

Q1 2023

NTC INFRASTRUCTURE AS



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ABOUT THE GROUP

NTC Infrastructure AS was registered 1st of July 2021, with the goal of establishing the leading owner and operator of gondola infrastructure assets at high-volume destinations in Norway. Today, NTC Infrastructure owns and operates two gondola assets. Romsdalsgondolen in Rauma municipality was acquired in December 2021. The Group's second acquisition, Fjellheisen in Tromsø, was closed in January 2022. Both gondolas are the most prominent tourism infrastructure assets in their respective regions.

The Group is a part of The Norwegian Travel Company AS (Norwegian Travel). Norwegian Travel is one of the leading tourism companies in Norway, aspiring to provide all its guests with exciting and genuine experiences of Norway across all their destinations.

Romsdalsgondolen opened on May 28th 2021, and is Norway's longest cableway which provides easy access to the Nesaksla mountain and the #1 attraction "Rampestreken" in popular Romsdalen. Åndalsnes and Romsdalen are some of the most famous destinations "in the fjords" of Norway, due to the beauty of the scenery with steep mountains and fjords.

Fjellheisen in Tromsø opened in 1961, and has since its opening been the #1 attraction in Tromsø, Northern Norway's largest city & gateway to the arctic. The city offers arctic experiences both during the summer- and winter seasons and is the preferred destination for Northern Light tours as the phenomenon is most seen in areas surrounding the city. The gondola went through major upgrades in 2016, with further refurbishment of Fjellheisen's top & bottom station (including the mountain restaurant) planned in the coming years.

NTC Infrastructure's headquarter is in the city of Tromsø in Norway and the company is controlled by funds advised by Longship AS.



Fjellheisen

Romsdalsgondolen

QUARTERLY HIGHLIGHTS

General

NTC Infrastructure delivered a strong 2022. Total reported revenue for the Group ended at NOK 73.4 million in 2022. Reported EBITDA is NOK 30.1 million, giving a profit margin of 41 % for the full year.

NTC Infrastructure is now in its first full year of operation without any restrictive measures related to Covid-19 Pandemic. The performance during the first quarter of 2023 was strong, even though the quarter is not high season for the gondolas. The Group achieved revenue of NOK 18.8 million in Q1-23 compared to NOK 10.5 million the first quarter of 2022, a revenue growth of 78 %. Reported EBITDA is NOK 6.8 million (compared to NOK 2 million Q1-2022), giving a profit margin of 36 % for the period (compared to 19 % for the same quarter last year).

65 791 is the official reported number of passengers in Q1-2023. As expected, number of visitors increased both from the last quarter and the same quarter last year. Further, the Group also lifted its average price by 28 % from the same period last year.

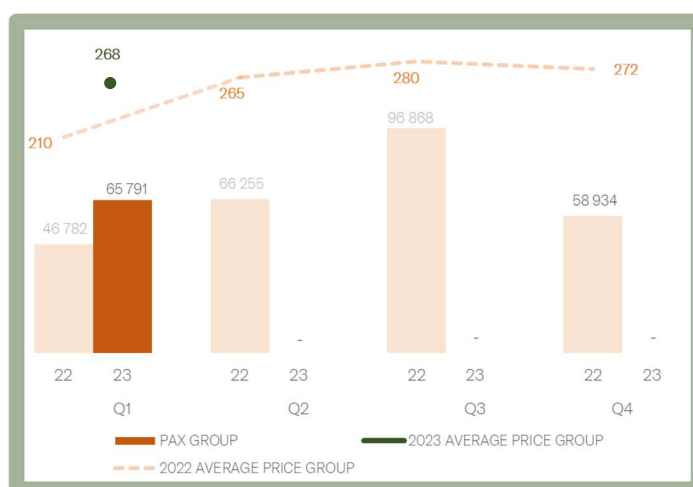
The outlook for Q2-23 is strong. Going into high season in the second quarter, the Group is expected to outperform last year's second quarter.

There have been no extraordinary events in the first quarter. The planning and structural design of the refurbishment of Fjellheisen's top & bottom station, including the mountain restaurant, are still work in progress and follows the expected schedule.

KPI's and P&L are presented in the following sections.

