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**To the bondholders in:**

**ISIN: NO 0010754534 - FRN Bulk Industries AS Senior Secured Open Bond Issue  
2015/2018**

Oslo, 29 September 2017

### **Summons to Bondholders' Meeting**

Nordic Trustee AS (the "**Bond Trustee**") acts as trustee for the bondholders of the bonds (the "**Bonds**") in the above mentioned bond issue (the "**Bond Issue**") where Bulk Industrier AS (the "**Issuer**") is the issuer.

All capitalised terms used herein shall have the meaning assigned to them in the bond agreement dated 17 December 2015 and made between the Bond Trustee and the Issuer (the "**Bond Agreement**"), unless otherwise stated herein.

*The information in this summons regarding the Issuer and market conditions are provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.*

#### **1 BACKGROUND**

Reference is made to the Bond Agreement and the company interim report for the first half of 2017 enclosed as Appendix 2 hereto.

Bulk Infrastructure AS (the "**Company**"), which is majority-owned by the Issuer, is experiencing increased activity within its core markets (logistic properties, data center and fiber) and recently reported a record-strong first half. Due to the increased activity, the Company is looking to raise more capital to take advantage of the opportunities seen.

#### **2 PROPOSAL**

*On the basis of the background information set out above, the Issuer proposes to make the following changes to the Bond Agreement (Clauses 2.1 to 2.3 below are hereinafter referred to as the "**Proposal**"):*

##### **2.1 Increase of the maximum amount**

The maximum amount under Clause 2.2.1 in the Bond Agreement shall be increased by NOK 100,000,000, from NOK 400,000,000 to NOK 500,000,000. The first paragraph of Clause 2.2.1 of the Bond Agreement shall be amended to:

"2.2.1 The Issuer has resolved to issue a series of Bonds in the maximum amount of NOK 500,000,000 (Norwegian kroner fivehundredmillion)."

## 2.2 Special distribution

An extraordinary one-time cash distribution of NOK 11,000,000 in 2017 shall be permitted in clause 13.4 (a). Clause 13.4 (a) of the Bond Agreement shall be amended to:

“(a) Distributions

The Issuer shall not pay, make or declare any Distribution, whether in cash or in kind, except for (i) dividends of up to NOK 5,000,000 in aggregate in each financial year; and (ii) an extraordinary one time dividend of NOK 11,000,000.”

## 2.3 Power of Attorney in favour of the Bond Trustee

The Issuer further proposes that the Bondholders authorise the Bond Trustee to take the relevant steps on behalf of the Bondholders in connection with the implementation of the Proposal, including without limitation to prepare, finalise and enter into the necessary amendment agreements and other documentation deemed appropriate and take such further actions which are necessary to execute the Proposal.

## 3 SUMMON FOR BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting:

**Time: 13 October 2017 at 13:00 hours (Oslo time)**

**Place: The premises of Nordic Trustee AS,  
Haakon VII's gate 1, 0161 Oslo - 6<sup>th</sup> floor**

**Agenda:**

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
3. Request for adoption of proposal:

**It is proposed that the Bondholders' meeting resolve the following:**

*“The Bondholders' Meeting approves the Proposal as described in section 2 in the summons to this Bondholders' Meeting”.*

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 5/10 of the voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the bondholders' meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual bondholder may authorise the Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

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At the Bondholders' Meeting votes may be cast based on bonds held at close of business on the day prior to the date of the Bondholders' Meeting. In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the bondholders' meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (mail@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely  
**Nordic Trustee AS**



Erik Marín-Andresen

Enclosed:

Annex 1 - Bondholder's Form

Annex 2 - Interim report for the first half of 2017

**Bulk Industrier AS**  
**Consolidated first half year 2017**

- 1. Board of Directors Report**
- 2. Profit and loss**
- 3. Consolidated balance sheet**
- 4. Change in equity**
- 5. Cashflow statement**
- 6. Notes to consolidated financial statements**



## Board of Directors Report first half year 2017 - Bulk Industrier AS

### Business description

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

### Investment criteria

- *Diversification*: investing in businesses with low market correlation.
- *Industrial approach*: long-term investment perspective with focus on standardization and scalability at the right time.
- *Cash flow*: create predictable long-term income.
- *Active ownership*: owner has controlling influence on the Company's investments.
- *Human resources*: internal versatile expertise where specialists from different disciplines form teams to ensure creativity, good solutions and enhance value creation.
- *Sustainability*: focus on environmental, social and governance parameters to generate long-term financial returns and limited risk.

The Company believes its investment criteria will ensure good investment decisions. Its objective is to diversify risk by investing across multiple projects in non-correlated sectors at the same time. The Company has an opportunistic investment approach and the ability to shift its focus rapidly when the market changes.

The Company's office is in Oslo municipality.

