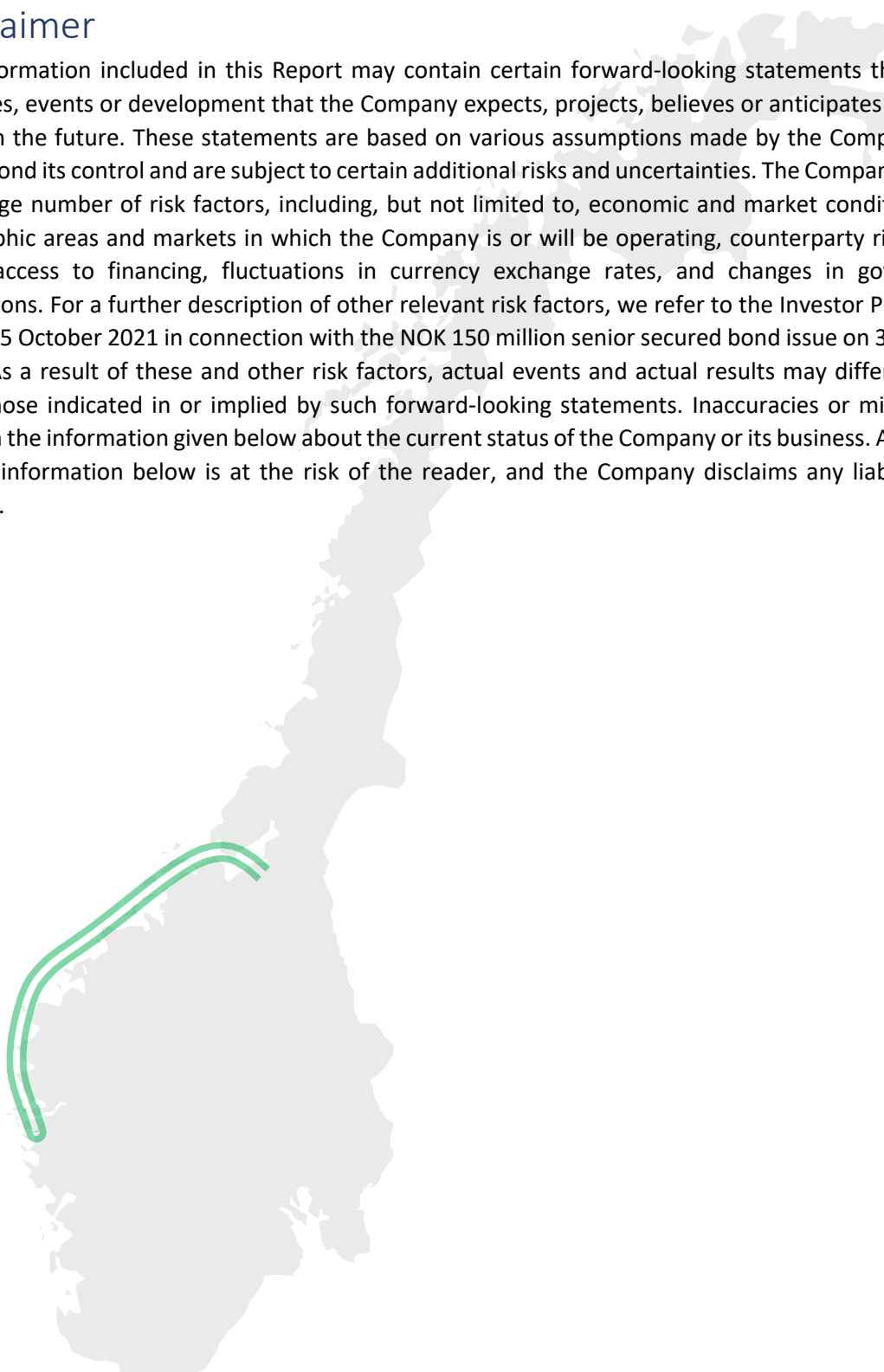


NOR5KE VIKING I AS

ANNUAL REPORT 2021

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.



The Board's annual 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 world's data and internet traffic is transported in subsea cables.