Key Performance Indicators (KPI's)

NTC Infrastructure is governed by two main KPI's: *number of visitors (pax)* and *average price*. Due to the characteristics of the business these indicators are critical to achieving our business objectives. The Group delivered a strong first quarter. Number of visitors increased by 41 % compared to Q1-22. Further, the Group also lifted its average price by 28 % from the same period last year.

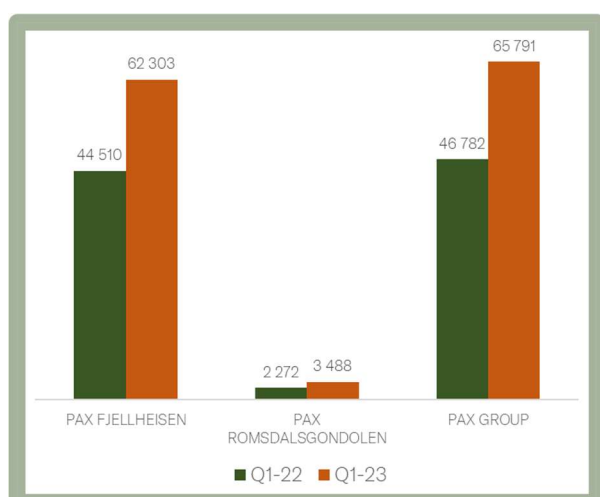


* Sold one-way tickets in Q1-23: 4 %

First Quarter 2023

PAX

65 791



NUMBER OF VISITORS (PAX)

The Group had a strong start of 2023, with 65 791 passengers in Q1.

Fjellheisen increased passenger numbers by 17 793 (+40 %) from last year's first quarter. Though storm and strong wind in Tromsø left Fjellheisen closed 16 days in Q1, passenger numbers for the quarter were only 8 % below passenger numbers for the same quarter in 2019 (pre-covid).

The Romsdalen gondola reported 3 488 visitors in Q1, an increase of 1 216 pax (+54 %) from last year. The gondola was closed in January due to low season in Romsdalen and annual leave for the employees.

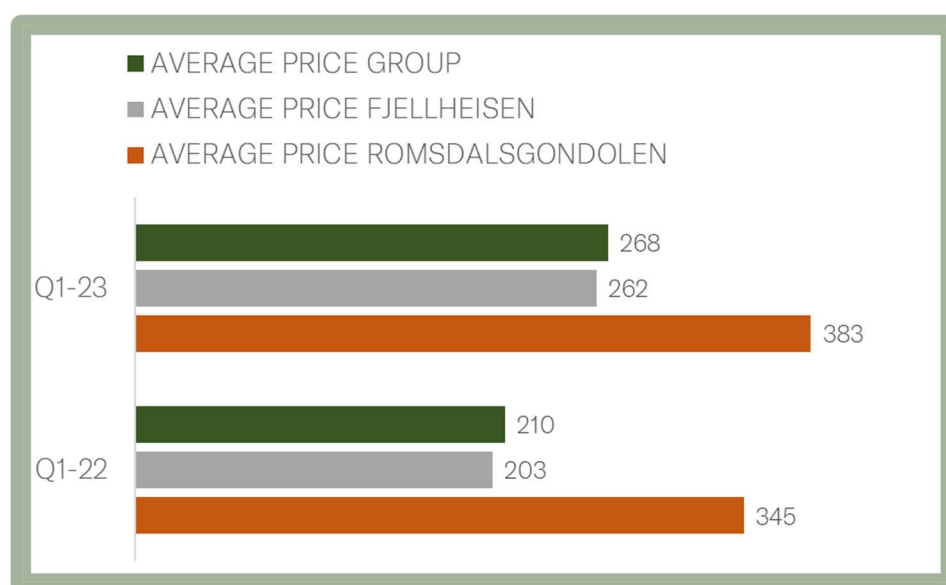
In total, the Group reported an increase of passenger numbers by 41 % compared to Q1-22 and an increase of 12 % compared to the last quarter.

268

AVERAGE PRICE

The average price for Q1-23 ended at NOK 268. The Group lifted its average price by 28 % from last year's first quarter (plus 2 % from the average price of 2022). For Fjellheisen the average price is up 29 %, quarter on quarter, while the Romsdalen gondola increased its average price by 11 %.

