Additions	4,013	112,533	11,871	39,047	2,782	151,026	321,273
Disposals	-	-	-	-	-	-206,074	-206,074
Other adjustments - currency	-6,414	-371	-208	-368	-	-428	-7,789
Reclassification from intangible assets	-	-	-	2,644	-	-	2,644
Reclassification to ROU asset*	-	-	-	-	-	-136,434	-136,434
Balance at December 31, 2021	**213,212**	**430,859**	**122,556**	**67,224**	**25,727**	**578,227**	**1,437,804**
Accumulated depreciation							
Balance at January 1, 2020	6,886	27,421	1,330	-	7,736	3,219	46,592
Depreciation charge for the year	3,873	17,876	1,020	-	4,812	4,242	31,824
Other adjustments - currency	-823	-3,467	-180	-	-	-	-4,470
Balance at December 31, 2020	**9,935**	**41,831**	**2,170**	**-**	**12,549**	**7,461**	**73,946**
Balance at January 1, 2021	9,935	41,831	2,170	-	12,549	7,461	73,946
Depreciation charge for the year	8,129	14,753	866	-	3,212	8,749	35,709
Other adjustments - currency	-126	-393	-21	-	-	-	-540
Balance at December 31, 2021	**17,939**	**56,191**	**3,015**	**-**	**15,761**	**16,210**	**109,114**
Net book value							
At January 1, 2020	**59,851**	**138,485**	**94,203**	**238,317**	**14,100**	**596,293**	**1,141,249**
At December 31, 2020	**205,678**	**276,865**	**108,723**	**25,902**	**10,396**	**762,674**	**1,390,238**
At January 1, 2021	**205,678**	**276,865**	**108,723**	**25,902**	**10,396**	**762,674**	**1,390,238**
At December 31, 2021	**195,273**	**374,668**	**119,542**	**67,224**	**9,966**	**562,017**	**1 328,690**
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.

*Part of the terrestrial fiber infrastructure that is leased, has been reclassified to Right-of-use asset in accordance with IFRS 16.

Note 15

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 IX AS	Oslo	100,0 %
Bulk Vestby Nord AS	Oslo	100,0 %
Bulk Langhus AS	Oslo	100,0 %
Snipetjernveien 3 AS	Oslo	100,0 %
Bulk Danebuåsen AS	Oslo	100,0 %
Bulk Enebakk AS	Oslo	100,0 %
Bulk Landskaugveien AS	Oslo	100,0 %
Bulk Vestby II AS*	Oslo	51,0 %
Bulk Park Enebakk II AS**	Oslo	51,0 %
Bulk Data Centers AS	Oslo	100,0 %
N01 Services AS	Oslo	100,0 %
N01 Utilities AS	Oslo	100,0 %
N01 Real Estate AS	Oslo	100,0 %
N01 Power AS	Oslo	100,0 %
Bulk Facility Services AS	Oslo	100,0 %
Oslo Internet Exchange AS	Oslo	100,0 %
DK01 ApS	Esbjerg, Denmark	100,0 %
Bulk Innovation AS	Oslo	100,0 %
Data Center Technology AS	Oslo	100,0 %
Data Center Services AS	Oslo	100,0 %
Norway as a Service AS	Oslo	100,0 %
Bulk Infrastructure UK Ltd	London, UK	100,0 %
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 %
Infragreen Communications AS	Oslo	100,0 %
Bulk Fiber Networks Ireland Limited	Dublin, Ireland	100,0 %
Associated companies		
OS-IX Eiendom Holding AS	Oslo	50,0 %
AE Bulk Co-Invest AS	Oslo	50,0 %
Bulk Park Enebakk AS	Oslo	50,0 %

*The establishement of Bulk Vestby II AS was the result of a demerger from another subsidiary, of which Bulk sold 49% to a minority interest.

**Bulk Park Enebakk II AS was demerged from associated company Bulk Park Enebakk AS, where Bulk Industrial Real Estate had 50 % ownership. A minority interest aquired 49% in the new company, while Bulk Industrial Real Estate AS aquired additional 1% of the shares and gained controlling ownership.

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Note 16

Financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial assets and financial liabilities included in the financial statements.

(NOK '000)	**Carrying amount as at 31.12.2021**	**Fair value as at 31.12.2021**	**Carrying amount as at 31.12.2020**	**Fair value as at 31.12.2020**
Financial assets at fair value through profit or loss				
Interest rate swaps	1,139	1,139	-	-
Total financial assets at fair value	**1,139**	**1,139**	**-**	**-**
Financial assets at amortised cost				
Receivable from related party	10,497	10,497	133,826	133,826
Other receivables	12,616	12,616	3,491	3,491
Investment in shares - non-current	1,249	1,249	1,249	1,249
Trade and other receivables	154,564	154,564	117,082	117,082
Total loans and receivables	**178,925**	**178,925**	**255,649**	**255,649**
Cash and cash equivalents	**694,826**	**694,826**	**73,561**	**73,561**
Total financial assets	**874,891**	**874,891**	**329,210**	**329,210**
Total current	849,390	849,390	190,644	190,644
Total non-current	25,501	25,501	138,566	138,566

