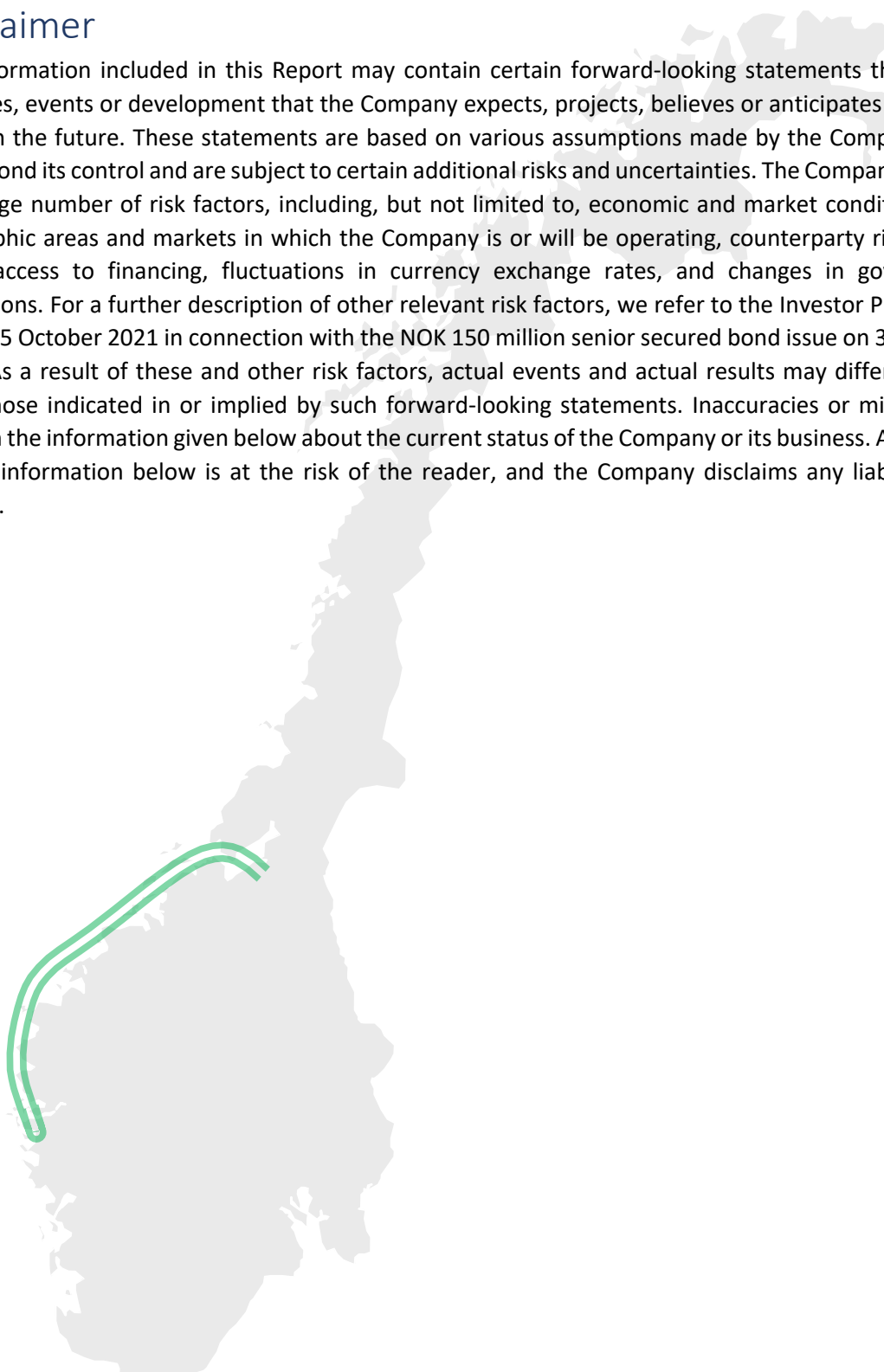


# NOR5KE VIKING I AS Q1 2022 FINANCIAL REPORT

## 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.



## 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 in subsea cables.

## Construction update

- Norddeutsche Seekabelwerke GmbH (a part of Prysmian Group) reports on schedule cable production for delivery of the two batches/lengths in July and end August 2022. Batch 1 (Bergen – Ålesund) reported fiber bundling at 100%, copper buffer tubing at 32% and first segments of armouring has started. Batch 2 (Ålesund – Trondheim) production started with reported fiber bundling at 28%.
- 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.
- As per 31 March 2022, the selection of the construction company to build our cable landing sites was not yet finalised. By 26<sup>th</sup> of April the agreement was signed with Brunbjørn (see below ‘Subsequent events’ for more detail).
- 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 60.2 million has been paid for the first three instalments of the fiber cable production and NOK 1.7 million has been paid as first instalment for the subsea installation. As a consequence, the remaining amount on the construction accounts is approximately NOK 123.1 million which is approximately 20.4% higher than the remaining project budget.