Compared to Q4-22, the price decreased by 2 % for the Group. The price differs across the two gondolas with a 46 % higher price level in the Romsdalen gondola. In Q4-22, Fjellheisen represented 85 % of the volume, while in Q1-23, Fjellheisen represented 95 % of the volume. Hence, the combined decrease in average price for the Group (-2 %) is mainly explained by the product mix, and not by adjusted sales price.



OUTLOOK FOR THE SECOND QUARTER OF 2023

Numbers for Q2-23 so far indicates an increase in number of passengers from Q2-22.

At the date of this report, the operating conditions are back to normal which gives a strong and positive outlook for NTC Infrastructure Group over the coming quarters.

Both gondolas are entering high season in the end of Q2-2023. Numbers so far indicates a slightly better April and May compared to last year, and high season starting in June is expected to outperform last year's June.



Financial update

The consolidated financial statement for Q1-23 (unaudited) have been prepared for the period from 1 January to 31 March 2023.

NTC Infrastructure delivered a strong performance during the first quarter of 2023.

First Quarter 2023

REVENUE

NOKm 18.8

First Quarter 2023

EBITDA

NOKm 6.8

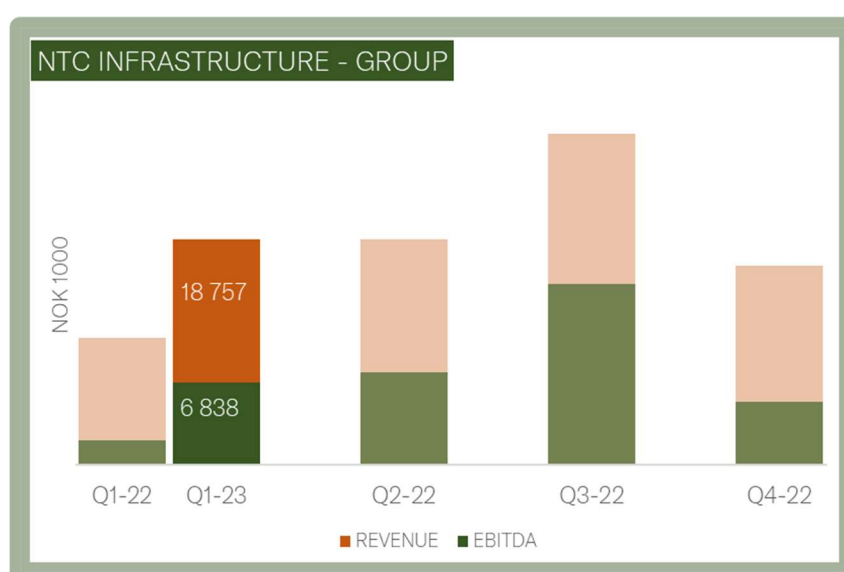
First Quarter 2023

EBITDA margin

36%

INCOME STATEMENT (UNAUDITED) Q1-2023

Revenue for Q1 ended at NOK 18.8 million with an EBITDA of NOK 6.8 million. Revenue is up by 78 % from the same quarter last year, and up by 13 % compared to Q4-22. The strong performance is mainly driven by the winter tourism in Tromsø and high numbers of visitors in Fjellheisen. EBITDA grew from NOK 5.3 million in Q4-22 to NOK 6.8 million in Q1-23. Compared to the same quarter last year, EBITDA is up by 237 %.



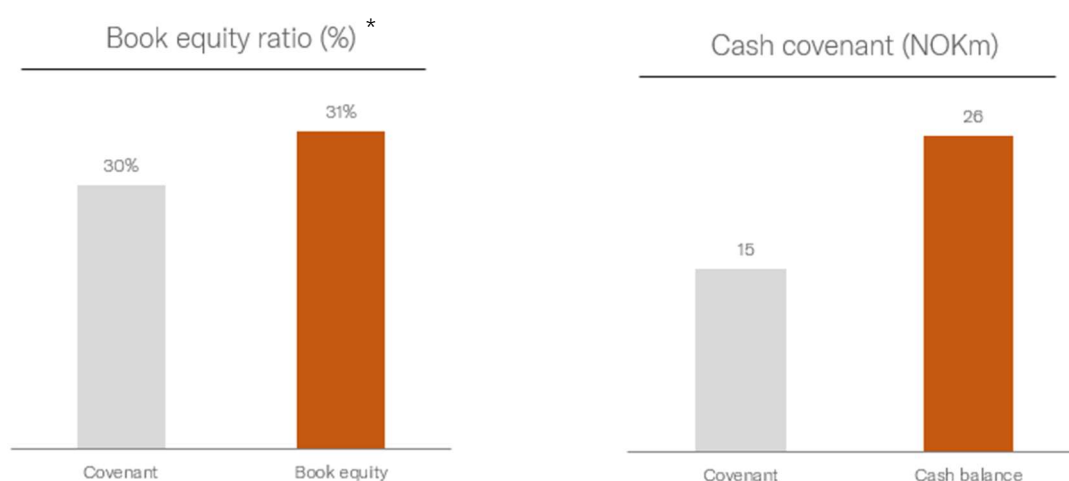
BALANCE SHEET AND LIQUIDITY (UNAUDITED) Q1 2023

