

# NOR SKE

VIKING



Q4 2024 FINANCIAL REPORT

## About NOR5ke Viking I AS

NOR5ke Viking I AS (the “Company”) is a fully owned subsidiary of NOR5ke Fibre AS, a digital infrastructure company founded in 2017 and based in Oslo, Norway. The Company was established 20 October 2021 as a legal entity to build, own and operate “NOR5ke Viking”, an 810 km subsea cable along the western coast of Norway between Bergen and Trondheim. The cable contains 192 dark fibers for lease, significantly increasing regional connectivity to important national and international fiber/data transportation hubs. Dark fiber is the name of the physical fiber cable infrastructure that lays the foundation for international data traffic and our digital economy. Some 99% of the worlds data and internet traffic is transported via subsea cables.

## CEO Comments on 4<sup>th</sup> Quarter 2024

The Company successfully signed a 20-year dark fiber lease agreement with a new customer, and additional colocation leases in several ILAs (colocation sites) have been secured. The Company is in active discussions with national and international customers interested in leasing dark fiber to improve Norway's fiber infrastructure. It remains a qualified bidder in two public tenders and one RFQ from a major international company. All these projects require dark fiber deployment in the short and medium term. These projects involve both the existing fiber network and the planned expansion of the parent company's dark fiber network. Recent meetings with public entities indicate delays in their tenders due to internal processes. The Company expects the tender outcomes and the selection of dark fiber providers to be announced during 2025.

Going forward, our focus continues to be on securing additional dark fiber leases and colocation contracts. At the same time, we will uphold our high standards for network operations and maintenance.

Stig Salater, CEO



## Business update

- The Company signed a dark fiber lease contract with a local energy company, where the lease for the first 2 months is paid monthly after which an IRU payment is paid for the remaining 20-year lease. The total contract value is approximately NOK 1.8 million. In addition, the customer signed an ILA colocation contract for one of our ILA sites.
- An existing customer signed a colocation agreement for rack space and power access in four of our ILA shelters.
- N0r5ke Fibre initiated the build of a new dark fiber link in the county of Trøndelag. The new link will be operational 1H 2025 and provide significant improvement in fiber diversity between northern and southern Norway.
- The Company is partaking in previously announced public tenders for dark fiber between Bergen and Trondheim, the public entities have asked for more time to make their final decisions. The public tenders have been signalled in the Company's earlier reports. The winning party is expected to be selected during 2025.
- N0r5ke Fibre AS, the parent company is participating in an RFQ from a major international company seeking significant dark fiber deployment in the short and medium term on parts of the planned expansion.
- The revenues by end of the quarter were NOK 5.7 million (+36.9% from the previous year) of which NOK 3.0 million are attributed O&M fees, rack space rental and sale of power in ILA shelters/rooms.
- N0r5ke Fibre AS ("N0r5ke Fibre"), the parent company of N0r5ke Viking I AS, sees continued increase in demand and need for redundant long-haul fiber networks in Norway to accommodate the growth in international data traffic. Thus, N0r5ke Fibre is further progressing on executable development plans and has received necessary permits for further subsea- and terrestrial fiber network build-out between Bergen and Oslo and between Oslo and Trondheim. The demand growth story is supported by Green Mountain Data Centers' recent opening a purpose-built data center of up to 150 MW for an international social media company at Hamar, only 1.5 hours north of Oslo. In addition, Google are well progressed with their new 240MW capacity data center close to Skien, some 130 Km south of Oslo and near N0r5ke Fibre's planned fiber expansion. N0r5ke Fibre AS has mandated Arctic Securities AS to evaluate financing options for the expansion. In connection with this, the Company is considering all alternatives for addressing the Company's outstanding bond maturing in May 2025. The macroeconomic environment is improving, with lower inflation prompting central banks to cut interest rates. Lower rates and expectations of further cuts have renewed investor interest, improving market sentiment.

## Financial update

- The Company has per 31 December 2024 a cash holding of approximately NOK 8.0 million.
- The unaudited pre-tax loss end of the year was NOK 28.2 million.

### Subsequent events

- The Company is in dialogue with one of its customers regarding size and timing for the triggering of optional fiber pairs.
- N0r5ke Fibre AS has signed a lease contract for fiber pairs on its current buildout in Trøndelag.