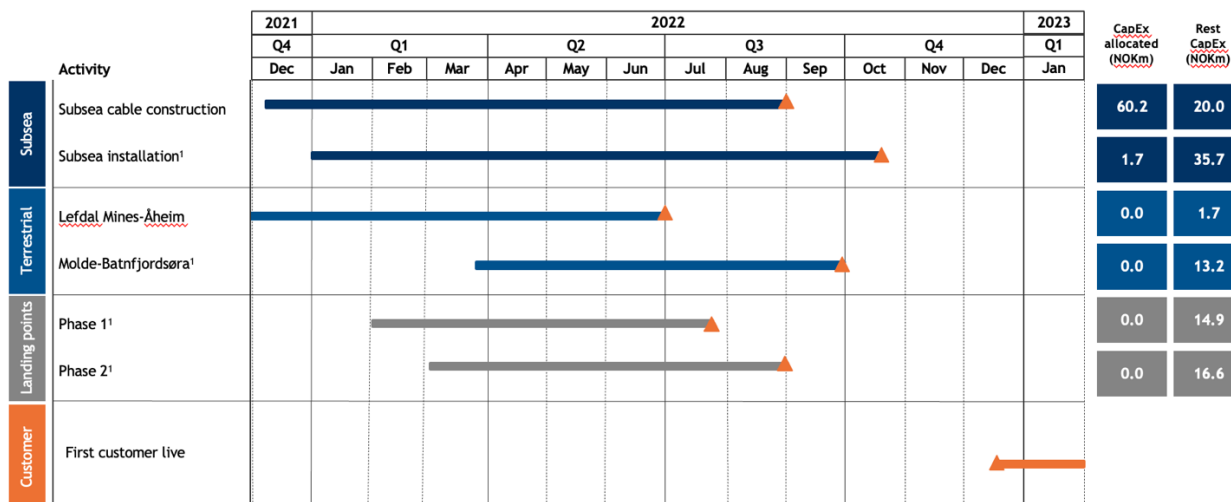
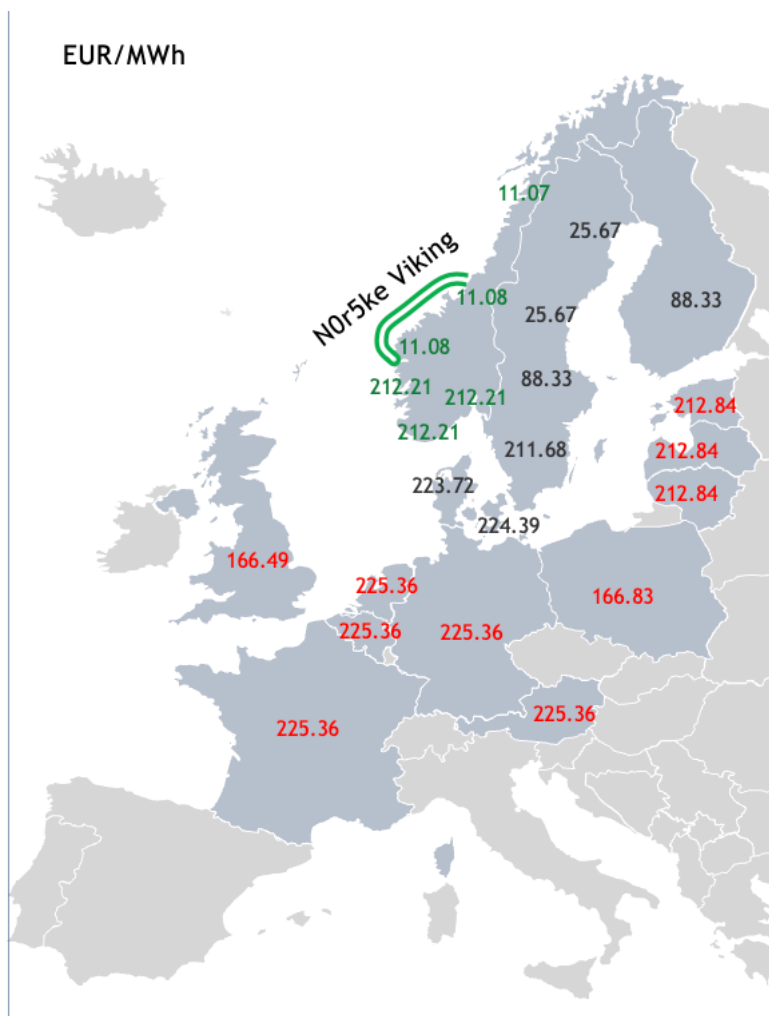