Construction update as per 31/12 2021

- On 26 November 2021 we reached an important milestone as we signed the agreement with Norddeutsche Seekabelwerke GmbH (a part of Prysmian Group) for the production and delivery of the NOR5ke Viking subsea cable containing 192 fibers.
- The NOR5ke Viking subsea cable will be constructed in two batches/lengths with committed deliveries early July and end August 2022, i.e. 2 months earlier than initially planned. The early deliveries allow for subsea installation during the summer / early autumn period, thus reducing the risk for weather induced delays.
- Furthermore, we were able to agree on a price reduction of approximately NOK 7 million versus the initial budget and full payment in NOK, thus both improving the cost buffer and eliminating EURNOK related currency risk. The early cable deliveries contribute strongly to reducing the risk of delays to customer onboarding, scheduled for 15 December 2022.
- With the cable production and delivery dates determined, the focus is on the next milestones; negotiating and signing contracts with the best suited subsea installation company and contractor to build the landing sites and terrestrial fiber stretches.
- Subsea installation: RFQ sent out to five reputable companies specializing in subsea cable installation with experience from such work along the Norwegian coast. Based on the current market environment with higher energy prices and revised cost estimates for crossing subsea oil and gas pipeline infrastructure, we are prepared to allocate an additional NOK 3.5 million to the subsea installation budget. The company selection and contract signing will most likely be made during Q1 2022, and we do not expect any further cost increases other than the NOK 3.5 million.

- Construction of landing sites: RFQ sent out to six reputable construction companies with extensive experience along the coast of western Norway including building cable landing sites. The company selection and contract signing is expected to be finalised towards the end of Q1 2022.
- The project is progressing according to schedule and there are currently no known sources of delays. Of the NOK 185 million initial amount on the construction accounts, approximately NOK 24.6 million has been paid for the first instalment of the fiber cable production and installation cost. As a consequence, the remaining amount on the construction accounts is approximately NOK 160.9 million which is some 15% higher than the remaining project budget.

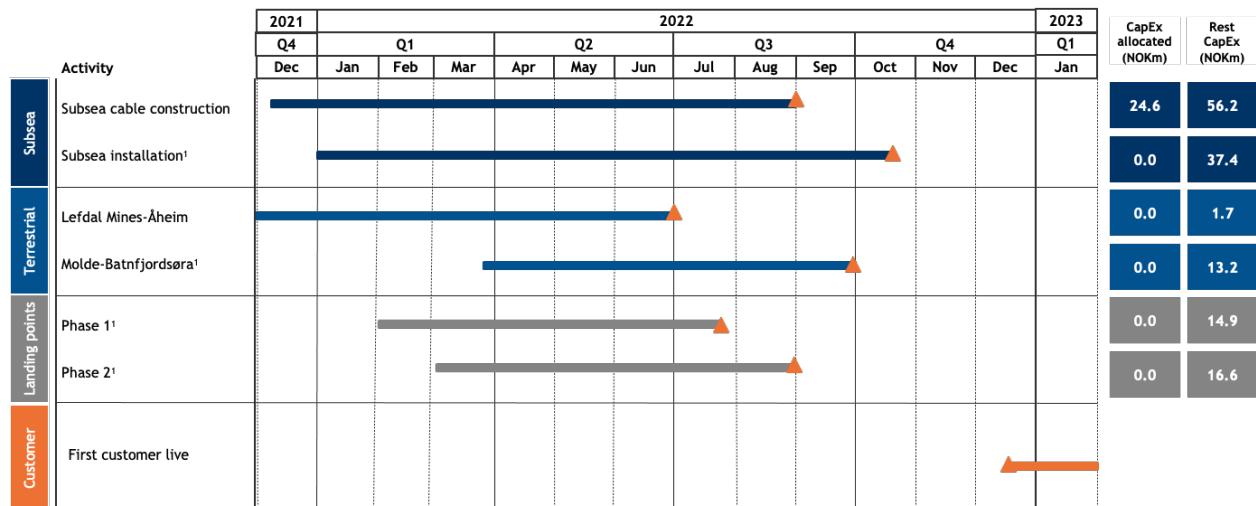


FIGURE 1: ILLUSTRATION OF NOR5KE VIKING PROJECT TIMELINE

Business update

- The first customer contract for 20 years + 20 years lease of dark fiber pairs was signed in October 2021.
- We're in progressed and constructive dialogues with a number of prospective customers having communicated specific dark fiber needs along the entire or parts of the NOR5ke Viking cable route. These prospects are all Norwegian companies including telecoms, power companies and public sector companies. Based on formalities regarding especially Norwegian public sector companies' internal budgeting processes and procurement regulations, we envisage finalising contract signing during Q4 2022-Q2 2023.
- The mismatch in electricity prices both within Norway and internationally has reached historic levels, further strengthening the rationale for constructing NOR5ke Viking. The cable will connect regions in Norway, with some of the highest electricity production outputs and lowest green electricity prices, to national and international fiber- and data/internet hubs. These regions will be attainable and relevant for establishing new data centres that refine the locally produced electricity.

- The subsea cable NOR5ke Viking got a special mention in The Norwegian Communications Authority (NKOM) new report [‘Robust transmission networks for Norway towards 2030’](#) (in Norwegian). The cable will significantly improve the diversity and robustness in Norway’s transmission networks.