(NOK '000)	**Carrying amount as at 31.12.2021**	**Fair value as at 31.12.2021**	**Carrying amount as at 31.12.2020**	**Fair value as at 31.12.2020**
Financial liabilities at fair value through profit or loss				
Interest rate swaps	10,819	10,819	14,581	14,581
Total financial liabilities at fair value	**10,819**	**10,819**	**14,581**	**14,581**
Financial liabilities at amortised cost				
Bond loan	969,350	969,350	966,205	966,205
Borrowings	1,081,665	1,081,665	364,500	364,500
Short-term portion of borrowings	140,618	140,618	259,385	259,385
Debt to related party	662,768	662,768	-	-
Other long-term liabilities	33,634	33,634	48,000	48,000
Trade payables	74,927	74,927	94,193	94,193
Other payables	100,056	100,056	113,826	113,826
Total financial liabilities at amortised cost	**3,063,020**	**3,063,020**	**1,846,109**	**1,846,109**
Total financial liabilities	**3,073,839**	**3,073,839**	**1,860,690**	**1,860,690**
Total current	316,880	316,880	469,083	469,083
Total non-current	2,756,959	2,756,959	1,391,606	1,391,606

*Other payables presented in 2020 has been altered to align with 2021 presentation

Fair value of financial instruments
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, 2021 and carrying amount of the borrowings is considered not to be significantly different from the fair value. Fair value of derivatives are based on mark to market reports received from banks.

Fair value hierarchy
The Group uses financial hierarchy under IFRS 13 for determining and disclosing the fair value fof financial instruments by valuation techniques. Below table presents fair value measurement to the Group's assets and liabilities at December 31, 2021.

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
Interest rate swaps		1 139		1 139

December 31, 2021	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at fair value through profit or loss				
Interest rate swaps		10 819		10 819

December 31, 2021	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at fair value through profit or loss				
Interest rate swaps		14 581		14 581

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

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

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

Note 17

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 18

Group as a lessee (IFRS 16 disclosure)

Right of use assets *(NOK '000)*	Seafiber	Office equipment	Land and buildings	Terrestrial fiber	Total
Balance at 01 January	21,387	231	9,979	-	31,597
Depreciations	1,510	146	2,588	-	4,243
Additions	-	-	11,313	-	11,313
Reclassification from PPE*	-	-	-	136,434	136,434
Balance at 31 December	**19,877**	**85**	**18,705**	**136,434**	**175,101**

*Part of the terrestrial fiber infrastructure that is leased, has been reclassified from PPE in accordance with IFRS 16.

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	2021	2020
Less than one year	8,144	4,217
Between one and five years	22,311	16,343
More than five years	22,239	26,301
Total undiscounted lease liabilities at 31 December	**52,694**	**46,861**
Lease liabilities included in the statement of financial position at 31 December	**31,885**	**32,878**

Amount recognised in profit or loss	2021
Interest on lease liabilities	2,064
Amount recognised in cash flow statement	
Total cash flow from leases	6,227

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 19

Inventories

(NOK '000)	2021	2020
Gravel	4,539	4,561
Inventory data center	944	1,371
Total Inventories	**5,484**	**5,932**

Note 20

Trade and other receivables

(NOK '000)	2021	2020
Trade receivables	81,775	13,751
Other current receivables	72,788	103,332
Trade and other receivables	**154,564**	**117,082**

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

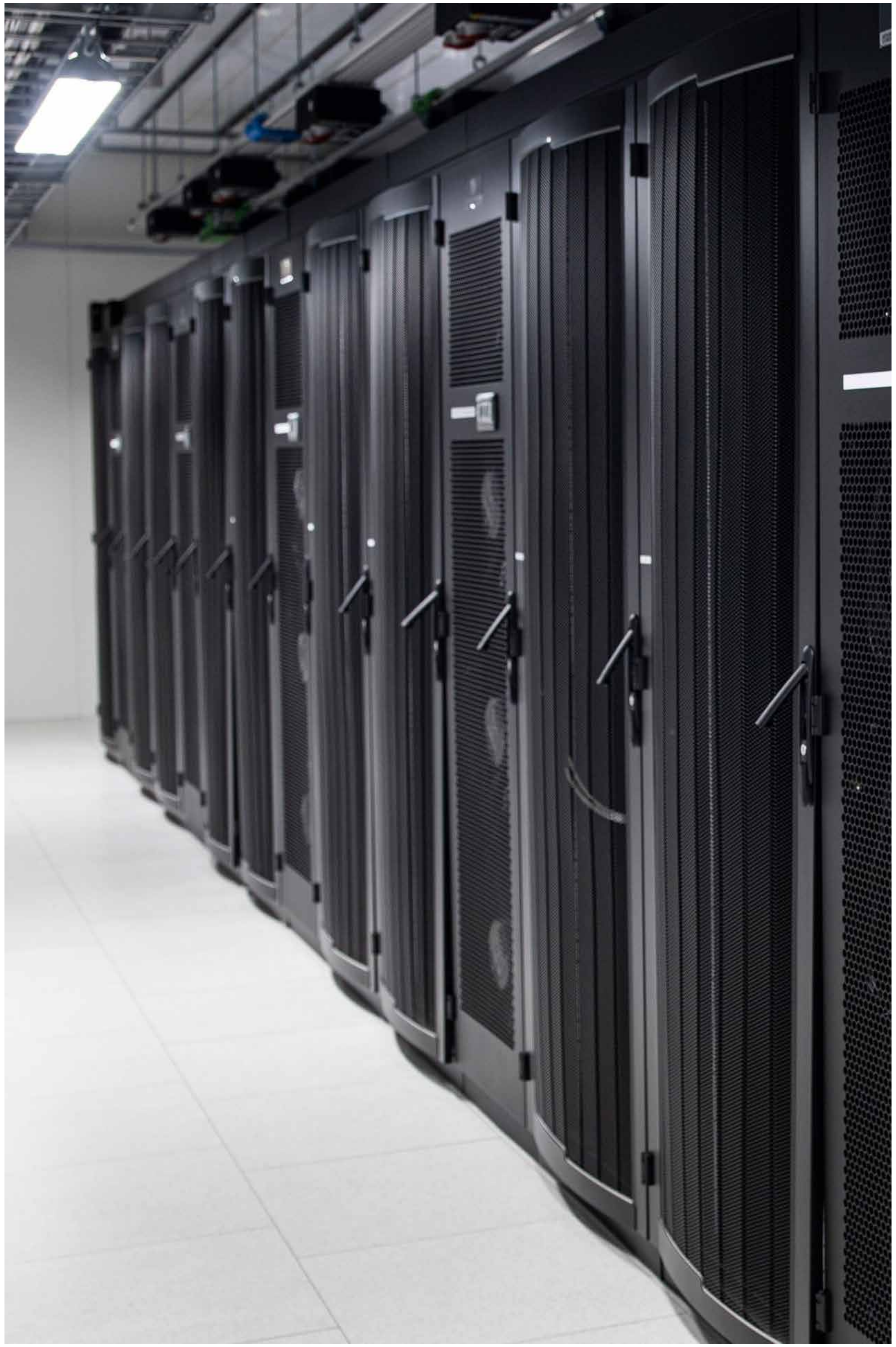
	2021	2020
Provision for impairment of trade receivables at 1.1	**934**	**60**
This years provision for receivables impairment	12	873
Loss on receivables	-	-
Reversal of prior years provision	-	-
Provision for impairment of trade receivables at 31.12	**946**	**934**

