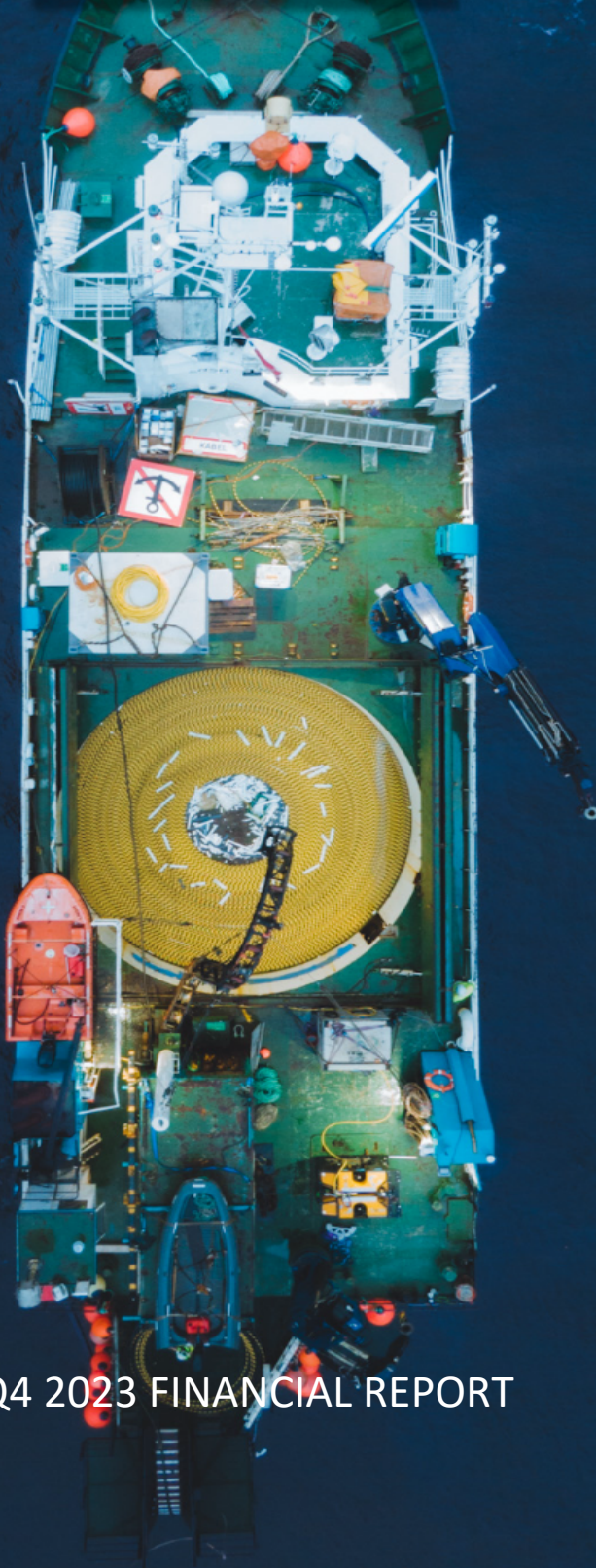


# NOR SKE

VIKING



Q4 2023 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 4th Quarter 2023

The Company has signed colocation agreements with 4 customers in need of renting rack-space and power in 7 of the Company’s ILA shelters/rooms along the NOR5ke Viking network.

One of the Company’s customers has triggered the option for an additional dark fiber pair on parts of the network and has communicated the need to trigger an additional fiber pair on parts of the network early Q2 2024.

The Company has held constructive meetings with national and international prospect customers in need of dark fiber on the network. The Company participates in two public tenders for dark fiber and based on recent dialogues with official representatives the results of the tenders and selection of dark fiber providers are expected to be announced during H1 2024.

We are pleased with the overall progress per 31 December 2023.

