

Bulk Infrastructure AS
Consolidated first half year 2018

- 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**



Directors Report first half year 2018 - Bulk Infrastructure AS

Business description

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

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 headquarter is in Oslo municipality.

1H 2018 in short

- Total revenues of NOK 122.2 million first half year compared to NOK 109.0 million 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 one of 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 Kristiansand – Stavanger – Bergen – Oslo is in progress.
- The Group participates in a dark fiber route between the US and Denmark with Facebook, Google and Aqua Comms, which is estimated finalized late 2019.
- Bulk Infrastructure is now certified in accordance with ISO 9001 Quality Management and 14001 Environmental Management. The group is currently implementing ISO 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 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. The company was established in 2006 and have already developed and delivered over 342 000 m² of high quality, flexible and energy efficient facilities for customers. As of June 30, 2018, over 21 200 m² are under construction and ready to be handed over in second half of 2018.

Bulk Digital Logistics 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 manages and operate long-haul fiber infrastructure. The current fiber infrastructure connects Oslo to Kristiansand and Vennesla (Southern Norway) to Denmark. The dark fiber route between Kristiansand – Stavanger – Bergen – Oslo is in progress and the group also participates in a dark fiber route between the US and Denmark with Facebook, Google and Aqua Comms, which is estimated finalized late 2019

Bulk Data Center Services delivers specialized resources and expertise for data center development projects. Bulk Data Center Services delivers both manpower and hardware.

Other Service is Bulks Service organization and manages shared cost for some of Bulk Logistics properties and Bulk Digital Logistics Data Center properties, to both external customers and group companies. In addition, innovation projects are handled by other services.

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 June 30, 2018 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 12,600 m² during first half of 2018 with a yearly rent of approximately NOK 10.5 million. Bulk is also involved in regulation and development of new logistics locations, both alone and in partnerships. The transaction market for commercial property has been good through first half of 2018. We expect low interest rates to keep interest high especially 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. The first data center customers are in place and there are several ongoing processes with both new and existing tenants. OS-IX is refurbished 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 of the first data center is close to completion.

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 Internet. Bulk has also started the dark fiber route project from Kristiansand to Stavanger and Bergen, and back to Oslo again. The Group also participates in a dark fiber route between the US and Denmark with Facebook, Google and Aqua Comms, which is estimated finalized late 2019.

Report on the annual accounts

Total income for The Group was NOK 122.2 million compared to NOK 109.0 million first half year last year. This is an increase of NOK 13.2 million mainly related to higher revenue from Bulk Data Center Services. NOK 46.4 million of total income is generated from Logistics in first half year 2018, compared to NOK 60.4 million first half year last year. The Bulk Data Center Services area generates a total income of NOK 55.5 million in the first half 2018, compared to NOK 30.6 million first half 2017. The increase in the Bulk Data Center Services area is mainly due to increased revenue related to Data Center projects. The Other Services area generates a total income of NOK 19.9 million, compared to NOK 18.0 for the first half year 2017. Profit for the first half 2018 was NOK 47.3 million compared to NOK 50.1 million first half 2017.

The Group's operating profit was NOK 56.5 million in 2018 compared to NOK 66.6 million first half 2017, and Bulk Logistics contributes with a profit before tax for the first half 2018 of NOK 74.3, compared to NOK 81.3 million first half 2017.

Total current assets were NOK 468.3 million as of June 30, 2018 compared to NOK 587.7 million as of June 30, 2017. This is due to net effect of decrease of inventory property and increased cash and cash equivalents.

The Group's total liabilities amounted to NOK 836.0 million as of June 30, 2018, compared to NOK 519.1 million as of June 30, 2017. This increase is mainly due to payments received related to the capital increase not registered as of June 30, 2018.

Other financial and interest costs amounted to NOK 18.7 million in first half 2018 compared to NOK 8.8 million in first half 2017. The Group aims to reduce these costs significantly by down payment of short-term financing facilities in the second half of 2018.