### 1H 2017 in short

- The Group has sold and handed over properties with a profit of NOK 44 million. In addition, the Group has also entered into forward agreements for the sale of NOK 497 million in property value where properties to be handed over in 2H 2017.
- Total revenues of NOK 108.9 million compared to NOK 76.0 million first half year last year.
- The Group has a number of ongoing processes with various tenants for the development of new warehouse and logistics buildings.
- The development of data centers is in good progress after several years of analysis and mapping. The Group is now on the way of becoming the leading data center developer in Norway. The Group has projects ongoing in Oslo, *Oslo Internet Exchange (OS-IX)*, and in Vennesla on *N01 Campus*.
- The dark fiber route between OS-IX-Oslo S-Kristiansand-Denmark is completed with connection to *N01 Campus*, Vennesla. Kristiansand to Stavanger is scheduled to complete in Q4 2017.
- In 2016, Bulk Infrastructure has initiated several processes which continues in 2017 to ensure that procedures and activities is in line with certain commonly accepted standards. The company is currently implementing ISO 9001 Quality Management, 14001 Environmental Management, 22301 Business Continuity and 27001 Information Security, in addition to EU Code of Conduct for Datacenters Energy Efficiency and EN50600 for Data Center design.

Bulk consists of the following business areas:

**Bulk Logistics AS (LOGIBULK)** is a Nordic real estate developer, specializing in large modern warehouses, industrial buildings, cross-dock terminals and logistics parks. The company continues the operations developed through Bulk Eiendom AS. Established in 2006, and have already developed and delivered over 342 000 m<sup>2</sup> of high quality, flexible and energy efficient facilities for customers.

**Bulk Digital Logistics AS (DIGIBULK)** is an industrial developer of data centers and data center services. The company is focusing on Oslo Internet Exchange (OS-IX) data center in Oslo as well as N01 Campus in Vennesla. The company is developing OS-IX as "state of the art" data center including brand new infrastructure. We are constructing the world's largest data center campus powered by renewable energy in Vennesla. The company deliver quality, flexibility and sustainable alternative for the national and international market.

**Bulk Networks AS (OPTIBULK)** is a company that manages and operate long-haul fiber infrastructure. The current fiber infrastructure connects Oslo to Kristiansand and Vennesla (Southern Norway) to Denmark.

## 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 first half year 2017 status and The Group's long-term strategic forecasts for the years ahead. The Group has a solid financial position.

## Future development

Warehousing, logistics and industrial buildings - The demand for new and modern logistic properties are good and the demand expects to keep strong going forward. The Group has signed new lease agreements for construction of approximately 20,400 m<sup>2</sup> during first half year 2017. Bulk is also involved in zoning and development of new logistics locations, both alone and in partnerships. The transaction market for commercial property has been good in the first half year 2017. We have experienced an improvement in the lending from finance institutions; we expect low interest rates to keep high demand for new modern logistics and warehouse properties with long cash flow.

Data Centers - It is a strong national and international interest in the data center projects. It is an ongoing process with public authorities, investors and both new and existing tenants. OS-IX is undergoing refurbishing with new 15-megawatt redundant power supply, meet-me-rooms, internet exchange and multiple ducts with dark fiber connectivity. The expectations to let out N01 Campus in the years to come are substantial. Multiple international companies have already visited N01 Campus. The construction and letting of the first data center is ongoing.

Fiber networks - Dark fiber between Oslo and Kristiansand and onwards to the continent is completed. This makes OS-IX and N01 Campus directly connected to the global networks and tier 1 Carriers.

## Report on the annual accounts

Total income for The Group was NOK 109.0 million compared to NOK 76.0 million first half year last year. This is an increase of NOK 33.0 million mainly related to higher multiple sales of underlying properties in first half year 2017 and the acquisition of Data Center Technology AS (DCT). NOK 60.4 million of total income is generated from Logistics in first half year 2017, compared to NOK 52.1 million first half year last year. The Service area generates a total income of NOK 48.6 million in the first half 2017, compared to NOK 22.4 million first half 2016. The increase in the service area is mainly due to the acquisition of DCT in May 2016. Profit for the first half 2017 was NOK 50.1 million compared to NOK 12.1 million first half 2016.



The Group's operating profit was NOK 66.1 million in 2017 compared to NOK 26.3 million first half 2016, while the annual net profit adjusted for minority interests was NOK 18.8 million in first half 2017, an increase from NOK 0.0 million in first half 2016. Bulk Logistics contributes with a profit before tax for the first half 2017 of NOK 81.3, compared to NOK 35.8 million first half 2016.

Total current assets was NOK 645.5 million as of June 30, 2017 compared to NOK 144.1 million as of June 30, 2016. The increase is due to increased cash and cash equivalents in addition to development property of NOK 379.2 million reclassified to inventory as of June 30, 2017.

The Group's total liabilities amounted to NOK 917.7 million as of June 30, 2017, compared to NOK 597.5 million as of June 30, 2016. This increase is mainly due to financing of new projects.

Other financial and interest costs amounted to NOK 25.0 million in first half 2017 compared to NOK 16.6 million in first half 2016. The Group aims to reduce these costs significantly by strengthening its equity.

Total assets at the end of the first half 2017 amounted to NOK 1,507.5 million compared to NOK 1,075.9 million last year. The equity-to-assets ratio as of June 30, 2017 was 39.1 %, compared to 44.0 % as of June 30, 2016.

The Group's financial position is strong.

## Research and development

The group has no material research and development project. However, the parent company has an internal project related operating management platform (OMP) and Bulk also participates in Sintef project HighEFF – Energy Efficient and Competitive Industry for the Future.

## 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.

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.