Stig Salater, CEO

## Business update

- Through the triggering of an option for additional dark fiber, the Company has achieved sales revenues of approximately NOK 1.2 million for the quarter amounting to approximately NOK 41.0 million for the year in total. The lump-sum IRU contract payments are subject to accrual accounting over the contract lifetime.
- The Company has signed 4 customer agreements for colocation rental in 7 of the Company's ILA shelters/rooms along the network, customers lease power and rack-space for their optical equipment that produce and send light through the leased fibers i.e. transportation of data.
- N0r5ke Fibre AS ("N0r5ke Fibre"), the parent company of N0r5ke Viking I AS, sees increasing demand and need for redundant long-haul fiber in Norway to accommodate the growth in international data traffic. Thus, N0r5ke Fibre is working on progressed plans and have received key 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, and the recently announced potential new large data center with a design capacity of up to 500 MW at Kalberg, south of Stavanger. N0r5ke Fibre has on the back of this mandated Arctic Securities AS to assist in evaluating financing opportunities for this expansion, which could include a refinancing of the Company's outstanding bond maturing in May 2024.

## Financial update

- The Company has per 31 December 2023 a cash holding of approximately NOK 42.4 million.
- The quarterly bond coupon of 12.69% p.a. was paid as scheduled on 3<sup>rd</sup> of November 2023.
- The interest rate for the next quarterly coupon was set to 12.73% p.a. for payment on the 5<sup>th</sup> of February 2024.
- The unaudited pre-tax loss for 2024 was NOK 20.4 million.

## 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 2023 of NOR5ke Viking I AS. We believe, to the best of our knowledge, that the financial statements presented in this report, gives 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, 17.01.2024

### Executive Management

Stig Salater, CEO NOR5ke Fibre AS



### Board of Directors

Anders Vik, Chairman of the Board





## Unaudited quarterly financial statements

<b>Balance sheet</b>		<b>31.12.2023</b>	<b>31.12.2022</b>
<i>Numbers in NOK 1,000</i>	<i>Note</i>		
<b>Assets</b>			
<i>Fixed assets</i>			
<b>Tangible fixed assets</b>			
Property Plant and Equipment	2	179'824	165'420
<b>Sum tangible fixed assets</b>	<b>2</b>	<b>179'824</b>	<b>165'420</b>
<b>Sum fixed assets</b>		<b>179'824</b>	<b>165'420</b>
<i>Current assets</i>			
<b>Stocks</b>			
Stocks		1'888	
<b>Sum Stocks</b>		<b>1'888</b>	
<b>Receivables</b>			
Accounts receivable from customers		1'991	-
Other receivables		104	9'058
<b>Sum receivables</b>		<b>2'095</b>	<b>9'058</b>
<b>Bank deposits, cash etc.</b>			
Bank deposits, cash etc.		42'425	35'311
<b>Sum Bank deposits, cash etc.</b>		<b>42'425</b>	<b>35'311</b>
<b>Sum current assets</b>		<b>46'408</b>	<b>44'369</b>
<b>Sum assets</b>		<b>226'232</b>	<b>209'789</b>
<b>Equities and liabilities</b>			
<i>Equity</i>			
<b>Paid-in capital</b>			
Subscribed capital	6	801	680
Other paid-in capital		57'316	45'322
<b>Sum paid-in capital</b>		<b>58'117</b>	<b>46'002</b>
<b>Retained earnings</b>			
Undistributed profit/loss 2023		-20'432	
<b>Sum retained earnings</b>		<b>-20'432</b>	
<b>Sum equity</b>		<b>37'684</b>	<b>46'002</b>
<i>Liabilities</i>			
<b>Other long-term liabilities</b>			
Bond loans	4	148'518	146'773
<b>Sum other long-term liabilities</b>	<b>4</b>	<b>148'518</b>	<b>146'773</b>
<b>Current liabilities</b>			
Accounts payable		-89	6'996
Public duties payable		-155	
Other short-term liabilities	5	40'274	10'017
<b>Sum current liabilities</b>		<b>40'030</b>	<b>17'013</b>
<b>Sum liabilities</b>		<b>188'548</b>	<b>163'786</b>
<b>Sum equities and liabilities</b>		<b>226'232</b>	<b>209'788</b>

Income statement		31.12.2023	31.12.2022
<i>Numbers in NOK 1,000</i>			
	<i>Note</i>		
Sales revenue		3'860	
<b>Total operating income</b>		<b>3'860</b>	
Other operating expenses	<b>1, 3</b>	-7'729	-584
<b>Sum operating expenses</b>		<b>-7'729</b>	<b>-584</b>
<b>Result of operations</b>		<b>-3'868</b>	<b>-584</b>
Other financial income		341	1'923
<b>Total financial income</b>		<b>341</b>	<b>1'923</b>
Other interest charge		-15'129	-14'878
Other financial expenses		-1'775	-1'882
<b>Total financial expenses</b>		<b>-16'905</b>	<b>-16'760</b>
<b>Net financial income/expenses</b>		<b>-16'564</b>	<b>-14'837</b>
<b>Ordinary profit/loss before tax</b>		<b>-20'432</b>	<b>-15'420</b>
<b>Ordinary profit/loss</b>		<b>-20'432</b>	<b>-15'420</b>
<b>Undistributed profit/loss</b>		<b>-20'432</b>	<b>-15'420</b>