Total assets at the end of the first half 2017 amounted to NOK 1,957.8 million compared to NOK 1,447.4 million last year. The equity-to-assets ratio as of June 30, 2018 was 57.3 %, compared to 64.1 % as of June 30, 2017.

The Group's financial position is strong.

Research and development

The group has no material research and development project. The parent company has an internal software project under development.

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. The Group continuously monitors the Groups liquidity and has a long-term liquidity forecast in place.

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. The distribution of fixed and floating interest rates was 9/91 by the end of the period.

Credit risk - The Group's warehouse and distribution properties are characterized by high standards, good locations, long lease agreements and reliable tenants. There were no material credit losses in the first half of 2018. 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 which in turn could 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 and rental prices in the market. The Group has several long-term lease agreements in place. However, the weighted average lease term for tenants has decreased from 7.5 years last year to 5.1 years as of June 30, 2018 as several properties with long-term lease contracts has been sold during second half of 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 the groups properties is 5 % as of June 30, 2018 compared to 10.6 % as of December 31, 2017.

Working environment and personnel

The Group and dedicated employees have created a sound business culture, characterized by low bureaucracy and fast decision capabilities. The working environment in the Group is considered satisfactory; employees are dedicated and motivated and have made great efforts to ensure the successful growth of the Group.

Gender equality and discrimination

The Company is working actively, consciously and consistently to eliminate discrimination and unequal opportunities due to gender, nationality and activities such as recruitment, salaries, and working conditions.

Environment reporting

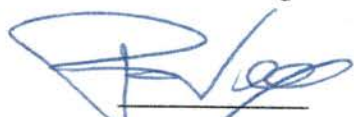
Bulk has great passion for innovative thinking and we approach committedly the paths leading to change. We deeply respect the environment, people and the society. We embrace opportunities to contribute to global sustainable development. We use all our creative power to develop new high quality, reliable and clean solutions.

Our Integrated Management System is used to soundly manage, secure and continuously improve all work processes that affect Quality, Health, Safety and Environment. The use and follow up of our performance indicators, along with systematic risk management enable leading the company in a sustainable direction.

Subsequent events

A capital increase of NOK 532.9 million is registered in July 2018. There are no other material subsequent events after the reporting period.

Oslo, August 27, 2018



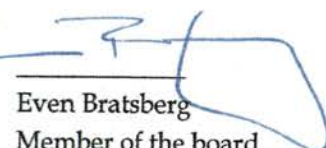
Peder Nærbø
Chairman of the board



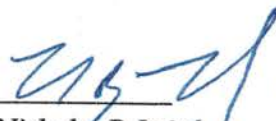
Torbjørn T. Moe
Member of the board



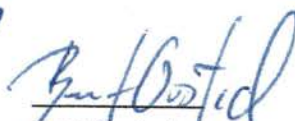
Lars Oskar Bustgaard
Member of the board



Even Bratsberg
Member of the board



Nicholas B. Laird
Member of the board



Bent Oustad
Member of the board



Lars Erich Nilsen
Member of the board



John Erik Tønnessen
CEO

Bulk Infrastructure AS

Consolidated first half year 2018

Presentations

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Bulk Infrastructure AS
Consolidated statement of profit and loss and other comprehensive income
For the first half year ended June 30, 2018