The Group held a total book equity* of NOK 192.6 million at the end of Q1 2023. Total assets were NOK 626.2 million. The majority of the balance sheet is related to the infrastructure of the gondolas (NOK 439.2 million) and goodwill (NOK 149.9 million).

At 31 March 2023, the Group has a book equity ratio of 31 %, and liquidity of NOK 26.2 million (calculated in accordance with the terms of its bond agreement). Therefore, the Group has complied with the financial covenants during the Q1 2023 reporting period. With respect to the foreseeable reporting periods, Management has plans to ensure that all relevant covenant requirement will be met.

It is noted that the book value of equity is not reflective of the market value of the Group, as it simply shows the difference between the carrying value of the assets controlled by the Group, measured at historical cost basis, and the liabilities of the group measured in accordance with IFRS. The market value of the Group is deemed to be higher than the book value, as the Group has no indication of impairment for its assets, and the Group expects future profit from operations.

In future reporting periods, Management expects a significant increase in the operating profit, due to the expected increase in revenues; and the realization of synergies between Romsdalsgondolen and Fjellheisen's businesses, which will lead to expected cost efficiencies. In the meantime, the controlling shareholders of the Group will be committed to providing new subordinated debt for as long as it is needed in order to meet all relevant financial covenants.



* Total book equity means the consolidated book equity in accordance with IFRS plus the principal amount of any subordinated Loan

ALTERNATIVE PERFORMANCE MEASURES

The Group uses alternative performance measures ('APMs') that supplement information provided under IFRS. Management believes these measures provide with useful information for the understanding of the Group's ongoing financial performance.

EBITDA is defined as the profit or loss for the period before net financial result, taxes, depreciation and amortisation.

<i>(Amounts in NOK thousand)</i>	Q1 2023	Q1 2022
Profit/(loss) for the period	(5 434)	(7 242)
Income tax expense	(1 532)	(2 031)
Depreciation expenses	2 674	2 623
Financial (income)/expenses, net	11 130	8 677
EBITDA	6 838	2 027

<i>(Amounts in NOK thousand)</i>	Q1 2023	Q1 2022
(a) Revenue	18 757	10 536
(b) EBITDA	6 838	2 027
(b/a) EBITDA margin	36%	19%

NTC Infrastructure AS

Unaudited interim consolidated report

First quarter ended 31 March 2022

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK thousand</i>	Notes	Q1 2023	Q1 2022
Revenue from contracts with customers	5	17 780	9 408
Other operating income	5	977	1 128
Total operating revenue		18 757	10 536
Employee benefit expenses		(3 745)	(3 413)
Depreciation expenses	6	(2 674)	(2 623)
Other operating expenses		(8 174)	(5 096)
Operating profit/(loss)		4 164	(596)
Financial income		7	77
Financial expenses		(11 137)	(8 754)
Financial income/(expenses), net		(11 130)	(8 677)
Profit/(loss) before income tax		(6 966)	(9 273)
Income tax expense		1 532	2 031
PROFIT/(LOSS) FOR THE PERIOD		(5 434)	(7 242)
Net other comprehensive income/(loss)		-	-
COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		(5 434)	(7 242)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK thousand</i>	Notes	31 March 2023	31 December 2022
ASSETS			
Non-current assets			
Goodwill		149 947	149 947
Property, plant and equipment	6	439 204	439 645
Right-of-use assets		628	629
Related party loans	8	3 052	3 052
Deferred tax asset		-	-
Total non-current assets		592 831	593 273
Current assets			
Trade and other receivables		2 194	1 534
Other current assets		4 457	986
Cash and cash equivalents		26 764	27 193
Total current assets		33 415	29 713
TOTAL ASSETS		626 246	622 986