Refer also note 25 for ellaboration on credit risk and assessment of provisions.

Ageing of trade and other receivables

	Total	Not due	0-30d	30-60d	60-90d	>90d
2021	154,564	151,993	654	877	-	1,040
2020	117,082	113,829	219	122	-	2,913

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 21

Cash and cash equivalents

(NOK '000)	**2021**	**2020**
Cash and cash equivalents	690,333	69,537
Restricted funds	4,494	4,024
Total	**694,826**	**73,561**

Note 22

Paid in equity and shareholders

(NOK '000)	**2021**	**2020**
Share capital	2,730,527	2,630,242

Change in paid in equity and share premium:

	Total shares		**Share capital** (IN NOK)		**Share premium**	
(NOK '000)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Ordinary shares						
Issued stock and paid in capital						
At the beginning of the year	263,024,156	263,024,156	2,630,242	2,630,242	1,656,631 214	1,659,982,225
Group restructuring*	-	-	-	-	-	-3,351,011
Capital increase	10,028,581	-	100,286	-	199,899,705	-
At the end of the year	**273,052,737**	**263,024,156**	**2,730,527**	**2,630,242**	**1,856,530 919**	**1,656,631,214**

*Group restructuring carried out in 2020. Refer Annual report 2020, note 1, for further information.

The total numer of shares are 273 052 737, each valued at NOK 0,01, and NOK 2 730 527 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	273,052,737	100%

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Dividend

The company did not pay any dividend in 2021. No dividend has been proposed for approval in 2022.

Average number of shares

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

	2021	**2020**
Total comprehensive income, net of tax, attributable to shareholders in the parent Company	930,414 752	86,095,990
Weighted average number of outstanding shares	264,751 301	263,024,156
Basic and diluted earnings per share	3,51	0,16

Note 23

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 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, 2021 NOK 199,1 million of the Group's borrowings of NOK 2 191,6 million is hedged at a fixed rate. Hedged nominal amount of NOK 199,1 expires in 2033. The sensitivity is calculated by the Group, and the Groups interest cost is estimated to increase/decrease by NOK 11,0 million for 2021 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 20.

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.

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

The table below illustrates the maturity structure of liabilities

		Expected cashflow			
Financial liability 2021 *(NOK '000)*	**Carrying amount**	**Year 1**	**Year 2**	**Year 3-5**	**After year 5**
Bond loan	969,350	-	-	969,350	-
Borrowings (bank)	1,222,284	140,618	181,384	900,281	-
Other long-term liabilities - seller credit	33,634	-	16,000	16,000	1,634
Trade payables	74,927	74,927	-	-	-
Interest costs (bond loan)	-	46,723	46,723	82,280	-
Interest costs (bank)	-	34,674	29,729	13,504	-
Other current payables*	100,056	100,056	-	-	-
Total non-derivative financial obligations	**2,400,251**	**396,999**	**273,836**	**1,981,415**	**1,634**
Derivative financial intruments	10,819	1,411	1,098	2,892	5,418
Total derivative financial obligations	**10,819**	**1,411**	**1,098**	**2,892**	**5,418**

		Expected cashflow			
Financial liability 2020	**Carrying amount**	**Year 1**	**Year 2**	**Year 3-5**	**After year 5**
Bond loan	966,205			966,205	
Borrowings (bank)	623,885	259,385	26,363	335,943	2,194
Other short-term liabilities	48,000	-	16,000	32,000	-
Trade payables	94,193	94,193	-	-	-
Interest costs (bond loan)	-	46,571	46,571	80,919	-
Interest costs (bank)	-	14,875	10,540	5,105	66
Other current payables*	113,826	113,826			
Total,non-derivative,financial,obligations	**1,846,109**	**528,850**	**99,474**	**1,420,171**	**2,259**
Derivative financial intruments	14,581	1,679	1,613	4,146	7,142
Total derivative financial obligations	**14,581**	**1,679**	**1,613**	**4,146**	**7,142**

*Other current payables are not complete as the table only presents financial liabilities. As such, accruals are not included. Refer note 27 for remaining payables. This also leads to an alteration in 2020 presentation.