Credit risk - The Group's warehouse and distribution properties are characterized by high standards, good locations, long lease agreements and reliable tenants. There was no credit loss in first half year 2017. The Group's tenants normally pay quarterly and in advance. The lease agreements usually require an additional form of collateral or security.

## 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. There has been a slowdown in the lending from the banks in Norway due to slower growth in the residential market. This could in turn affect the transaction market going forward.

Rental Market for warehouses, logistic buildings and data centers. The Group is exposed to the risk of changes in lease/rental prices in the market. Fluctuations in unemployment and inflation affect the Group. The Group has several long-term lease agreements in place. However, the weighted average lease term for tenants has decreased from 8.3 year last year to 7.5 years as of June 30, 2017 as some lease contracts with shorter duration has been entered during first half year 2017. 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 buildings is very low.

### Subsequent events

Bulk has in June 2017 signed an agreement for sale of a portfolio of approximately 31.100 sqm of warehouse properties and approximately 71.400 sqm of land with a non-disclosed buyer. The properties are expected to be handed over during Q4 2017.

Oslo, August 28, 2017

The board of Bulk Industrier AS



Peder Nærbø  
Chairman of the board



# Bulk Industrier AS

## Consolidated first half year 2017

### Presentations

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- 4 Cashflow statements- consolidated

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- 5 Derivative financial instruments
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**Bulk Industrier AS**  
**Consolidated statement of profit and loss and other comprehensive income**  
**For the first half year ended June 30, 2017**

	Notes	June 30, 2017 Unaudited	June 30, 2016 Unaudited	Year 2016 Audited
Rental income	2	16 854 161	16 382 763	31 201 906
Property sales	2	43 990 775	33 906 827	76 284 397
Other revenue	2	48 107 672	25 704 043	105 797 247
<b>Total revenue</b>	<b>2</b>	<b>108 952 608</b>	<b>75 993 633</b>	<b>213 283 550</b>
Property-related expenses		8 931 430	7 000 810	16 204 064
Other cost		61 793 253	40 863 654	131 688 112
<b>Total expenses</b>		<b>70 724 683</b>	<b>47 864 464</b>	<b>147 892 176</b>
<b>Operating profit before fair value adjustments on investment properties</b>		<b>38 227 925</b>	<b>28 129 169</b>	<b>65 391 374</b>
Fair value adjustments on investment properties	3	27 876 375	-1 786 690	60 533 070
<b>Operating profit</b>		<b>66 104 300</b>	<b>26 342 479</b>	<b>125 924 444</b>
Share of profit of investments accounted for using the equity method		-17 356 939	-1 924 733	-1 658 466
Finance income		641 167	1 497 528	6 556 607
Finance costs		25 049 459	16 583 418	44 461 608
<b>Realised net financial items</b>		<b>-41 765 231</b>	<b>-17 010 623</b>	<b>-39 563 467</b>
Fair value adjustments on derivatives		5 122 218	-3 179 221	4 517 878
<b>Net financial items</b>		<b>-36 643 012</b>	<b>-20 189 844</b>	<b>-35 045 588</b>
<b>Profit before income tax</b>		<b>29 461 288</b>	<b>6 152 635</b>	<b>90 878 856</b>
Income tax expense		-4 031 132	2 214 118	6 727 908
<b>Profit for the year</b>		<b>33 492 420</b>	<b>3 938 517</b>	<b>84 150 948</b>
<i>Other comprehensive income</i>		-	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>33 492 420</b>	<b>3 938 517</b>	<b>84 150 948</b>
<i>Attributable to:</i>				
Shareholders in the parent Company		18 753 129	12 267	52 413 703
Non-controlling interests		14 739 291	3 926 250	31 737 245
Number of shares outstanding		100	100	100
Weighted average number of shares outstanding		100	100	100
Earnings per share (NOK)		187 531,29	122,67	524 137,03
Earnings per share, diluted (NOK)		187 531,29	122,67	524 137,03

## Bulk Industrier AS

### Consolidated balance sheet

	Notes	June 30, 2017 Unaudited	June 30, 2016 Unaudited	Year 2016 Audited
<b>Assets</b>				
<i>Intangible fixed assets</i>				
Goodwill	4	16 947 796	16 947 796	16 947 796
Other intangible assets	4	9 565 546	4 787 623	8 332 471
<b>Total intangible assets</b>		<b>26 513 342</b>	<b>21 735 419</b>	<b>25 280 267</b>
 <i>Non-current assets</i>				
Investment property	3	365 842 479	575 856 318	719 619 392
Property, plant & equipment	3	319 314 229	279 388 556	262 857 908
Investment in Associated company		145 565 836	51 252 192	114 481 816
Investment in shares		2 375 247	723 547	723 547
Other receivables	6	2 454 746	2 892 562	2 419 662
<b>Total non-current assets</b>		<b>835 552 537</b>	<b>910 113 175</b>	<b>1 100 102 325</b>
 <i>Current assets</i>				
Inventories		16 586 145	5 187 443	5 436 700
Inventories property	3	379 200 000	-	-
Trade and other receivables	6	79 329 467	72 251 302	72 952 161
Quoted investment in shares		4 726	157 076	4 726
Cash and cash equivalents	6	170 332 159	66 468 545	297 838 330
<b>Total current assets</b>		<b>645 452 497</b>	<b>144 064 366</b>	<b>376 231 917</b>
 <b>Total assets</b>		 <b>1 507 518 377</b>	 <b>1 075 912 960</b>	 <b>1 501 614 509</b>