FIGURE 1: ILLUSTRATION OF N0R5KE VIKING PROJECT TIMELINE

## Business update

- The progressed and constructive dialogues with prospective customers is ongoing and meetings held with the respective CTOs and technical staff. These having communicated specific dark fiber needs along the entire or parts of the N0r5ke 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. Early stage discussion have been initiated with an international telecom carrier regarding possibilities for them to expand their product reach to Western Norway.
- Electricity prices, both within Norway and internationally, have continued to show extreme disparities. Thus strengthening the rationale for constructing N0r5ke Viking as critical low latency digital infrastructure, thus the enabler to make this region economical attractive for the establishment of data centres. As shown in the picture below, N0r5ke Viking will provide abundant connectivity directly to regions where prices are only a fraction of those seen in Southern Norway and the rest of Europe  
 Snapshot electricity prices (EUR/MWh) on 6<sup>th</sup> of May 2022, source: Nord Pool



- The Company are scheduled as speakers at the most important telecom and submarine networks conferences in Norway, London and Singapore:
  - 3<sup>rd</sup> and 4<sup>th</sup> of May - CEO Stig Salater, presenting and talk about N0r5ke Viking at Norway's largest telecom and fiber conference Telecom World Lillehammer with +250 attendees and 25 speakers
  - 17<sup>th</sup> and 18<sup>th</sup> of May – Co-Founder Anders Vik, presenting N0r5ke Viking in London at Submarine Networks EMEA, Europe's largest annual gathering of subsea communications leaders, cable owners, investors, financiers and the technology platform providers.
  - 7<sup>th</sup> and 8<sup>th</sup> of September – Co-founder Bjørn Vik will attend as panel speaker at the 25th Submarine Networks Submarine World 7th - 8th September in Singapore - the largest annual event for the global subsea community. Bjørn will join CEO Rémi Galasso of the Hawaiki Cable, the 15'000 km subsea cable connecting New Zealand, and Australia with Los Angeles and Seattle, on the panel 'Submarine cables as a critical asset and a matter of national security'.

## Financial update

- The formal registration of the share issue by the Company to the parent N0r5ke Fibre AS, was finalised on the 25<sup>th</sup> of January 2022 after delays due to further COVID-19 related restrictions imposed in December 2021 by the Norwegian authorities. The NOK 64.4M 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.
- The first quarterly bond coupon of 8.75% p.a. was paid from the debt service account as scheduled on 3<sup>rd</sup> of February 2022. The debt service account balance following the payment was NOK 16.6 million.
- The interest rate for the second quarterly coupon was set to 9.13% p.a. for payment on the 3<sup>rd</sup> of May 2022.
- In addition to the Company's liquidity buffer, the Guarantor N0r5ke Fibre AS holds further cash of approximately NOK 5.2 million.
- With all 3 milestone-contracts signed and a buffer of approximately 20.4% 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 N0r5ke Viking construction on time and on budget.
- The pre-tax loss for the quarter is NOK 3.9 million.

## Subsequent events

- The Company has participated in a public entity's tender for RFI (Request For Information) regarding availability of dark fiber for lease in Norway. The deadline for providing the information was on the 5<sup>th</sup> of May. We have been invited to meet the CTO and technical staff to discuss specifics of N0r5ke Viking as a basis for the next phase involving a RFQ during autumn.
- 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. Brunbjørn AS will build the cable 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.
- 3 May 2022: The second quarterly coupon payment was paid from the debt service account. Debt service account balance following the payment was NOK 13.2 million.
- The interest rate for the third quarterly coupon was set to 9.27% p.a. for payment on the 3<sup>rd</sup> of August 2022.
- 3 May 2022: N0r5ke Viking I AS 21/24 FRN FLOOR C was successfully admitted and listed on EURONEXT NORDIC ALTERNATIVE BOND MARKET (Oslo).

- There are currently no known risks to the project's progress linked to the Ukraine-Russia crisis.