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 %	4,31	-4,82

Sensitivity is obtained from DnB

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Note 24

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 2020 and 2021. The Group's LTV is 28% as of December 31, 2021. 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, 2021, 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.

Telehousing in Denmark

Note 25

Interest-bearing debt

(NOK '000)	2021	2020
Total interest-bearing debt, nominal value	2,191,634	1,590,090
- of which hedged (fixed interest rate)	199,060	40,560
Hedge Ratio*	9 %	3 %
Average interest rate at floating rate, including margin (%)	3,4 %	3,6 %
Average remaining duration, borrowings (years)	2,5	4,5
Average remaining duration, hedging contracts (years)	11,0 years	12,0 years
Total interest-bearing debt, nominal value	2,191,634	1,590,090
First year instalments of debt (short-term)	140,618	259,385
Long-term interest-bearing debt excluding first year instalments	**2,051,016**	**1,330,705**

	2021	2020
Maturity on long-term debt		
Year 2	181,384	26,363
Year 3-5	1,869,631	1,302,148
After year 5	-	2,194
Total	**2,051,016**	**1,330,705**

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

	2021	2020
Investment property	4,184,248	1,777,179
Total pledged assets	**4,184,248**	**1,777,179**
Borrowings secured with pledged assets	**2,191,634**	**1,590,090**

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

Please refer note 24 for further info regarding the Groups covenants.

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.

Bulk Infrastructure Group AS **Annual Report 2021**

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 26

Derivative financial instruments

(NOK '000)	2021	2020
Interest rate swaps	1 139	-
Total assets	**1 139**	**-**
Interest rate swaps	-10,819	-14,581
Total liabilities	**-10,819**	**-14,581**

	2021	2020
Interest rate swaps		
Nominal amount interest rate swaps	-199,060	-40,560
Total nominal amount	**-199,060**	**-40,560**

The Company receives floating interest and pay fixed interest

Note 27

Accounts payable and other payables

(NOK '000)	**2021**	**2020**
Trade payables	74,927	94,193
Accrued salaries, public duties	34,987	28,262
Accrued expenses	79,032	74,494
Prepaid income	16,173	71,859
Total	**205,119**	**268,808**

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

Note 28

Subsequent events after the reporting period

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

Bulk Data Centers AS, the subsidiary of Bulk Infrastructure Group AS, acquired the remaining 50 % of associated company, OS-IX Eiendom Holding AS, from Akershus Energi on January 19, 2022. As such, Bulk Data Centers takes full ownership of OS-IX.

Bulk Infrastructure Group AS received a capital contribution from parent company, Bulk Infrastructure Holding AS, in November 2021. The capital contribution is not registered as of December 31, 2021. The capital contribution was formally registered on February 2, 2022.

The Group established an incentive program in the end of 2021 with certain new employees. The program includes synthetic options which will be effective Januray 1, 2022.

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

Bulk Infrastructure Group AS Financial statement 2021

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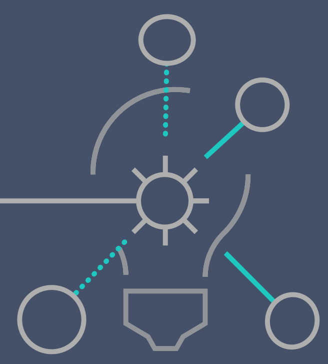


Income statement

(NOK '000)		**2021**	**2020**
Operating income and operating expenses			
Sales revenue	1	60,626	43,493
Rental income		142	157
Other income		1,850	2,081
Total income		**62,618**	**45,731**
Raw materials and consumables used		15	-
Employee benefits expense	2	44,024	29, 647
Depreciation of tangible and intanglible fixed assets	3	2,917	3,096
Other expenses	2	15,393	10,956
Total expenses		**62,350**	**43,699**
Operating profit/loss		**268**	**2,032**
Financial income and expenses			
Income from subsidiaries	4	-	3,610
Income from associated companies	5	4,645	558
Interest income from group companies	6	33,688	48,370
Other interest income		40	448
Other financial income		1	34
Interest expense to group companies		1,607	0
Other interest expenses	7	51,137	30,460
Other financial expenses		3,361	3,015
Net financial items		**-17,732**	**19,546**
Result before tax		**-17,464**	**21,578**
Tax expense	8	-4,619	4,674
Result for the year		**-12,844**	**16,905**
Allocation of result for the year			
Other equity	9	-12,844	16,905
Total brought forward		**-12,844**	**16,905**