# Bulk Industrier AS

## Consolidated balance sheet

	Notes	June 30, 2017 Unaudited	June 30, 2016 Unaudited	Year 2016 Audited
<b>Equity and liabilities</b>				
<i>Paid in equity</i>				
Ordinary shares		100 000	100 000	100 000
<b>Total paid in equity</b>	7	<u>100 000</u>	<u>100 000</u>	<u>100 000</u>
<i>Retained earnings</i>				
Retained earnings		315 767 323	276 777 541	305 944 946
<b>Total retained earnings</b>		<u>315 767 323</u>	<u>276 777 541</u>	<u>305 944 946</u>
<b>Non-controlling interests</b>		<u>273 952 496</u>	<u>201 565 216</u>	<u>259 213 205</u>
<b>Total equity</b>	7	<u>589 819 819</u>	<u>478 442 757</u>	<u>565 258 151</u>
<i>Non-current liabilities</i>				
Bond loan	6,9	399 000 000	199 000 000	399 000 000
Borrowings	6	366 052 897	268 904 536	367 303 952
Derivative financial instruments	5,6	14 857 666	27 676 983	19 979 884
Other long-term liabilities		28 117	25 138	2 173 201
Deferred income tax liabilities		17 180 624	17 316 629	21 211 756
<b>Total non-current liabilities</b>		<u>797 119 304</u>	<u>512 923 286</u>	<u>809 668 793</u>
<i>Current liabilities</i>				
Trade payables		48 330 740	34 870 734	44 685 698
Short-term portion of borrowings	6	12 093 492	14 107 101	14 192 671
Other payables	6	60 155 022	35 569 082	67 809 196
<b>Total current liabilities</b>	6	<u>120 579 254</u>	<u>84 546 917</u>	<u>126 687 565</u>
<b>Total liabilities</b>		<u>917 698 558</u>	<u>597 470 203</u>	<u>936 356 358</u>
<b>Total equity and liabilities</b>		<u>1 507 518 377</u>	<u>1 075 912 960</u>	<u>1 501 614 509</u>

Oslo, August 28, 2017

The board of Bulk Industrier AS



Peder Nærbo  
Chairman of the board

**Bulk Industrier AS**  
**Consolidated statement of changes in equity**

	Paid in equity		Retained earnings		Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other reserves		
<b>01.01.2016</b>	<b>100 000</b>	<b>-</b>	<b>292 647 474</b>	<b>-</b>	<b>201 761 775</b>	<b>494 509 249</b>
Profit of the period			12 267		3 926 250	3 938 517
Gain on share sale previous years			7 878 362			7 878 362
Net change in minority share			-23 760 562		-4 122 809	-27 883 371
Total comprehensive income	-	-	-15 869 933	-	-196 559	-16 066 492
<b>30.06.2016</b>	<b>100 000</b>	<b>-</b>	<b>276 777 541</b>	<b>-</b>	<b>201 565 216</b>	<b>478 442 757</b>
<b>01.01.2017</b>	<b>100 000</b>	<b>-</b>	<b>305 944 946</b>	<b>-</b>	<b>259 213 205</b>	<b>565 258 151</b>
Profit of the year			18 753 129		14 739 291	33 492 420
Other changes			-8 930 752			-8 930 752
Net change in minority share						0
Total comprehensive income	-	-	9 822 377	-	14 739 291	24 561 668
<b>30.06.2017</b>	<b>100 000</b>	<b>-</b>	<b>315 767 323</b>	<b>-</b>	<b>273 952 496</b>	<b>589 819 819</b>

## Bulk Industrier AS

### Cashflow statement - consolidated

	Note	June 30, 2017	June 30, 2016
<b>Cash flow from operations</b>			
Profit before income taxes		29 461 288	6 152 635
Adjust for:			
Fair value adj. on investment properties	3	-27 876 375	1 786 690
Finance income		-5 763 385	-1 497 528
Finance costs		25 049 459	19 762 639
<b>Cashflow before change in working capital</b>		<b>20 870 987</b>	<b>26 204 436</b>
Change in working capital			
Trade and other receivables		-17 561 835	10 600 624
Trade and other payables		-4 009 132	14 397 190
<b>Net cash flow from operations (A)</b>		<b>-699 980</b>	<b>51 202 250</b>
<b>Cash flow from investments</b>			
Purchase and improvements of investments property	3	-98 846 712	-3 063 017
Net change in financial investments		-31 084 020	1 924 733
Purchase of shares in other companies		-	-19 166 667
Sale of shares in other companies		-	-
Purchase of fixed assets	3, 4	-58 567 059	-154 857 855
<b>Net cash flow from investments (B)</b>		<b>-188 497 791</b>	<b>-175 162 806</b>
<b>Cash flow from financing</b>			
Interest paid including interest paid on derivatives		-25 049 459	-16 583 418
Interest received		641 167	1 497 528
Proceeds from increased debt/repayments of loan		86 099 892	23 211 419
Dividend paid		-	-
Disbursement from changes in minority share			-29 598 735
<b>Net cash flow from financing (C)</b>		<b>61 691 600</b>	<b>-21 473 206</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>		<b>-127 506 171</b>	<b>-145 433 762</b>
Cash and cash equivalents at the beginning of the period		297 838 330	211 902 307
<b>Cash and cash equivalents at the end of the period</b>		<b>170 332 159</b>	<b>66 468 545</b>
Restricted funds		31 188 888	31 188 888



## **Bulk Industrier AS**

### **Notes to the consolidated accounts for first half year 2017**

#### **Note 1 General information**

Bulk Industrier AS is a limited liability company registered in Norway. The head office of the company is in Frognerstranda 2, Oslo, Norway. The company is the ultimate parent company of the real estate group Bulk Infrastructure AS.

These interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2016 annual report.

The interim financial statements have not been audited.

The accounting policies applied by the Group in these interim consolidated financial statements are consistent with those applied in the audited consolidated financial statements for the year ended December 31, 2016. Please refer to Note 2 - Accounting principles to the Consolidated Financial Statement in the 2016 annual report for information on the Group's accounting policies. The annual report is available on [www.bulk.no](http://www.bulk.no).

**Bulk Industrier AS**  
**Notes to the consolidated accounts for first half year 2017**

**Note 2 Segment information**

Bulk Industrier Group has the following strategic operating segments by 30.06.2017

All operating activities is based in Norway

**Operating profit and loss after segment 30.06.2017**

	Bulk Logistics		Bulk Digital Logistics		Bulk Networks		Bulk Services *		Elim		Total	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Rental income	16 854 161	16 382 763	-	-	-	-	-	-	-	-	16 854 161	16 382 763
Property sales	42 646 255	33 906 827	-	-	-	-	1 344 520	-	-	-	43 990 775	33 906 827
Other revenue	883 019	1 829 655	-	1 407 254	-	50 000	47 224 653	22 417 134	-	-	48 107 672	25 704 043
<b>Total revenue</b>	<b>60 383 435</b>	<b>52 119 245</b>	<b>-</b>	<b>1 407 254</b>	<b>-</b>	<b>50 000</b>	<b>48 569 173</b>	<b>22 417 134</b>	<b>-</b>	<b>0</b>	<b>108 952 608</b>	<b>75 993 633</b>
Property-related expenses	2 832 663	2 241 878	-	-	-	-	6 098 767	4 758 932	-	-	8 931 430	7 000 810
Other cost	855 526	699 041	600 034	651 671	1 359 162	1 296 692	58 978 531	38 216 250	-	-	61 793 253	40 863 654
<b>Total expenses</b>	<b>3 688 189</b>	<b>2 940 919</b>	<b>600 034</b>	<b>651 671</b>	<b>1 359 162</b>	<b>1 296 692</b>	<b>65 077 298</b>	<b>42 975 182</b>	<b>-</b>	<b>0</b>	<b>70 724 683</b>	<b>47 864 464</b>
<b>Operating profit before fair value adjustments on investment properties</b>	<b>56 695 246</b>	<b>49 178 326</b>	<b>-600 034</b>	<b>755 583</b>	<b>-1 359 162</b>	<b>-1 246 692</b>	<b>-16 508 125</b>	<b>-20 558 048</b>	<b>-</b>	<b>0</b>	<b>38 227 925</b>	<b>28 129 169</b>
Fair value adjustments on investment properties	27 876 375	-1 786 690	-	-	-	-	-	-	-	-	27 876 375	-1 786 690
<b>Operating profit</b>	<b>84 571 621</b>	<b>47 391 636</b>	<b>-600 034</b>	<b>755 583</b>	<b>-1 359 162</b>	<b>-1 246 692</b>	<b>-16 508 125</b>	<b>-20 558 048</b>	<b>-</b>	<b>0</b>	<b>66 104 300</b>	<b>26 342 479</b>
Share of profit of investments accounted for using the equity method	-	-	-18 753 359	-1 924 733	0	-	1 396 420	-	0	-	-17 356 939	-1 924 733
Finance income	583 819	1 102 366	441 250	519 958	-	749	3 020 824	2 710 900	-3 404 726	-2 836 445	641 167	1 497 528
Finance costs	8 999 027	9 554 374	386 252	501 946	-	45 164	19 068 906	9 318 379	-3 404 726	-2 836 445	25 049 459	16 583 418
Finance costs on derivatives	-	-	-	-	-	-	-	-	0	-	0	0
<b>Realised net financial items</b>	<b>-8 415 208</b>	<b>-8 452 008</b>	<b>-18 698 361</b>	<b>-1 906 721</b>	<b>0</b>	<b>-44 415</b>	<b>-14 651 661</b>	<b>-6 607 479</b>	<b>-</b>	<b>0</b>	<b>-41 765 231</b>	<b>-17 010 623</b>
Fair value adjustments on derivatives	5 122 218	-3 179 221	-	-	-	-	-	-	-	-	5 122 218	-3 179 221
<b>Net financial items</b>	<b>-3 292 990</b>	<b>-11 631 229</b>	<b>-18 698 361</b>	<b>-1 906 721</b>	<b>0</b>	<b>-44 415</b>	<b>-14 651 661</b>	<b>-6 607 479</b>	<b>-</b>	<b>0</b>	<b>-36 643 012</b>	<b>-20 189 844</b>
<b>Profit before income tax</b>	<b>81 278 631</b>	<b>35 760 407</b>	<b>-19 298 395</b>	<b>-1 151 138</b>	<b>-1 359 162</b>	<b>-1 291 107</b>	<b>-31 159 786</b>	<b>-27 165 527</b>	<b>-</b>	<b>0</b>	<b>29 461 288</b>	<b>6 152 635</b>
Income tax expense	-1 033 227	-2 144 546	-2 997 905	69 572	-	-	-	-	-	-	-4 031 132	2 214 118
<b>Profit for the year</b>	<b>82 311 858</b>	<b>33 615 861</b>	<b>-16 300 490</b>	<b>-1 220 710</b>	<b>-1 359 162</b>	<b>-1 291 107</b>	<b>-31 159 786</b>	<b>-27 165 527</b>	<b>-</b>	<b>0</b>	<b>33 492 420</b>	<b>3 938 517</b>
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>82 311 858</b>	<b>33 615 861</b>	<b>-16 300 490</b>	<b>-1 220 710</b>	<b>-1 359 162</b>	<b>-1 291 107</b>	<b>-31 159 786</b>	<b>-27 165 527</b>	<b>-</b>	<b>0</b>	<b>33 492 420</b>	<b>3 938 517</b>