	Notes	June 30, 2018 Unaudited	June 30, 2017 Unaudited	Year 2017 Audited
Rental income	2	11 643 948	16 854 161	33 407 156
Revenue property sales	2	34 110 744	-	395 579 874
Revenue from sales	2	54 192 521	27 828 960	110 886 083
Gain from sale of investment property	2,3	-	43 990 775	67 736 780
Other revenue	2	22 213 809	20 278 712	37 496 677
Total revenue and other income	2	122 161 022	108 952 608	645 106 570
Property-related expenses		4 916 027	8 931 430	17 243 263
Cost of property sales		20 669 370	-	330 330 630
Cost of sales		43 510 649	23 829 221	94 630 023
Other cost		56 367 928	37 488 318	92 372 085
Total expenses		125 463 974	70 248 969	534 576 001
Operating profit before fair value adjustments on investment properties		-3 302 952	38 703 639	110 530 569
Fair value adjustments on investment properties	3	59 848 992	27 876 375	87 655 897
Operating profit		56 546 040	66 580 014	198 186 466
Share of loss of investments accounted for using the equity method		4 772 240	17 356 939	23 053 205
Finance income		27 001 017	600 494	9 382 509
Finance costs		18 730 957	8 839 887	23 876 356
Realised net financial items		3 497 820	-25 596 332	-37 547 052
Fair value adjustments on derivatives		1 986 760	5 122 218	6 293 103
Net financial items		5 484 580	-20 474 113	-31 253 949
Profit before income tax		62 030 620	46 105 901	166 932 517
Income tax expense		14 725 719	-4 031 132	-14 557 276
Profit for the year		47 304 901	50 137 033	181 489 793
<i>Other comprehensive income</i>		-	-	-
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income		47 304 901	50 137 033	181 489 793
<i>Attributable to:</i>				
Shareholders in the parent Company		47 304 901	50 137 996	181 406 043
Non-controlling interests		-	-963	83 750
Earnings per share basic and diluted (NOK)	8	0,32	0,36	1,31

Bulk Infrastructure AS

Consolidated balance sheet

	Notes	June 30, 2018 Unaudited	June 30, 2017 Unaudited	Year 2017 Audited
Assets				
<i>Intangible fixed assets</i>				
Goodwill	4	16 947 796	16 947 796	16 947 796
Other intangible assets	4	1 108 048	9 565 546	4 271 065
Total intangible assets		18 055 844	26 513 342	21 218 861
 <i>Non-current assets</i>				
Investment property	3	787 702 107	365 842 479	588 030 954
Property, plant & equipment	4	539 641 279	319 314 229	416 830 489
Investment in Associated company		141 587 392	145 565 836	176 929 351
Other receivables	7	2 523 244	2 454 746	2 471 202
Total non-current assets		1 471 454 022	833 177 290	1 184 261 996
 <i>Current assets</i>				
Inventories		5 751 804	5 294 923	5 639 208
Inventories property	3	28 200 000	379 200 000	48 869 370
Trade and other receivables	7	54 868 516	45 575 704	94 015 755
Cash and cash equivalents	7	379 431 878	157 659 763	286 761 696
Total current assets		468 252 198	587 730 390	435 286 029
 Total assets		1 957 762 064	1 447 421 022	1 640 766 886


Bulk Infrastructure AS


Consolidated balance sheet

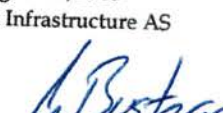
	Notes	June 30, 2018 Unaudited	June 30, 2017 Unaudited	Year 2017 Audited
Equity and liabilities				
<i>Paid in equity</i>				
Ordinary shares		1 737 769	1 570 477	1 737 769
Share premium		822 173 362	741 371 268	822 173 362
Total paid in equity	8	<u>823 911 131</u>	<u>742 941 745</u>	<u>823 911 131</u>
<i>Retained earnings</i>				
Retained earnings		297 840 954	185 369 689	320 536 054
Total retained earnings		<u>297 840 954</u>	<u>185 369 689</u>	<u>320 536 054</u>
Non-controlling interests		<u>-38 460</u>	<u>-</u>	<u>-38 460</u>
Total equity		<u>1 121 713 625</u>	<u>928 311 434</u>	<u>1 144 408 725</u>
<i>Non-current liabilities</i>				
Borrowings	7	397 419 238	366 052 897	217 176 235
Derivative financial instruments	6,7	10 298 092	13 445 521	11 794 378
Other long-term liabilities		30 000 000	28 117	30 000 000
Deferred income tax liabilities		21 562 220	17 180 624	6 817 510
Total non-current liabilities		<u>459 279 550</u>	<u>396 707 159</u>	<u>265 788 123</u>
<i>Current liabilities</i>				
Trade payables	7	57 554 383	48 317 453	64 792 734
Short-term portion of borrowings	7	35 819 134	12 093 492	90 347 218
Short-term portion of derivatives	7	1 401 929	1 412 146	1 892 403
Other payables	7	281 993 443	60 579 339	73 537 683
Total current liabilities		<u>376 768 889</u>	<u>122 402 430</u>	<u>230 570 038</u>
Total liabilities		<u>836 048 439</u>	<u>519 109 588</u>	<u>496 358 161</u>
Total equity and liabilities		<u>1 957 762 064</u>	<u>1 447 421 022</u>	<u>1 640 766 886</u>