### Statement by the board of directors and executive management

The Board of Directors and the Executive Management have today reviewed and approved the interim report for the period 1 October to 31 December 2025 of N0r5ke Viking I AS. We believe, to the best of our knowledge, that the financial statements presented in this report, give a fair representation of the Company's financial position of assets and liabilities and the profits earned for this quarter. Furthermore, in our opinion, the report gives a fair representation of the Company's activities as well as a fair description of the material risks and uncertainties which the Company is currently facing.

Oslo, 20.02.2025

#### Executive Management

Stig Salater, CEO N0r5ke Fibre AS



#### Board of Directors

Anders Vik, Chairman of the Board



## Unaudited quarterly financial statements

Balance sheet		31.12.2024	31.12.2023
<i>Numbers in NOK 1,000</i>			
<b>Assets</b>			
<i>Fixed assets</i>	<i>Note</i>		
<b>Tangible fixed assets</b>			
Property plant, and equipment (PP&E)		174'828	178'601
<b>Sum tangible fixed assets</b>	2	<b>174'828</b>	<b>178'601</b>
<b>Sum fixed assets</b>		<b>174'828</b>	<b>178'601</b>
<b>Current assets</b>			
<i>Stocks</i>			
Stocks		1'301	
<b>Sum stocks</b>		<b>1'301</b>	
<b>Receivables</b>			
Other debtors		107	364
Accounts receivable		17'274	1'991
<b>Sum receivables</b>		<b>17'381</b>	<b>2'355</b>
<b>Bank deposits, cash etc.</b>			
Bank deposits, cash etc.		8'061	42'425
<b>Sum Bank deposits, cash etc.</b>		<b>8'061</b>	<b>42'425</b>
<b>Sum current assets</b>		<b>26'743</b>	<b>209'857</b>
<b>Sum assets</b>		<b>201'572</b>	<b>223'381</b>
<b>Equities and liabilities</b>			
<i>Equity</i>			
<b>Paid-in capital</b>			
Share Capital	5	801	801
Other paid-in capital		30'001	30'001
<b>Sum paid-in capital</b>		<b>30'803</b>	<b>30'803</b>
Retained Earnings		-28'207	
<b>Sum equity</b>		<b>2'596</b>	<b>30'803</b>
<b>Liabilities</b>			
<b>Other long-term liabilities</b>			
Bond loans	4	130'000	149'299
<b>Sum other long-term liabilities</b>	4	<b>130'000</b>	<b>149'299</b>
<b>Current liabilities</b>			
Accounts payable		-219	226
Public duties payable		-24	-
Other short-term liabilities		69'219	43'053
<b>Sum current liabilities</b>		<b>68'976</b>	<b>43'279</b>
<b>Sum liabilities</b>		<b>198'976</b>	<b>192'578</b>
<b>Sum equities and liabilities</b>		<b>201'572</b>	<b>223'381</b>

Income statement		31.12.2024	31.12.2023
<i>Numbers in NOK 1,000</i>	<i>Note</i>		
Operating income		5'744	4'193
Other operating income		30	-
<b>Total operating income</b>		<b>5'774</b>	<b>4'193</b>
Cost of goods sold		2'466	2'799
Salaries	1	-	-
Depreciation of fixed assets and intangible assets	2	3'682	7'243
Other operating expenses		7'260	1'024
<b>Sum operating expenses</b>	3	<b>13'408</b>	<b>11'065</b>
<b>Result of operations</b>		<b>-7'634</b>	<b>-6'872</b>
Other interest income		429	341
Other financial income		-	-
Other interest charge	4	20'074	18'226
Other financial expense		928	2'557
<b>Net financial income/expenses</b>		<b>-20'573</b>	<b>-20'442</b>
<b>Ordinary profit/loss before tax</b>		<b>-28'207</b>	<b>-27'314</b>
Tax		-	-
<b>Ordinary profit/loss</b>		<b>-28'207</b>	<b>-27'314</b>
<b>Undistributed profit/loss</b>		<b>-28'207</b>	<b>-27'314</b>
<b>Cash flow statement</b>		<b>31.12.2024</b>	<b>31.12.2023</b>
<i>Numbers in NOK 1,000</i>	<i>Note</i>		
Profit/(loss) before taxation		-28'207	-27'314
Depreciation and amortisation		3'682	7'243
Changes in accounts receivables		-15'283	-1'991
Changes in accounts payables		573	-6'771
Items classified as investment- or finance activities		-	-2'102
Changes in other current receivables/liabilities		26'081	46'982
<b>Cash flow from operating activities</b>		<b>-13'153</b>	<b>16'047</b>
Proceeds from the sale of property plant, and equipment (PP&E)		-	24
Purchase of PP&E (CapEx)		-1'211	20'448
<b>Cash flow from investing activities</b>		<b>-1'211</b>	<b>-20'424</b>
Proceeds from new shares issue		-	12'114
Repayment of short-term debt		-	624
Repayment of debt		-20'000	-
Dividends		-	-
<b>Cash flow from financing activities</b>		<b>-20'000</b>	<b>11'491</b>
Net change in cash and cash equivalents		-34'364	7'114
Cash and cash equivalents at start of the period		42'425	35'311
<b>Cash and cash equivalents at end of the period</b>		<b>8'061</b>	<b>42'425</b>