Balance sheet

(NOK '000)	Note	2021	2020
Assets			
Non-current assets			
Intangible assets			
Research and development	3	-	2,644
Licences, patents etc.	3	515	882
Deferred tax assets	8	39,673	35,053
Total intangible assets		**40,188**	**38,579**
Property, plant and equipment			
Land, buildings and other real estate	3	10,290	9,130
Equipment., fixtures and fittings and other movables	3, 10	3,322	4,486
Total property, plant and equipment		**13,612**	**13,616**
Non-current financial assets			
Investments in subsidiaries	4, 10	2,197,551	2,197,551
Loan to group companies	6	101	611,425
Investments in associated companies	5	13,285	9,290
Other long-term receivables	2	2,788	2,748
Total non-current financial assets		**2,213,726**	**2,821,015**
Total non-current assets		**2,267,526**	**2,873,209**
Current assets			
Receivables			
Accounts receivables		-	12
Other short-term receivables		3,462	2,405
Receivables from group companies	6	565,398	20,389
Total receivables		**568,861**	**22,805**
Investments			
Bank deposits, cash and cash equivalents	11	544,952	241,001
Total bank deposits, cash and cash equivalents		**544,952**	**241,001**
Total current assets		**1,113,813**	**46,806**
Total assets		**3,381,339**	**2,920,015**

Balance sheet

(NOK '000)	Note	2021	2020
Equity and liabilities			
Equity			
Paid in equity			
Share capital	9, 12	2,731	2,630
Share premium reserve	9	1,856,531	1,656,631
Non-registered share capital increase		400,000	0
Total paid-up equity		**2,259,261**	**1,659,261**
Retained earnings			
Other equity	9	114,041	126,886
Total retained earnings	**9**	**114,041**	**126,886**
Total equity	**13**	**2,373,303**	**1,786,147**
Liabilities			
Other non-current liabilities			
Bonds	7	969,350	966,205
Liabilities to financial institutions	6	3,794	141,552
Total non-current liabilities		**973,144**	**1,107,757**
Current liabilities			
Trade payables		4,951	1,764
Public duties payable		4,131	2,551
Other current liabilities	7	25,809	21,796
Total current liabilities		**34,892**	**26,111**
Total liabilities		**1,008,036**	**1,133,868**
Total equity and liabilities		**3,381,339**	**2,920,015**
Bulk Infrastructure Group AS			