Oslo, August 27, 2018


The board of Bulk Infrastructure AS


Peder Nærbo
Chairman of the board



Torbjørn T. Moe
Member of the board


Lars Oskar Bustgaard
Member of the board


Even Bratsberg
Member of the board


Nicholas B. Laird
Member of the board


Bent Oustad
Member of the board


Lars Erich Nilsen
Member of the board


John Erik Tønnessen
CEO

Bulk Infrastructure AS
Consolidated statement of changes in equity

	Paid in equity		Retained earnings	Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings		
01.01.2017	1 570 477	741 371 268	138 735 822	427 390	882 104 957
Profit of the period			50 137 996	-963	50 137 033
Other changes			-3 871 455		-3 871 455
Translation difference			-60 064		-60 064
Change in minority during the year			427 390	-426 427	963
Total comprehensive income	-	-	46 633 867	-427 390	46 206 477
30.06.2017	1 570 477	741 371 268	185 369 689	-	928 311 434
01.01.2018	1 737 769	822 173 362	320 536 054	-38 460	1 144 408 725
Profit of the period			47 304 901	-	47 304 901
Dividend approved			-70 000 000		-70 000 000
Total comprehensive income	-	-	-22 695 099	-	-22 695 099
30.06.2018	1 737 769	822 173 362	297 840 954	-38 460	1 121 713 625

Bulk Infrastructure AS

Cashflow statement - consolidated

	Note	June 30, 2018	June 30, 2017
Cash flow from operations			
Profit before income taxes		62 030 620	46 105 901
Adjust for:			
Depreciation	4,5	1 140 205	877 663
Fair value adj. on investment properties	3	-59 848 992	-27 876 375
Finance income		-28 987 777	-5 722 712
Finance costs		23 503 197	8 839 887
Cashflow before change in working capital		-2 162 747	22 224 364
Change in working capital			
Trade and other receivables		59 651 971	-386 017
Trade and other payables		48 913 203	-6 090 492
Net cash flow from operations (A)		106 402 427	15 747 855
Cash flow from investments			
Purchase and improvements of investments property	3	-139 822 161	-98 846 712
Change in financial investments		-	-31 771 120
Purchase of fixed assets		-120 787 979	-58 567 059
Net cash flow from investments (B)		-260 610 140	-189 184 891
Cash flow from financing			
Interest paid including interest paid on derivatives		-18 730 957	-8 839 887
Interest received		9 820 736	600 494
Proceeds from Borrowings		125 714 919	95 137 731
Payment share issue		200 073 197	-
Dividend paid		-70 000 000	-
Net cash flow from financing (C)		246 877 895	86 898 338
Net change in cash and cash equivalents (A+B+C)		92 670 182	-86 538 698
Cash and cash equivalents at the beginning of the period		286 761 696	244 198 461
Change in currency exchange rate		-	-
Cash and cash equivalents at the end of the period		379 431 878	157 659 763
Restricted funds		2 488 986	31 188 888

Bulk Infrastructure AS

Notes to the consolidated accounts for first half year 2018

Note 1 General information

Bulk Infrastructure 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

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, 2018. Please refer to Note 2 - Accounting principles to the Consolidated Financial Statement in the 2017 annual report for information on the Group's accounting policies. The annual report is available on www.bulk.no.