**Bulk Industrier AS**  
**Notes to the consolidated accounts for first half year 2017**

Note 2 Segment information - continued

	Bulk Logistics		Bulk Digital Logistics		Bulk Networks		Bulk Services *		Elim		Total	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
<b>Assets</b>												
<b>Intangible fixed assets</b>												
Goodwill	-	-	-	-	-	-	16 947 796	16 947 796	-	-	16 947 796	16 947 796
Other intangible assets	-	-	-	-	-	-	9 565 546	4 787 623	-	-	9 565 546	4 787 623
Deferred tax asset	-	-	2 037 787	294 675	3 559 198	1 653 355	23 470 742	8 560 978	-29 067 727	-10 509 008	-	-
<b>Total intangible assets</b>	-	-	2 037 787	294 675	3 559 198	1 653 355	49 984 084	30 296 397	-29 067 727	-10 509 008	26 513 342	21 735 419
<b>Non-current assets</b>												
Investment property	365 842 479	575 856 318	-	-	-	-	-	-	-	-	365 842 479	575 856 318
Property, plant & equipment	2 562 358	219 377	222 699 776	186 080 747	92 734 652	85 895 355	1 317 443	7 193 077	-	-	319 314 229	279 388 556
Investment in Associated company	-	-	101 382 486	51 252 192	-	-	44 183 350	-	-	-	145 565 836	51 252 192
Other receivables	0	100 000	144 326	94 326	-	-	2 310 470	2 698 236	-	-	2 454 746	2 892 562
<b>Total non-current assets</b>	368 404 837	576 175 695	324 226 588	237 427 265	92 734 652	85 895 355	47 811 213	9 891 313	-	-	833 177 290	909 389 628
<b>Current assets</b>												
Inventories	4 570 510	4 570 510	-	-	-	-	12 015 635	616 933	-	-	16 586 145	5 187 443
Inventories property	379 200 000	-	-	-	-	-	-	-	-	-	379 200 000	-
Receivables related parties	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	16 767 924	14 840 582	7 768 822	6 536 617	1 408 234	1 483 672	53 384 487	49 390 431	-319 077 282	-256 473 832	79 329 467	72 251 302
Cash and cash equivalents	107 520 893	14 578 371	22 261 735	4 437 425	2 676 709	3 220 454	37 872 822	44 232 295	-	-	170 332 159	66 468 545
<b>Total current assets</b>	508 059 327	33 989 463	30 030 557	10 974 042	4 084 943	4 704 126	422 350 226	350 713 491	-319 077 282	-256 473 832	645 447 771	143 907 290
<b>Total assets</b>	876 464 164	610 165 158	356 294 932	248 695 982	100 378 793	92 252 836	520 145 523	390 901 201	-348 145 009	-266 982 840	1 505 138 403	1 075 032 337
<b>Liabilities</b>												
Total long-term liabilities	380 769 549	354 137 613	203 302 721	126 590 684	101 140 823	86 880 924	430 983 493	201 787 897	-319 077 282	-256 473 832	797 119 304	512 923 286
Total short-term liabilities	53 176 954	7 773 381	18 686 180	19 780 324	1 144 332	464 118	47 571 788	56 529 094	-	-	120 579 254	84 546 917
<b>Total liabilities</b>	433 946 503	361 910 994	221 988 901	146 371 008	102 285 155	87 345 042	478 555 281	258 316 991	-319 077 282	-256 473 832	917 698 558	597 470 203

\* Including Parent Company

## Bulk Industrier AS

### Notes to the consolidated accounts for first half year 2017

#### Note 3 Investment property

#### INVESTMENT PROPERTY

	2017	2016
Fair value 1.1.	719 619 392	574 579 991
Additions:		
- Value added improvements on property	98 846 712	3 063 017
- Purchase of property		-
- Sale of property	-101 300 000	-
Transferred to inventory	-379 200 000	-
Net change in adjustments of fair value	27 876 375	-1 786 690
<b>Fair value 30.06.</b>	<b>365 842 479</b>	<b>575 856 318</b>
Investment property classified as held for sale	-	-
Property classified as inventory	379 200 000	-
<b>Profit and loss relating to investment property</b>	<b>2017</b>	<b>2016</b>
Income from rent	16 854 161	16 382 763
Expenses related to leased property	-8 931 430	-7 000 810
Expenses related to non-leased property	-	-