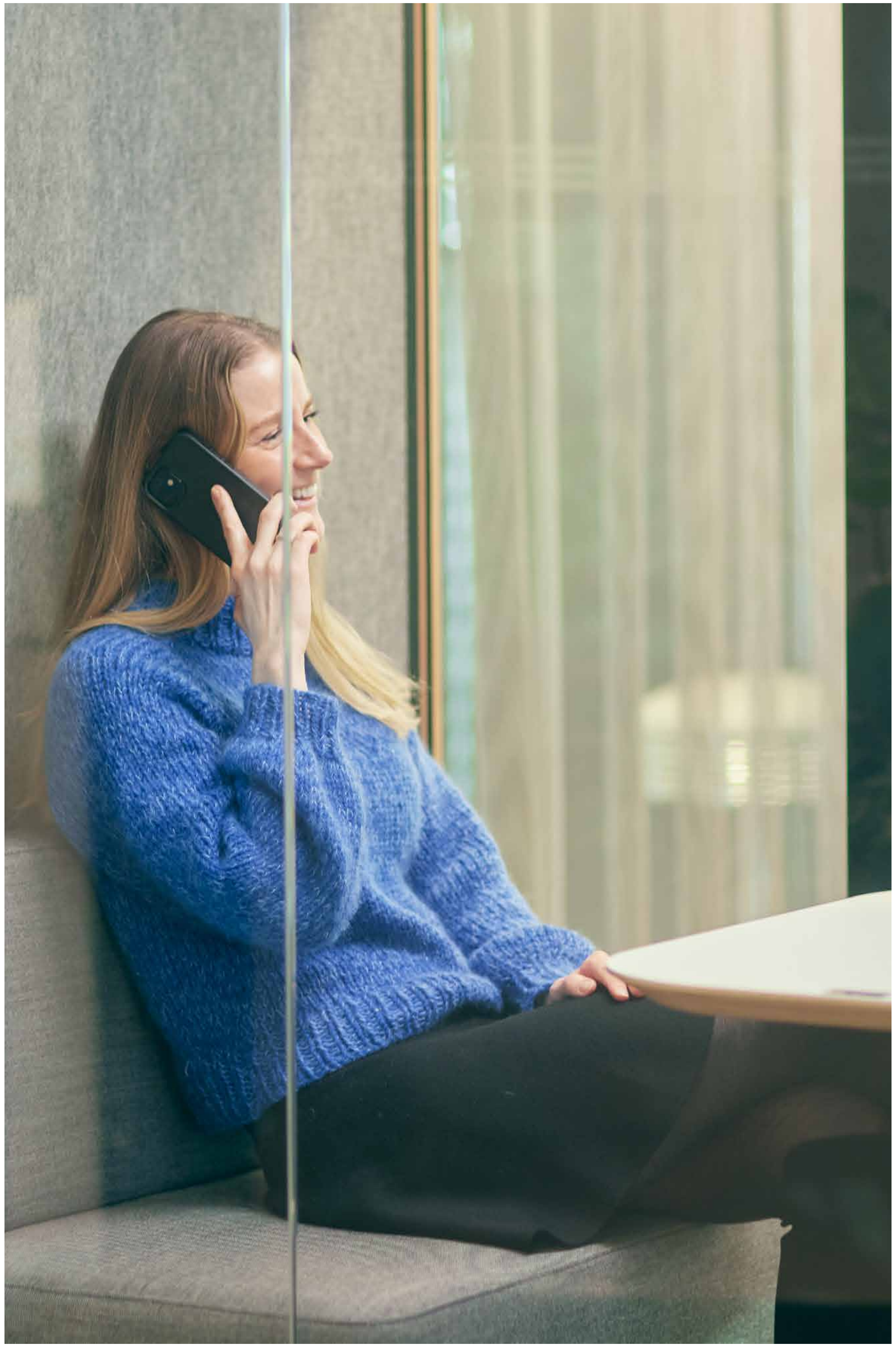
Oslo, March 24, 2022

The board of Bulk Infrastructure Group AS

Peder Nærbø
Founder and Executive Chair

Indirect cash flow

(NOK '000)	Note	2021	2020
Cash flows from operating activities			
Profit/loss before tax		-17,464	21,578
Loss/gain on the sale of fixed assets	3	-9	-
Ordinary depreciation	3	2,917	3,096
Change in accounts receivable		12	3
Change in accounts payable		3,187	1,981
Items classified as investment or financing activities	5	-4,645	-558
Change in other accrual items		-11,607	9,894
Net cash flows from operating activities		**-27,609**	**35,994**
Cash flows from investment activities			
Proceeds from the sale of fixed assets	3	2,653	-
Payments to buy tangible assets	3	-2,547	-
Dividend received	5	650	1,350
Proceeds from sale of shares and participations in other companies	4	-	29,063
Payments to buy shares and participations in other companies	4	-	-1,275,094
Payments to buy other investments	7	-	-100,000
Proceeds from the sale of other investments	7	-	118,000
Net cash flows from investment activities		**756**	**-1,226,681**
Cash flows from financing activities			
Proceeds from the issuance of new long-term liabilities	7	-	500,000
Proceeds from the issuance of new current liabilities		-	135,000
Repayment of long-term liabilities	10	-137,758	-
Repayment of current liabilities		-	-365
Net change in accrued items related to group cash pool	10	-529,372	-
Proceeds from equity	9	600,000	-
Change in receivable related party	6	611,324	594,901
Proceeds from Group contributions		3,610	-
Net cash flows from financing activities		**547,804**	**1,229,536**
Cash effect Group restructuring - demerger	9	-	-14,887
Net change in cash and cash equivalents		520,951	23,961
Cash and cash equivalents at the start of the period		24,001	40
Cash and cash equivalents at the end of the period		**544,952**	**24,001**



Accounting principles

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

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

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 2021.

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

Note 1

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 2021, fees for accounting, administration and project management of TNOK 60 626 have been recognized as income

Bulk Infrastructure Group AS **Annual Report 2021**

Note 2

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

(NOK '000)	**2021**	**2020**
Payroll,expenses		
Salaries / wages	37,770	36,423
Social security fees	4,782	4,812
Pension expenses	594	809
Other remuneration	1,458	1,282
Allocated saleries to other group companies	-580	-13,679
Total	**44,024**	**29,647**
Average number of employees during the financial year	21	18

Salaries and remunerations to executives* *(NOK '000)*	**CEO**	**Executive Chair**	**Board members**
Salaries and bonuses	4,146	5,427	2,896
Other remunerations	186	265	330
Total	**4,332**	**5,692**	**3,226**

The board of Bulk Infrastructure Holding AS recieved a total board fee of TNOK 900 in 2021

The CEO of Bulk Infrastructure Holding AS, Jon Gravråk, has a trade credit of TNOK 1 037 pr 31.12.2021 in connection with the share scheme for employees owning shares in Klub Bulk. The trade credit is charged with a interest rate of 1,3% - 1,5% in accordance with the "Normrente" set by the Tax Commision office.

* The CEO, Executive Chair and Board members receive salaries and remunerations from Bulk Infrastructure Group AS, but are formally registered as CEO, Executive Chair and Board members of the parent 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 2021 amounts to TNOK 1 298,- excl.mva.

Statutory audit fee	867
Tax advisory	57
Assurance services	95
Other assistance	279
Total audit fees	**1,298**

Note 3

Fixed assets

(NOK '000)	Land	Buildings	Moveables and machines	R&D and software	Total
Purchase cost 01.01	5,126	7,979	12,463	4,539	30,105
Additions	-	1,749	799	-	2,547
Disposals	-	-	-	-2,644	-2,644
Purchase cost 31.12	5,126	9,727	13,261	1,895	30,009
Acc. depr. 31.12	-	4,563	9,939	1,380	15,881
Book value 31.12	5,126	5,164	3,322	515	14,128
Depr. this year	-	589	1,962	367	2,917
	Not depreciated	*10-15 years, linear*	*3-5 years, linear*	*5 years, linear, not depreciated*	

Note 4

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries are booked according to the cost method.

Company *(NOK '000)*	**Ownership/voting rights**	**Cost price**	**Write-down**	**Book value**
Bulk Industrial Real Estate AS	100%	499,478	-	499,478
Bulk Data Centers AS	100%	933,392	-	933,392
Bulk Fiber Networks AS	100%	764,682	-	764,682
Sum		**2,197,551**	**-**	**2,197,551**

The companies are based in Oslo, Norway.

Company *(NOK '000)*	**Book value**	**P/L for 2021 (100 %)**	**Equity pr. 31.12 (100 %)**
Bulk Industrial Real Estate AS	499,478	7,722	471,367
Bulk Data Centers AS	933,392	-44,061	755,805
Bulk Fiber Networks AS	764,682	-71,957	666,990
Sum	**2,197,551**	**-108,296**	**1,894,163**

Bulk Infrastructure Group AS **Annual Report 2021**

Note 5

Investments in associated company accounted for according to the equity method

Investments in associates and joint ventures are booked according to the equity method.