Bulk Infrastructure AS
Notes to the consolidated accounts for first half year 2018

Note 2 Segment information

Bulk Infrastructure Group has the following strategic operating segments by 30.06.18 presented ex. internal transactions in accordance with internal reporting to management

All operating activities is based in Norway

Operating profit and loss after segment 30.06.18

	Bulk Logistics		Bulk Digital Logistics		Bulk Networks		Bulk Data Center Services		Other Services *		Total
	30.06.2018	30.06.2017	30.06.2018	30.06.2017	30.06.2018	30.06.2017	30.06.2018	30.06.2017	30.06.2018	30.06.2017	30.06.2017
Rental income	11 643 948	16 854 161	-	-	-	-	-	-	-	-	16 854 161
Revenue property sales	34 110 744	-	-	-	-	-	-	-	-	-	34 110 744
Revenue from sales	-	-	-	-	-	-	-	-	-	-	27 828 960
Gain from sale of investment property	-	42 646 255	-	-	-	-	50 164 133 **	27 330 860	4 028 308	488 100	54 192 571
Other revenue	627 789	885 019	70 000	-	235 395	-	5 373 734	3 275 183	15 906 891	16 120 510	43 990 775
Total revenue and other income	46 382 481	60 385 435	70 000	-	235 395	-	55 537 867	30 636 043	19 035 279	17 963 130	108 952 408
Property-related expenses	4 916 027	2 832 663	-	-	-	-	-	6 098 767	-	-	4 916 027
Cost of property sales	20 669 370	-	-	-	-	-	-	-	-	-	20 669 370
Cost of sales	-	-	-	-	-	-	-	-	-	-	-
Other cost	3 402 763	855 526	2 450 620	600 034	1 490 285	1 359 162	43 510 649	23 829 221	-	-	43 510 649
Total expenses	28 988 160	3 688 189	2 450 620	600 034	1 490 285	1 359 162	50 905 768	37 182 694	41 639 141	27 418 890	70 248 969
Operating profit before fair value adjustments on investment properties	17 394 321	56 697 246	-2 380 620	-600 034	-1 254 890	-1 359 162	4 442 099	-6 576 651	-21 703 862	-9 455 760	38 703 639
Fair value adjustments on investment properties	59 848 992	27 876 375	-	-	-	-	-	-	-	-	59 848 992
Operating profit	77 243 313	84 573 621	-2 380 620	-600 034	-1 254 890	-1 359 162	4 442 099	-6 576 651	-21 703 862	-9 455 760	98 552 631
Realised net financial items	-1 938 067	-8 415 208	-5 263 596	-18 698 361	-1 653 084	-	-64 092	-62 699	15 413 639	1 579 936	25 596 332
Fair value adjustments on derivatives	1 986 760	5 122 218	-	-	-	-	-	-	-	-	1 986 760
Net financial items	-2 949 307	-3 292 990	-5 263 596	-18 698 361	-1 653 084	-	-64 092	-62 699	15 413 639	1 579 937	27 583 092
Profit before income tax	71 294 006	81 278 631	-7 643 216	-19 296 395	-2 907 954	-1 359 162	4 578 007	-6 639 350	-6 290 223	-7 875 823	62 030 620
Income tax expense	14 725 719	-1 031 227	-	-	-	-	-	-	-	-	14 725 719
Profit for the year	59 568 287	82 311 858	-7 643 216	-16 300 490	-2 907 954	-1 359 162	4 578 007	-6 639 350	-6 290 223	-7 875 823	47 304 901
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	59 568 287	82 311 858	-7 643 216	-16 300 490	-2 907 954	-1 359 162	4 578 007	-6 639 350	-6 290 223	-7 875 823	47 304 901
											50 137 033

* In Including Parent Company of Bulk Infrastructure Group

Please also see accounting policies for further explanation of the segments

** Revenue from service contracts MINOK 5.9 and revenue from data center enterprise contracts MINOK 4.0

Bulk Infrastructure AS
Notes to the consolidated accounts for first half year 2018