## Notes to the financial statements

### Accounting principles

The financial statements have been prepared in accordance with the provisions of the Accounting Act and associated regulations, as well as generally accepted accounting practice. In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

### Operating income

The Company lease out dark fiber capacities and colocation in telco shelters to customers on its fiber network between Bergen and Trondheim.

### Tax

The tax expense in the profit and loss account consists of both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated as 22 percent of temporary differences between accounting profit and taxable profit considering the tax effect of former operating losses. Temporary differences, both positive and negative, are offset within the same period. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilised.

### Principle rule for recording and categorising assets and debts

Assets intended for long-term ownership or usage are categorised as fixed assets.

Fixed assets are valued at acquisition cost and depreciated linearly over the economic lifetime. Fixed assets under construction are classified as fixed assets, depreciation will not start prior to deployment. If the actual value of the fixed assets is lower than the booked value and the decrease in value is not expected to be temporary, devaluation to the actual value is carried out.

Long term liabilities are recognized at nominal value.

Other assets are categorised as current assets. Debts to be paid back within a year are also categorised as current assets. Similar criteria are used to categorise short-term and long-term debts. Current assets are recorded at the lowest of historical cost and net realisable value.

Other long-term and short-term debts are recognised at nominal value.

**Note 1 – Personnel compensation and number of employees**

The company has no employees.

**Note 2 – Tangible fixed assets**

	<b>Tangible assets (Subsea cable and terrestrial fiber infrastructure)</b>
Acquisition cost 31.12.2023	178 600 963
<b>Acquisition cost 31.12.2023</b>	<b>178 600 963</b>
Net change per 31.12.2024	3 772 573
<b>Allocated to balance sheet 31.12.2024</b>	<b>174 828 390</b>

Economic life of up to 50 years.

**Note 3 – Specification re. operating expenses**

	31.12.2024	31.12.2023
Cost of goods sold	2 465 514	2 798 743
Depreciation	3 682 412	7 242 640
Other operating expenses	7 259 614	1 024 088
<b>Sum other expenses</b>	<b>13 407 541</b>	<b>11 065 471</b>

Cost of goods sold relates to payments for 3<sup>rd</sup> party companies performing Operation and Maintenance, general management, administration of the company, sales and marketing efforts towards current and new customers, in addition to marketing and attendance at industry events. Other operating expenses include 3<sup>rd</sup> party legal, paying agent and financial manager efforts, increase from 2023 is linked to the bond amendment and extension process. To reflect the depreciation rule for dark fiber networks used by similar Norwegian network owners, a 50-year depreciation rule has been implemented.



**Note 4 - Bond**

Debt maturing less than 5 years after financial yearend

The bond terms for the bond loan were renegotiated in April 2024, resulting in an extension of the maturity date, PIK interest rate of 15% p.a. and a NOK 20 million down payment. The new maturity date for payment is May 5, 2025.

The terms of the bond are set out in the Bond Terms and are public, as part of the listing on the Nordic Alternative Bond Market. The Company comply with the terms and conditions set out in the Bond terms.

**Note 5 – Share capital and share ownership**

**Per 30.12.2024**

Share capital	# shares	Notional	Total
Ordinary shares	80 114 400	0.01	801 144
<b>Sum</b>	<b>80 114 400</b>		<b>801 144</b>

Owner	# shares	Ownership	Voting
N0r5ke Fibre AS	80 114 400	100%	100%

## Disclaimer

The information included in this Report may contain certain forward-looking statements that address activities, events or development that the Company 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 the Company 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 Investor Presentation dated 25 October 2021 in connection with the NOK 150 million senior secured bond issue on 3 November 2021. As a result of these and other risk factors, actual events and actual results may differ materially from those indicated in or implied by such forward-looking statements. Inaccuracies or mistakes may occur in the information given below about the current status of the Company or its business. Any reliance on the information below is at the risk of the reader, and the Company disclaims any liability in this respect.