Company	**Location**	**Ownership**	**Voting rights**
AE Bulk Co-Invest AS *(NOK '000)*	Oslo, Norway	50%	50 %

Analysis of additional value:	
Name of subsidiary:	**AE Bulk Co-Invest AS**
Balance sheet equity at the acquisition date	28
Identifiable fair value adjustments	-
Goodwill	-
Acquisition cost	**28**

Calculation of result portion for the year:

Name of subsidiary:	**AE Bulk Co-Invest AS**
Share of result for the year	4,645
Result portion for the year	**4,645**

Calculation of balance sheet value 31.12

Name of subsidiary:	**AE Bulk Co-Invest AS**
Balance sheet value 01.01	9,290
Share of the result for the year	4,645
Transfers to.from(-) the company (dividends,group contributions)	-650
Other changes during the year	-
Balance sheet value 31.12	**13,285**

Note 6

Debtors, liabilities, pledged assets and guarantees etc.

Long-term receivables with minimum maturity of 1 year

Bulk Infrastructure Group AS does not have any receivables due later than 1 year.

Long-term debt with minimum maturity of 5 years

Bulk Infrastructure Group AS does not have any debt with minimum maturity of 5 years

(NOK '000)	**2021**	**2020**
Balances with group companies		
Long-term claims on group companies	101	611,425
Accounts receivable from group companies	36,026	16,778
Claims on associtated companies	529,372	3,610
Short-term debt to group companies	5	-
Total	**565,505**	**631,814**

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

Bulk Infrastrcture Group AS is the owner of a group cash pool. Of the company's short term claims on group companies TNOK 529 372 are claims regarding the cash pool.

Note 7

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

Equity ratio > 35%

Security

Unsecured

Listing

The bond is listed as of 15 September, 2020

Note 8

Tax

(NOK '000)	**2021**	**2020**
This year's tax expense		
Entered tax on ordinary profit/loss:		
Payable tax	-	-
Changes in deffered tax assets	-4,619	4,674
Tax expense on ordinary profit/loss	**-4,619**	**4,674**
Taxable income:		
Ordinary result before tax	-17,464	21,578
Permanent differences	-3,534	-308
Changes in temporary differences	6,964	-4,860
Allocation of loss to be brought forward	-	-16,410
Taxable income	**-14,033**	**-**
Payable tax in the balance:		
Payable tax on this year's result	-	-794
Payable tax on received Group contribution	-	794
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:

(NOK '000)	**2021**	**2020**	**Difference**
Tangible assets	-892	-	892
Tangible assets from merger/demerger	-	117	117
Allocations and more	-10,684	-	10,684
Allocations and more from merger/demerger	-	-4,729	-4,729
Total	**-11,576**	**-4,612**	**6,964**
Accumulated loss to be brought forward	-168,754	-26	168,728
Accumulated loss to be brought forward Merger/demerger	-	-171,104	-171,104
Basis for deferred tax assets	**-180,330**	**-175,742**	**4,588**
Deferred tax assets (22 %)	**-39,673**	**-35,053**	**4,619**

Refer to note 1 for further explanations of the group restructuring

Note 9

Equity

(NOK '000)	Share capital	Share premium reserve	Non-registered capital increase	Retained earnings	Total equity
Equity 01.01	2,630	1,656,631	-	126,886	1,786,147
Share capital increase	100	199,900	-	-	200,000
Non-registered share	-	-	400,000	-	400,000
Capital increase	-	-	-	-	
Annual net profit/loss	-	-	-	-12,844	-12,844
Equity 31.12	**2,731**	**1,856,531**	**400,000**	**114,041**	**2,373,303**

Note 11

Restricted funds

Funds of TNOK 2 416 restricted to employees taxes are included in the cash-post in the balance sheet.

Note 10

Liabilities to credit institutions

(NOK '000)	2021	2020
Liabilities secured by collateral:		
Debt to credit institutions	3,794	141,552
Book value of collateral:		
Capital increase	2,197,551	2,197,551
Shares in subsidiaries	2,794	3,835
Total book value of collateral	**2,200,345**	**2,201,386**

Bulk Infrastructure Group AS **Annual Report 2021**

Note 12

Share capital and shareholder information

(NOK '000)	Share capital	Number	Nominal value	Book value
Ordinary shares		273,052,737	0,0100	2,731

Shareholders	Country	Number of shares	Share of capital %
Bulk Infrastructure Holding AS	Norway	273,052,737	100 %