Note 3 Investment property

INVESTMENT PROPERTY

	2018	2017
Fair value 1.1	588 030 954	719 619 392
Additions:		
- Capital expenditure	139 822 161	98 846 712
- Sale of property	-	-101 300 000
Transferred to inventories property	-	-379 200 000
Changes in fair value	59 848 992	27 876 375
Fair value 30.06	787 702 107	365 842 479
Aquisition cost 30.06	545 230 091	314 041 857
Property classified as inventory	28 200 000	379 200 000
Income and expenses from investment property	2018	2017
Income from rent	11 643 948	16 854 161
Expenses related to leased property	-4 916 027	-8 931 430

Fair value of the Group's investment property is based on a valuation by a qualified independent valuer. The valuation is carried out twice a year.

Bulk Infrastructure AS
Notes to the consolidated accounts for first half year 2018

Note 4 Property, plant & Equipment

	Buildings	Land and parking	Under construction	Fixtures and fittings	Fiber	Total
<i>Accumulated cost</i>						
Balance at January 1, 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
Disposals	-	-	-	-	-	-
Transfer from assets under construction	-	-	-	-	-	-
Balance at June 30, 2017	6 787 144	61 355 334	158 704 126	8 108 786	91 758 406	326 713 796
Balance at January 1, 2018	6 770 821	73 093 348	236 030 927	10 948 749	98 605 489	425 449 334
Additions	-	-	77 065 427	372 320	41 478 339	118 916 086
Other adjustments - VAT	-	-	-	-	-	-
Reclassification from intangible assets	-	-	5 016 459	-	-	5 016 459
Balance at June 30, 2018	6 770 821	73 093 348	318 112 813	11 321 069	140 083 828	549 381 879
<i>Accumulated depreciation</i>						
Balance at January 1, 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
Balance at June 30, 2017	2 337 643	-	-	5 061 924	-	7 399 567
Balance at January 1, 2018	2 539 541	-	-	6 031 196	48 108	8 618 845
Depreciation charge for the year	201 102	-	-	894 412	26 241	1 121 755
Balance at June 30, 2018	2 740 643	-	-	6 925 608	74 349	9 740 600
<i>Net book value</i>						
At January 1, 2017	4 639 406	59 526 467	108 929 032	2 914 765	86 848 238	262 857 908
At June 30, 2017	4 449 501	61 355 334	158 704 126	3 046 862	91 758 406	319 314 229
At January 1, 2018	4 231 280	73 093 348	236 030 927	4 917 553	98 557 381	416 830 489
At June 30, 2018	4 030 178	73 093 348	318 112 813	4 395 461	140 009 479	539 641 279

Bulk Infrastructure AS

Notes to the consolidated accounts for first half year 2018

Note 5 Intangible assets

	Goodwill	Software licenses	Software under development	Total
<i>Cost</i>				
Balance at January 1, 2017	16 947 796	184 999	8 147 471	25 280 267
Additions	-	267 625	965 450	1 233 075
Balance at June 30, 2017	16 947 796	452 624	9 112 921	26 513 342
Balance at January 1, 2018	16 947 796	887 524	3 420 440	21 255 760
Additions	-	275 874	1 596 019	1 871 893
Reclassified to property, plant & equipment	-	-	-5 016 459	-5 016 459
Balance at June 30, 2018	16 947 796	1 163 398	-	18 111 194
<i>Accumulated amortization and impairment</i>				
Balance at January 1, 2017	-	-	-	-
Amortization charge for the period	-	-	-	-
Balance at June 30, 2017	-	-	-	-
Balance at January 1, 2018	-	36 900	-	36 900
Amortization charge for the period	-	18 450	-	18 450
Balance at June 30, 2018	-	55 350	-	55 350
<i>Net book value</i>				
At January 1, 2017	16 947 796	184 999	8 147 471	25 280 267
At June 30, 2017	16 947 796	452 624	9 112 921	26 513 342
At January 1, 2018	16 947 796	850 624	3 420 440	21 218 860
At June 30, 2018	16 947 796	1 108 048	-	18 055 844

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

Goodwill: indefinite

Software licenses: 3-5 years

Software under development: n.a.