## Bulk Industrier AS

### Notes to the consolidated accounts for first half year 2017

#### Note 3 Property, plant & Equipment

	Buildings	Land and parking	Under construction	Fixtures and fittings	Equipment	Total
<i>Accumulated cost</i>						
Balance at 01.01.2016	6 206 053	28 155 190	5 011 011	6 648 021	85 798 605	131 818 880
Additions	296 641	20 784 936	131 499 035		96 750	152 677 362
Acquired through business combinations				295 897		295 897
<b>Balance at 30.06.2016</b>	<b>6 502 694</b>	<b>48 940 126</b>	<b>136 510 046</b>	<b>6 943 918</b>	<b>85 895 355</b>	<b>284 792 139</b>
Balance at 01.01.2017	6 775 947	59 526 467	108 929 032	7 300 128	86 848 238	269 379 812
Additions	11 197	1 828 867	49 775 094	808 658	4 910 168	57 333 984
Acquired through business combinations						0
Reclassifications	0	0	0	0	0	0
Transfer from assets under construction						0
<b>Balance at 30.06.2017</b>	<b>6 787 144</b>	<b>61 355 334</b>	<b>158 704 126</b>	<b>8 108 786</b>	<b>91 758 406</b>	<b>326 713 796</b>
<i>Accumulated depreciation</i>						
Balance at 01.01.2016	1 745 941			2 625 784		4 371 725
Acquired through business combinations				70 258		70 258
Depreciation charge for the year	98 491			863 109		961 600
<b>Balance at 30.06.2016</b>	<b>1 844 432</b>	<b>0</b>	<b>0</b>	<b>3 559 151</b>	<b>0</b>	<b>5 403 583</b>
Balance at 01.01.2017	2 136 541			4 385 363		6 521 904
Acquired through business combinations						0
Depreciation charge for the year	201 102			676 561		877 663
<b>Balance at 30.06.2017</b>	<b>2 337 643</b>	<b>0</b>	<b>0</b>	<b>5 061 924</b>	<b>0</b>	<b>7 399 567</b>
<i>Net book value</i>						
<b>At 01.01.2016</b>	<b>4 460 112</b>	<b>28 155 190</b>	<b>5 011 011</b>	<b>4 022 237</b>	<b>85 798 605</b>	<b>127 447 155</b>
<b>At 30.06.2016</b>	<b>4 658 262</b>	<b>48 940 126</b>	<b>136 510 046</b>	<b>3 384 767</b>	<b>85 895 355</b>	<b>279 388 556</b>
<b>At 01.01.2017</b>	<b>4 639 406</b>	<b>59 526 467</b>	<b>108 929 032</b>	<b>2 914 765</b>	<b>86 848 238</b>	<b>262 857 908</b>
<b>At 30.06.2017</b>	<b>4 449 501</b>	<b>61 355 334</b>	<b>158 704 126</b>	<b>3 046 862</b>	<b>91 758 406</b>	<b>319 314 229</b>

## Bulk Industrier AS

### Notes to the consolidated accounts for first half year 2017

#### Note 4 Intangible assets

	Goodwill	R&D and Software	Total
<i>Cost</i>			
Balance at 01.01.2016	-	2 607 130	2 607 130
Acquired through business combinations	16 947 796		16 947 796
Additions		2 180 493	2 180 493
Balance at 30.06.2016	16 947 796	4 787 623	21 735 419
Balance at 01.01.2017	16 947 796	8 332 471	25 280 267
Acquired through business combinations			0
Additions	-	1 233 075	1 233 075
Balance at 30.06.2017	16 947 796	9 565 546	26 513 342
<i>Accumulated amortization and impairment</i>			
Balance at 01.01.2016	-	-	-
Amortization charge for the year	-	-	-
Balance at 30.06.2016	-	-	-
Balance at 01.01.2017	-	-	-
Amortization charge for the year	-	-	-
Balance at 30.06.2017	-	-	-
<i>Net book value</i>			
At 01.01.2017	16 947 796	8 332 471	25 280 267
At 30.06.2016	16 947 796	4 787 623	21 735 419
At 30.06.2017	16 947 796	9 565 546	26 513 342

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

Goodwill: indefinite

R&D and software: 5 years



## Bulk Industrier AS

### Notes to the consolidated accounts for first half year 2017

#### Note 5 Derivative financial instruments

	30.06.2017	30.06.2016	31.12.2016
Interest rate swaps	-14 857 666	-27 676 983	-19 979 884
<b>Total liabilities</b>	<b>-14 857 666</b>	<b>-27 676 983</b>	<b>-19 979 884</b>

#### *Interest rate swaps*

	30.06.2017	30.06.2016	31.12.2016
National amount interest rate swaps	-80 160 000	-135 256 000	-133 160 000
<b>Total national amount</b>	<b>-80 160 000</b>	<b>-135 256 000</b>	<b>-133 160 000</b>