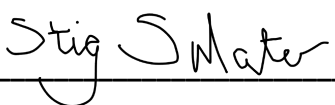
Financial update

- During the fourth quarter the Company and its parent company NOR5ke Fibre AS raised the necessary capital to initiate the build and operationalisation of the NOR5ke Viking subsea cable. The formal registration of the share issue by the Company to the parent NOR5ke Fibre AS, was somewhat delayed due to further COVID-19 related restrictions imposed in December 2021 by the Norwegian authorities. Thus, the NOK 64.4 million net proceeds from the share issue by the Company was allocated to the construction accounts during the first days of January 2022.
- The Company’s cash holdings of approximately NOK 210 million was distributed according to the bond terms across the construction accounts, debt service account and earnings account once the net proceeds from the equity issue was received in January 2022.
- In addition to the Company’s liquidity buffer, the Guarantor NOR5ke Fibre AS holds further cash of approximately NOK 5.2 million.
- The loss for 2021 of NOK 2.5 million relates mainly to the issuance and legal fees for the bond and equity issuance.
- With a buffer of approximately 20% to the remaining construction budget at the time of this report, the Company is in a good financial position with a healthy buffer of cash to complete the NOR5ke Viking construction on time and on budget.

Subsequent events

- 6 March 2022: The Company signed an agreement with reputable Seawork Kabel AS to install our NOR5ke Viking subsea cable. Seaworks Kabel AS has extensive subsea installation experience along the Norwegian coast with companies such as Telenor and Equinor. The installation is planned to use their low emission hybrid ship C/V 'Fjord Connector' powered by modern 1017KWh batteries and upgraded Tier III engines. The installation time schedule match our time line communicated in relation with our bond issued in November 2021.
- Norddeutsche Seekabelwerke GmbH reports status 'Green' i.e. on-schedule cable production progress.
- Further scheduled milestone payments have been executed from the construction account relating to the signed agreements with Norddeutsche Seekabelwerke GmbH and Seaworks Kabel AS. At the time of this report the construction account balance is NOK 123 million and a 20% buffer.
- 26 April 2022: After an extensive RFQ process, the Company signed an agreement with Brunbjørn AS, a relatively small Norwegian contractor specialised on FTTH and backbone fiber build-outs, for the construction of landing sites and terrestrial fiber stretches. The estimated costs are within our allocated budget and the installation time schedule match our timeline communicated in relation with our bond issued in November 2021.
- There are currently no known risks to the project's progress from the Ukraine-Russia crisis.

Oslo, 28.04.2022



Stig Salater, Board Member



Bjørn Vik, Board Member



Anders Vik, Chairman of the Board

Audited financial statements for 2021

Balance sheet		31.12.2021
<i>Numbers in NOK 1,000</i>		
Assets		
<i>Fixed assets</i>		<i>Note</i>
Tangible fixed assets		
Land, buildings and other real property	2	24'956
Sum tangible fixed assets		24'956
Financial fixed assets		
Other receivables	5	4'972
Total financial fixed assets		4'972
Sum fixed assets		29'929
<i>Current assets</i>		
Receivables		
Other debtors		73
Subscribed capital	3	65'000
Sum receivables		65'073
Bank deposits, cash etc.		
Bank deposits, cash etc.		144'784
Sum Bank deposits, cash etc.		144'784
Sum current assets		209'857
Sum assets		239'786
Equities and liabilities		
<i>Equity</i>		
Paid-in capital		
Subscribed capital	3, 4	30
Other paid-in capital	3	-693
Unregistered share capital increase	3	65'000
Sum paid-in capital		64'337
Retained earnings		
Undistributed profit/loss 2021	3	-2'518
Sum retained earnings		-2'518
Sum equity		61'818
<i>Liabilities</i>		
Other long-term liabilities		
Bond loans	6	150'000
Sum other long-term liabilities		150'000
Current liabilities		
Accounts payable		24'305
Short-term group liabilities	9	663
Other short-term liabilities		2'999
Sum current liabilities		27'968
Sum liabilities		177'968
Sum equities and liabilities		239'786

Income statement	31.12.2021
<i>Numbers in NOK 1,000</i>	
Total operating income	0
Other operating expenses	-146
Sum operating expenses	-146
Result of operations	-146
Other interest income	38
Total financial income	38
Other interest charge	-2'128
Other financial expense	-282
Total financial expenses	-2'410
Net financial income/expenses	-2'372
Ordinary profit/loss before tax	-2'518
Ordinary profit/loss	-2'518
Undistributed profit/loss	-2'518
Cash flow statement	31.12.2021
<i>Numbers in NOK 1,000</i>	
Profit/(loss) before taxation	-2'518
Depreciation and amortisation	-
Changes in accounts receivables	-
Changes in accounts payables	24'305
Changes in other current receivables/liabilities	-66'383
Cash flow from operating activities	-44'596
CapEx	-24'957
Cash flow from investing activities	-24'957
Proceeds from new shares issue	64'337
Proceeds from long-term debt	150'000
Repayment of debt	-
Dividends	-
Cash flow from financing activities	214'337
Net change in cash and cash equivalents	144'784
Cash and cash equivalents at start of the period	-
Cash and cash equivalents at end of the period	144'784

Notes to the financial statements

Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles for small entities in Norway.