Cash flow statement		31.12.2023	31.12.2022
<i>Numbers in NOK 1,000</i>			
Profit/(loss) before taxation		-19'204	-15'420
Change in stock of goods		-1'888	
Changes in accounts receivables		-1'991	
Changes in accounts payables		-7'085	-17'308
Changes in other current receivables/liabilities		41'055	64'115
<b>Cash flow from operating activities</b>		<b>10'887</b>	<b>31'386</b>
CapEx		-15'887	-140'463
<b>Cash flow from investing activities</b>		<b>-15'887</b>	<b>-140'463</b>
Proceeds from new shares issue		12'114	-396
Proceeds from long-term debt			
Repayment of debt			
Dividends			
<b>Cash flow from financing activities</b>		<b>12'114</b>	<b>-396</b>
Net change in cash and cash equivalents		7'114	-109'473
Cash and cash equivalents at start of the period		35'311	144'784
<b>Cash and cash equivalents at end of the period</b>		<b>42'424</b>	<b>35'311</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 had fixed assets under construction that was not been put into use as of 31.12.2022, thus no income was reported for 2022. In 2023, the Company started leasing out dark fiber capacities to customers.

### 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**

As agreed with the auditor, NOK 12'114'400 of Tangible fixed assets were transferred from NOR5ke Fibre AS' balance sheet to NOR5ke Viking I AS' balance sheet against cash payment of NOK 12'114'400 to NOR5ke Fibre AS.

**Additional information on Tangible fixed assets**

The company has fixed assets under construction and is activating expenditures linked to the subsea cable build-out, except financial expenses that are accounted for as they arise. The subsea cable build out was finalised December 2022 and income started in 2023. Depreciation of the subsea cable started upon finalization and will be linearly along its expected economic life of 20-25 years. In the case of a sale of tangible assets, the profit/loss will be registered in the income statement for the accounting period corresponding to the actual customer hand-over.

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

	31.12.2023	31.12.2022
Cost of stocks	-6 744 434	
Other operating expenses	-984 359	-583 511
Sum operating expenses	-7 728 793	-583 511

Cost of stocks 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.



**Note 4 - Bond**

Debt maturing less than 5 years after financial yearend

	31.12.2023	2022
Bond	150 000 000	150 000 000
Transaction costs	-1 482 119	-3 227 194
<b>Sum</b>	<b>148 517 881</b>	<b>146 772 806</b>

The maturity date of the NOK 150 million senior secured bond FRN is 3<sup>rd</sup> May 2024. The interest rate is set quarterly as 3 month NIBOR + 8.00% p.a.

The terms of the bond is set out in the Bond Terms 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.

Bond Interest rate payments are accounted for on a continuous basis.

**Note 5 - Short-term liabilities**

<b>Short term debt</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Upfront IRU payments made by customers	40 274 890	778 833

IRU payments from customers relate to the typical 20 year lease of dark fiber, the revenues are accrued over the lifetime of the contracts.

**Note 6 – Share capital and share ownership**
**Per 31.12.2022**

<b>Share capital</b>	<b># shares</b>	<b>Notional</b>	<b>Total</b>
Ordinary shares	68 000 000	0.01	680 000
<b>Sum</b>	<b>68 000 000</b>		<b>680 000</b>

<b>Owner</b>	<b># shares</b>	<b>Ownership</b>	<b>Voting</b>
N0r5ke Fibre AS	68 000 000	100%	100%

Mid June 2023, N0r5ke Viking I AS increased its share capital from NOK 680'000 to NOK 801'144, through the issuance of 12'114'400 new shares with a par value of NOK 0,01. The share increase is offered only to N0r5ke Fibre AS being N0r5ke Viking I AS' sole shareholder at a price of NOK 12'114'400.

## 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.