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Notes to the consolidated accounts for first half year 2018

Note 6 Derivative financial instruments

	30.06.2018	30.06.2017	31.12.2017
Interest rate swaps	-11 700 021	-14 857 666	-13 686 781
Total liabilities	-11 700 021	-14 857 666	-13 686 781

Interest rate swaps

	30.06.2018	30.06.2017	31.12.2017
Nominal amount interest rate swaps	-40 560 000	-80 160 000	-80 160 000
Total nominal amount	-40 560 000	-80 160 000	-80 160 000

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Notes to the consolidated accounts for first half year 2018

Note 7 Financial instruments

30.06.2018	30.06.2018			
	Financial derivatives at fair value through profit and loss	Loans and receivables	Other financial liabilities	Total
Assets				
Other receivables - non-current		2 523 244		2 523 244
Trade receivables		11 560 418		11 560 418
Other receivables		43 308 098		43 308 098
Cash and cash equivalents		379 431 878		379 431 878
Total Financial assets	-	436 823 638	-	436 823 638
Liabilities				
Borrowings			433 238 372	433 238 372
Financial derivatives	11 700 021			11 700 021
Other long-term liabilities			30 000 000	30 000 000
Trade payables			57 554 383	57 554 383
Other payables			281 993 443	281 993 443
Total Financial liabilities	11 700 021	-	802 786 198	814 486 219

30.06.2017	30.06.2017			
	Financial derivatives at fair value through profit and loss	Loans and receivables	Other financial liabilities	Total
Assets				
Other receivables - non-current		2 454 746		2 454 746
Trade receivables		18 434 279		18 434 279
Other receivables		27 141 425		27 141 425
Cash and cash equivalents		157 659 763		157 659 763
Total Financial assets	-	205 690 213	-	205 690 213
Liabilities				
Borrowings			378 146 389	378 146 389
Financial derivatives	14 857 666			14 857 666
Other long-term liabilities			28 117	28 117
Trade payables			48 317 453	48 317 453
Other payables			60 579 339	60 579 339
Total Financial liabilities	14 857 666	-	487 071 298	501 928 964

Fair value hierarchy for financial instruments recognized at fair value

Financial derivatives recognized at fair value are interest rate swaps.

The valuations are based on second level input in the fair value hierarchy of IFRS 13.

Fair value of financial instruments recognised at amortised cost

For trade receivables, trade payables and other short-term receivables and payables, the carrying amount is a reasonable approximation for fair value due to the short term nature of these assets and liabilities. The borrowings has an interest rate that is considered similar to the terms the Group could achieve as of June 30, 2018 and fair value of the borrowings is considered not to be significantly different from the fair value.

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Notes to the consolidated accounts for first half year 2018

Note 8 Paid in equity, shareholders and retained earnings

	30.06.2018	30.06.2017
Share capital	1 737 769	1 570 477

Change in paid in equity and share premium:

	Total shares		Share capital (IN NOK)		Share premium	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017	30.06.2018	30.06.2017
A shares						
Issued stock and paid in capital						
At the beginning of the year	146 559 763	138 195 157	1 465 598	1 381 952	741 371 268	741 371 268
Capital increase	-	-	-	-	80 802 094	-
At the end of the period	146 559 763	138 195 157	1 465 598	1 381 952	822 173 362	741 371 268
B shares						
Issued stock and paid in capital						
At the beginning of the year	1	1	0,01	0,01	-	-
At the end of the period	1	1	0,01	0,01	-	-
C shares						
Issued stock and paid in capital						
At the beginning of the year	27 217 124	18 852 518	272 171	188 525	-	-
Capital increase	-	-	-	-	-	-
At the end of the period	27 217 124	18 852 518	272 171	188 525	-	-

The total number of shares are 173 776 888, each valued at NOK 0,01, and NOK 1 737 769 in total. The shares are divided into 146 559 763 A-shares, 1 B-share and 27 217 124 C-shares. The B-share have twice the votes of the total A-shares plus one vote. The C-shares have no right to vote or dividend. Apart from these exceptions, all shares have equal rights.