Principle rule for recording and categorising assets and debts

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

Fixed assets are valued at acquisition cost and depreciated over the economic lifetime. 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. Fixed assets are depreciated linearly.

Long term liabilities are recognized at nominal value.

Current assets are recorded at the lowest of historical cost and net realisable value. Contingent losses that are probable and can be measured reliably are expensed as incurred.

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

Accounts receivable and other current receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are estimated using individual assessments of the different receivables. In addition, for the remainder of the receivables, a general provision is estimated based on expected loss.

Tangible fixed assets

Tangible fixed assets, if they have an estimated economic life of more than 3 years and have a cost price that exceeds NOK 15,000, are recorded in the balance sheet over the life of the fixed assets. Direct maintenance of tangible fixed assets is expensed on an ongoing basis under operating costs, while costs or improvements are added to the tangible fixed asset's cost price and depreciated in line with the fixed asset.

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.

Note 1 - Personnel compensation and number of employees

The company has no employees.

Note 2 – Current assets

	Tangible assets
Acquisition cost 01.01.2021	0
Additions during the year	24 956 500
Acquisition cost 31.12.2021	24 956 500
Depreciation 31.12.2021	0
Allocated to balance sheet 31.12.2021	24 956 500
Depreciation during the accounting period/year	0

Additional information on Tangible assets

The subsea cable under production, to be finalised and installed along the Northwestern coast of Norway during 2022, will depreciate linearly along its expected economic life of 20-25 years.

Note 3 - Equity

	Share capital	Other equity	Uncovered loss	Sum
Registration costs		(693 475)		(693 475)
Increase share capital/share premium	30 000			30 000
Non-registered capital increase		65 000 000		65 000 000
Annual result			(2 518 298)	(2 518 298)
Equity 31.12.2021	30 000	64 306 525	(2 518 298)	61 818 227

Non-registered capital increase pr. 31.12.2021 has been successfully registered with the Norwegian trade registry (Foretaksregisteret) on 25.01.2022.

Note 4 – Share capital and share owners

Share capital	# shares	Notional	Total
Ordinary shares	30 000	1,00	30 000,00
Sum	30 000		30 000,00

Owner	# shares	Ownership	Share class
N0r5ke Fibre AS	30 000	100,00%	Ordinary shares
Total number of shares	30 000	100,00%	

Note 5 - Other receivables

Other receivables that fall due later than one year after accounting year end 4 972 269

Note 6 - Debt

The company has no outstanding financial debt other than the NOK 150 million senior secured bond issue that matures in May 2024.

Note 7 - Temporary differences - Deferred tax liability/asset

Temporary differences for the period:	01.01.2021	31.12.2021	Change
Tax loss carry-forward	0	(3 079 078)	3 079 078
Net differences	0	(3 079 078)	3 079 078
Non-deductible tax reducing differences	0	3 079 078	(3 079 078)
Sum Temporary differences	0	0	0
Def. Tax asset 31.12.21. based on 22%	0	0	0

As a cautionary measure the def. tax advantage of NOK 677 397 is not brought to the balance sheet

Note 8 - Tax

	2021
Tax base	(2 518 298)
+/- Permanent differences	(560 780)
This years tax base	(3 079 078)
Tax cost	0
Tax payable in the balance sheet:	0

Note 9 - Short-term group liabilities.

2021

Short term debt

Total amount relating to parent company	663 475
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Note 10 – Loan and guarantees to leading persons

The Company has not given any loans or guarantees to any members of the board or other leading persons.



BDO AS
Bragernes Torg 2A
3017 Drammen

Independent Auditor's Report

To the General Meeting in NOR5ke Viking I AS

Opinion

We have audited the financial statements of NOR5ke Viking I AS.

The financial statements comprise:

- The balance sheet as at 31 December 2021
- The income statement for 2021
- Notes to the financial statements, including a summary of significant accounting policies

In our opinion:

- The financial statements comply with applicable statutory requirements, and
- The financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 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.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material



misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Frode Ludvigsen
State Authorised Public Accountant
(This document is signed electronically)

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Frode Ludvigsen
Partner
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