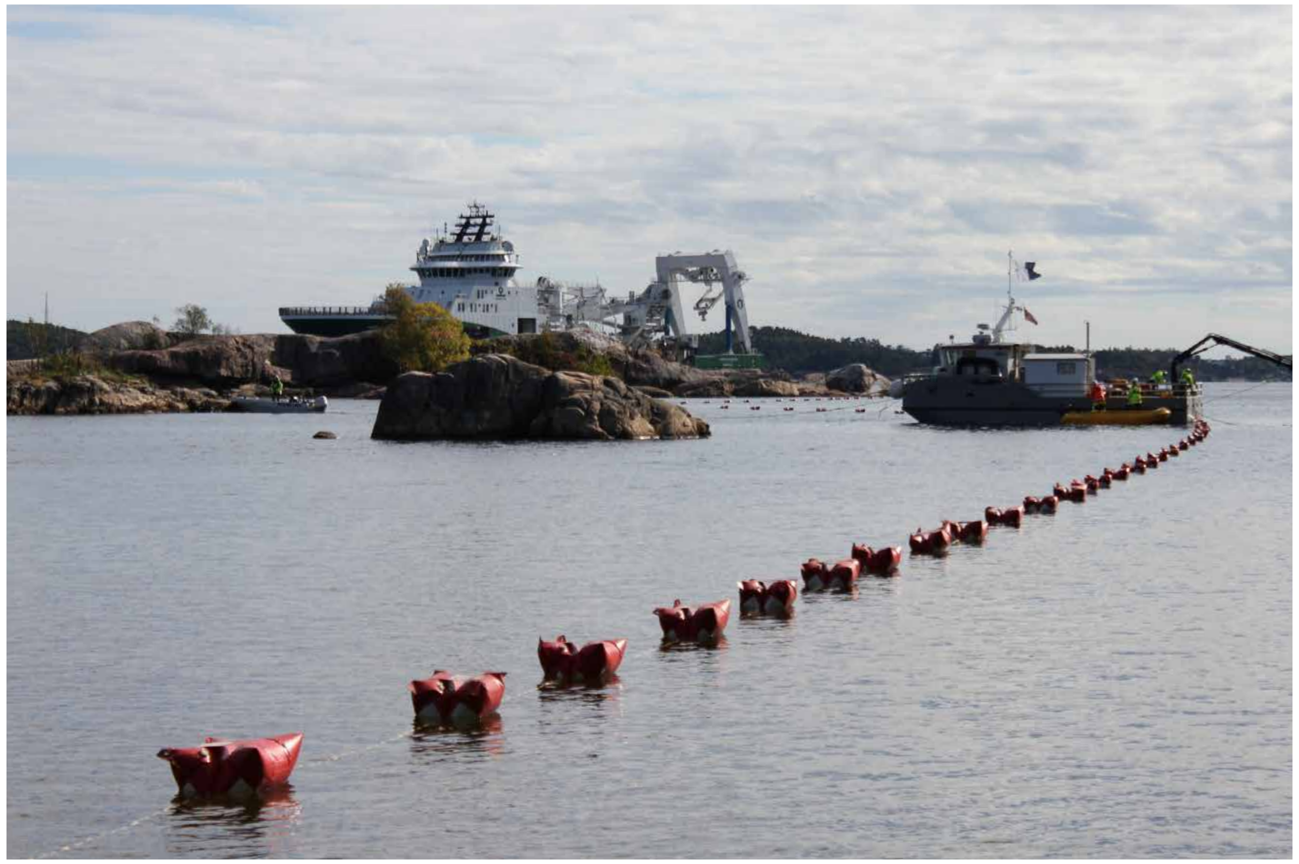
Executive Chair, Peder Nærbø, has an indirect ownership of 52.7 % in Bulk Infrastructure Group AS

Note 13

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, 2021. 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, 2021. 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, 2021.

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 2021 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, 2021
- 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 24, 2022
The board of Bulk Infrastructure Group AS

Peder Nærbø
Founder and Executive Chair

Bulk Infrastructure Group AS **Annual Report 2021**

BDO AS
Munkedamsveien 45
Postboks 1704 Vika
0121 Oslo

Independent Auditor's Report

To the General Meeting in Bulk Infrastructure 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 2021, 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 2021, and income statement, statement of comprehensive income, 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 comply with applicable statutory requirements, • The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, 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 as at 31 December 2021, 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 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Bulk Infrastructure Group AS for 2 years from the election by the general meeting of the shareholders on 11.09.2019 for the accounting year 2019.

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 the current period. 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 4 184 248 thousand. 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 6 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. Internal specialists have assisted us in this process. For a sample of investment properties, we have evaluated whether the property-specific information provided by management to the valuation firms such as lease terms, duration and vacant area are consistent with underlying information to the firm's validation reports.
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 562 017 thousand. Book value is measured against the highest of fair value and value in use at the balance sheet date when impairment indicators are identified. Depreciation plan and estimates are further described in note 14 to the consolidated financial statements. Fiber networks are initially recognized at cost. Where there are	We have read and understood the underlying contracts with 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. Internal specialists have assisted us in this process.

available marked prices, these prices are used to substantiate the value. In cases where similar transactions are not available, the fiber networks are estimated based upon signed contracts with costumers, effective from the time of completion in 2021. The inherent uncertainty of the valuation made us define this as a key matter in our audit. We refer to further descriptions in note 14 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 756 707 thousand. Book value is measured against the highest of fair value and value in use at the balance sheet date when impairment indicators are identified. Management has used similar transactions to measure the potential sales value. The inherent uncertainty of the valuation made us define this as a key matter in our audit. We refer to further descriptions in note 14 to the consolidated financial statements.	We have obtained, read and understood the valuation documentation. We have also assessed whether information applied in the valuation is consistent with other information obtained by the group. Further, we have evaluated the information related to the management's conclusion related to comparison of similar market transactions, when performing the estimate. Internal specialists have assisted us in this process.

Other information

The Board of Directors and the Managing Director (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.

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 consolidated 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.

Opinion on the Board of Director's report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

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Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view, for in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by the EU, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file Bulk Infrastructure Group AS Annual Report 2021.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 24.03.2022
BDO AS

Johan Henrik L'orange
State Authorised Public Accountant

Bulk Infrastructure Group AS **Annual Report 2021**

Bulk is racing to bring sustainable infrastructure to a global audience

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