**Bulk Industrier AS**  
**Notes to the consolidated accounts for first half year 2017**

**Note 6 Financial instruments**

30.06.2017	30.06.2017				
	Financial derivatives at fair value through profit and loss	Trade and other receivables	Financial liabilities recognised at amortised cost	Other financial liabilities	Total
<b>Assets</b>					
Financial investments		2 454 746			2 454 746
Trade receivables		18 434 279			18 434 279
Receivables related parties		-			-
Other receivables		60 895 188			60 895 188
Cash and cash equivalents		170 332 159			170 332 159
<b>Total Financial assets</b>	-	<b>249 661 626</b>	-	-	<b>252 116 372</b>
<b>Liabilities</b>					
Bond loan			399 000 000		399 000 000
Non current borrowings			366 052 897		366 052 897
Financial derivatives	14 857 666				14 857 666
Other long-term liabilities				28 117	28 117
Accounts payable and other current liabilities			12 093 492	108 485 762	120 579 254
<b>Total Financial liabilities</b>	<b>14 857 666</b>	-	<b>777 146 389</b>	<b>108 513 879</b>	<b>900 517 934</b>

30.06.2016	30.06.2016				
	Financial derivatives at fair value through profit and loss	Trade and other receivables	Financial liabilities recognised at amortised cost	Other financial liabilities	Total
<b>Assets</b>					
Financial investments		2 892 562			2 892 562
Trade receivables		16 299 339			16 299 339
Receivables related parties		-			-
Other receivables		55 951 963			55 951 963
Cash and cash equivalents		66 468 545			66 468 545
<b>Total Financial assets</b>	-	<b>141 612 409</b>	-	-	<b>141 612 409</b>
<b>Liabilities</b>					
Bond loan			199 000 000		199 000 000
Non current borrowings			268 904 536		268 904 536
Financial derivatives	27 676 983				27 676 983
Other long-term liabilities				25 138	25 138
Accounts payable and other current liabilities			14 107 101	70 439 816	84 546 917
<b>Total Financial liabilities</b>	<b>27 676 983</b>	-	<b>482 011 637</b>	<b>70 464 954</b>	<b>580 153 574</b>

**Fair value hierarchy for financial instruments recognised at fair value**

Financial derivatives recognized at fair value are interest rate swaps. The value of these, is based on actual value. These valuations are based on the second level in the framework of IFRS 7.

**Fair value of financial instruments recognized at amortised cost**

Financial instruments recognized at amortized cost consists of receivables and liabilities with floating rates. Recognized value is a good indication of fair value for these receivables and liabilities. The adjustments in market rate and debt conditions are reflected in the interest rates.

For details regarding the bond loan see note 9

**Bulk Industrier AS**  
**Notes to the consolidated accounts for first half year 2017**

**Note 7 Paid in equity and shareholders**

	30.06.2017	30.06.2016
Share capital	100 000	100 000

Change in paid in equity and share premium:

	Total shares		Paid in equity (IN NOK)		Share premium	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
<b>Ordinary shares</b>						
Issued stock and paid in capital						
At the beginning of the year	100	100	100 000	100 000	-	-
Capital increase	-	-	-	-	-	-
<b>At the end of the year</b>	<b>100</b>	<b>100</b>	<b>100 000</b>	<b>100 000</b>	<b>-</b>	<b>-</b>

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

**The company's largest shareholders at 30.06.2017**

Shareholder	Type of account	Country	Number of ordinary shares	Share %
Peder Nærbo	Ordinary	Norway	100	100 %
Total number of shares at 30.06.2017			100	100 %

**Dividend**

No dividend is paid in the first half year 2017.

## **Bulk Industrier AS**

### **Notes to the consolidated accounts for first half year 2017**

#### **Note 8 Subsequent events after the reporting period**

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

There are no material events with effect on the balance sheet date or events after the balance sheet date without such accounting effect.

## Bulk Industrier AS

### Notes to the consolidated accounts for first half year 2017

#### Note 9 Bond loan

##### *Bulk Industrier AS 15/18 FRN - BUIN01*

Bulk Industrier AS issued a 3 year NOK 400 million senior secured FRN bond December 18, 2015. Initial bond issue was NOK 200 million with a following tap of NOK 200 million.

#### Specification

ISIN	NO0010754534
Ticker Oslo Stock Exchange	BUIN01
Maturity date	18.12.2018
Amount	NOK 400,000,000
Coupon	Nibor 3m + 7.0%
Coupon type	FRN
Coupon frequency	Quarterly
Trustee	Nordic Trustee ASA

#### Financial covenants

##### *Issuer's financial covenants:*

Minimum book equity of NOK 250 million

##### *Group's financial covenants:*

Net LTV of maximum 65%

Minimum liquidity of NOK 20 million

#### Security

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

#### Valuation

The last trading date as of June 30, 2017 valued the bond at price of 103,13.

## **Bulk Industrier AS**

### **Notes to the consolidated accounts for first half year 2017**

#### **Disclaimer**

The information included in this Report may contain certain forward-looking statements that address activities, events or development that Bulk expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors, including but not limited to, economic and market conditions in the geographic areas and markets in which Bulk is or will be operating, counterparty risk, interest rates, access to financing, fluctuations in currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors, we refer to the annual report for 2016. As a result of these and other risk factors, actual events and actual results may differ materially from those indicated in or implied by such forward-looking statements. Inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and Bulk disclaims any liability in this respect.