The company's largest shareholders at 30.06.2018

Largest shareholders	Type of account	Country	Number of A-shares	Share %	Number of B-shares	Number of C-shares	Share of capital %
Bulk Industrier AS	A,B and C	Norway	104 803 421	71,51 %	1	27 217 124	75,97 %
Totomo AS	A	Norway	9 700 000	6,62 %			5,58 %
Prospero AS	A	Norway	7 800 758	5,32 %			4,49 %
Morellen AS	A	Norway	7 107 689	4,85 %			4,09 %
Levada AS	A	Norway	6 157 401	4,20 %			3,54 %
Elipica AS	A	Norway	5 501 270	3,75 %			3,17 %
Other shareholders (36 of > 1 %)	A	Norway	5 489 224	3,75 %			3,16 %
Total number of shares at 30.06			146 559 763	100 %	1	27 217 124	100 %

Dividend

Dividend of NOK 70 million was approved at the AGM in 2018. The dividend is paid in first half year 2018.

Average number of shares

Basic and diluted earnings per share are calculated by dividing total comprehensive income attributable to shareholders in the parent Company by the weighted average number of A and B shares outstanding during the year.

	30.06.2018	30.06.2017
Other comprehensive income attributable to shareholders in the parent Company	47 304 901	50 137 996
Weighted average number of outstanding shares, excluding C shares	146 559 764	138 195 158
Basic and diluted earnings per share	0,32	0,36

C shares are not included in weighted average number of outstanding shares as the C shares have no voting rights or dividend rights. The C shares are only redeemable to their face value.

Bulk Infrastructure AS

Notes to the consolidated accounts for first half year 2018

Note 9 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.

A capital increase of NOK 532.9 million is registered in July 2018.
There are no other material subsequent events after the reporting period.

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Notes to the consolidated accounts for first half year 2018

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 2017. 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.

Responsibility statement by the Board of Directors and the CEO

The Board of Directors and the CEO have today treated and approved the first half year report for Bulk Infrastructure AS (the parent company) and the Group, the consolidated accounts, as of June 30, 2018. The consolidated first half year report has been prepared in accordance with the EU-approved IFRS standards and interpretations, together with the additional disclosure requirements in the Norwegian Accounting Act to be applied as of June 30, 2018.

The first half year report for the Group is in compliance with the Accounting Act.

To the best of our knowledge we confirm that;

- the first half year report 2018 for the Group are prepared in accordance with applicable accounting standards
- the provided information in the first half year report gives a true and fair view of the Group's assets, liabilities, financial position and results of operations as of June 30, 2018
- the Board of Directors report provides the Group and the parent company a fair view of
 - development, performance and position of the Group
 - the most important risks and uncertainties the Group faces

Oslo, August 27, 2018



Peder Nærbø
Chairman of the board



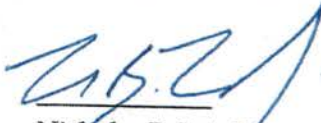
Torbjørn T. Moe
Member of the board



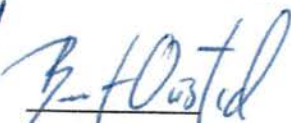
Lars Oskar Bustgaard
Member of the board



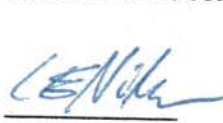
Even Bratsberg
Member of the board



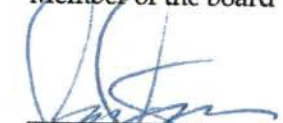
Nicholas B. Laird
Member of the board



Bent Oustad
Member of the board



Lars Erich Nilsen
Member of the board



John Erik Tønnessen
CEO