## 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 January to 31 March 2022 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, 23.05.2022



**Executive Management**

Stig Salater, CEO NOR5ke Fibre AS



**Board of Directors**

Anders Vik, Chairman of the Board

## Unaudited quarterly financial statements for Q1 2022

Balance sheet	31.03.2022	31.12.2021
<i>Numbers in NOK 1,000</i>		
<b>Assets</b>		
<i>Fixed assets</i>		
<b>Tangible fixed assets</b>		
Land, buildings and other real property	43'579	24'956
<b>Sum tangible fixed assets</b>	<b>43'579</b>	<b>24'956</b>
<b>Financial fixed assets</b>		
Other receivables	4'542	4'972
<b>Total financial fixed assets</b>	<b>4'542</b>	<b>4'972</b>
<b>Sum fixed assets</b>	<b>48'121</b>	<b>29'929</b>
<i>Current assets</i>		
<b>Receivables</b>		
Other debtors	103	73
Subscribed capital	-	65'000
<b>Sum receivables</b>	<b>103</b>	<b>65'073</b>
<b>Bank deposits, cash etc.</b>		
Bank deposits, cash etc.	165'009	144'784
<b>Sum Bank deposits, cash etc.</b>	<b>165'009</b>	<b>144'784</b>
<b>Sum current assets</b>	<b>165'112</b>	<b>209'857</b>
<b>Sum assets</b>	<b>213'233</b>	<b>239'786</b>
<b>Equities and liabilities</b>		
<i>Equity</i>		
<b>Paid-in capital</b>		
Subscribed capital	680	30
Other paid-in capital	63'290	-693
Unregistered share capital increase	-30	65'000
<b>Sum paid-in capital</b>	<b>63'940</b>	<b>64'337</b>
<b>Retained earnings</b>		
Undistributed profit/loss 2021	-2'518	-2'518
Undistributed profit/loss	-3'898	
<b>Sum retained earnings</b>	<b>-6'416</b>	<b>-2'518</b>
<b>Sum equity</b>	<b>57'524</b>	<b>61'818</b>
<i>Liabilities</i>		
<b>Other long-term liabilities</b>		
Bond loans	150'000	150'000
<b>Sum other long-term liabilities</b>	<b>150'000</b>	<b>150'000</b>
<b>Current liabilities</b>		
Accounts payable	3'679	24'305
Public duties payable	-993	
Short-term group liabilities	881	663
Other short-term liabilities	2'144	2'999
<b>Sum current liabilities</b>	<b>5'711</b>	<b>27'968</b>
<b>Sum liabilities</b>	<b>155'711</b>	<b>177'968</b>
<b>Sum equities and liabilities</b>	<b>213'235</b>	<b>239'786</b>

<b>Income statement</b>	<b>31.03.22</b>	<b>31.12.2021</b>
<i>Numbers in NOK 1,000</i>		
<b>Total operating income</b>	-	-
Other operating expenses	-113	-146
<b>Sum operating expenses</b>	<b>-113</b>	<b>-146</b>
<b>Result of operations</b>	<b>-113</b>	<b>-146</b>
Other interest income	15	38
<b>Total financial income</b>	<b>15</b>	<b>38</b>
Other interest charge	-3'370	-2'128
Other financial expenses	-430	-282
<b>Total financial expenses</b>	<b>-3'800</b>	<b>-2'410</b>
<b>Net financial income/expenses</b>	<b>-3'785</b>	<b>-2'372</b>
<b>Ordinary profit/loss before tax</b>	<b>-3'898</b>	<b>-2'518</b>
<b>Ordinary profit/loss</b>	<b>-3'898</b>	<b>-2'518</b>
<b>Undistributed profit/loss</b>	<b>-3'898</b>	<b>-2'518</b>
<b>Cash flow statement</b>	<b>31.03.2022</b>	<b>31.12.2021</b>
<i>Numbers in NOK 1,000</i>		
Profit/(loss) before taxation	-3'898	-2'518
Depreciation and amortisation	-	-
Changes in accounts receivables	-	-
Changes in accounts payables	-20'625	24'305
Changes in other current receivables/liabilities	63'769	-66'383
<b>Cash flow from operating activities</b>	<b>39'245</b>	<b>-44'596</b>
CapEx	-18'623	-24'957
<b>Cash flow from investing activities</b>	<b>-18'623</b>	<b>-24'957</b>
Proceeds from new shares issue	-395	64'337
Proceeds from long-term debt	-	150'000
Repayment of debt	-	-
Dividends	-	-
<b>Cash flow from financing activities</b>	<b>-395</b>	<b>214'337</b>
Net change in cash and cash equivalents	20'226	144'784
Cash and cash equivalents at start of the period	144'784	-
<b>Cash and cash equivalents at end of the period</b>	<b>165'010</b>	<b>144'784</b>



## General 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.