<i>Amounts in NOK thousand</i>	Notes	31 March 2023	31 December 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital		51	51
Other equity		172 844	178 278
Total equity		172 895	178 329
LIABILITIES			
Borrowings	7	408 482	402 472
Lease liabilities		769	754
Deferred tax liabilities		12 318	13 850
Other long term liabilities	7	11 222	10 474
Total non-current liabilities		432 791	427 550
Borrowings	7	6 348	5 686
Trade and other payables		6 858	5 363
Other current liabilities		7 353	6 058
Total current liabilities		20 559	17 107
Total liabilities		453 351	444 657
TOTAL EQUITY AND LIABILITIES		626 246	622 986

**Anne Kjølseth
Ekerholt**
Chair

Bernt Eivind Østhus
Director

Kristian Høydahl
Chief executive officer

Åndalsnes
30 May 2023

CONSOLIDATED STATEMENT OF CASH-FLOWS

<i>Amounts in NOK thousand</i>	Notes	Q1 2023	Q1 2022
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before income tax		(6 966)	(9 273)
Adjustments to reconcile profit/loss before tax to net cash flow:			
Depreciation expenses	6	2 674	2 623
Finance income/(expense), net		11 130	8 677
Working capital changes:			
Change in trade and other receivables		(661)	4 534
Change in trade and other payables		1 495	(5 480)
Change in other current assets and liabilities		2 770	1 152
Interests received		7	77
Interests paid		(9 309)	(7 877)
Net cash flow from operating activities		1 140	(5 567)
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Payment for property, plant and equipment	6	(2 231)	(500)
Payment for acquisition of subsidiary, net of cash acquired		-	(212 392)
Net cash flow from investing activities		(2 231)	(212 892)
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from borrowings	7	662	-
Repayment of borrowings	7	-	(173 759)
Net cash flow from financing activities		662	(173 759)
Net increase/(decrease) in cash and cash equivalents		(429)	(392 218)
Cash and cash equivalents at the beginning of the period		27 193	417 298
Cash and cash equivalents at the end of the period		26 764	25 080

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK thousand</i>	Notes	Share capital	Share premium	Other equity	Total equity
Balance at 1 January 2022		51	-	189 275	189 326
Profit for the period				(7 241)	(7 241)
Balance at 31 March 2022		51	-	182 034	182 085
Balance at 1 January 2023		51	-	178 278	178 329
Profit for the period				(5 434)	(5 434)
Balance at 31 March 2023		51	-	172 844	172 895

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1. GENERAL INFORMATION

The interim consolidated financial statements of NTC Infrastructure AS and its subsidiaries ('the Group'), for the period ending 31 March 2023 and the comparable financial statements for the period ending 31 March 2022, were authorised for issue on 30 May 2023 by resolution of the board of directors.

NTC Infrastructure AS (the Company or NTC Infrastructure) is a limited liability company incorporated and domiciled in Norway. The company was established in 2021 and the registered office is located at Jernbanegata 1, in Åndalsnes, Norway.

The Group owns and operates two gondola lifts, Romsdalsgondolen and Fjellheisen. Romsdalsgondolen is located in Rauma and provides easy access to the Nesaksla and Rampestreken mountains. The Group also operates Fjellheisen, which is a gondola lift located in Tromsø.

The consolidated financial statements for the year ended 31 December 2022 are available at www.norwegian.travel/investor-relations

2. BASIS FOR PREPARATION

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "*Interim Financial Reporting*" as adopted by the European Union (the "EU") and additional requirements in the Norwegian Securities Trading Act. This interim financial report does not include all information and disclosures required by International Financial Accounting Standards ("IFRS") for a complete set of annual financial statements. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2022.

These interim financial statements are unaudited.

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its financial statements for the year ended 31 December 2022. Because of rounding differences, numbers or percentages may not add up to the sum totals.

In these interim consolidated financial statements, the first quarter (Q1) is defined as the reporting period from 1 January to 31 March.

All amounts are presented in NOK thousand (TNOK) unless otherwise stated.

Going concern

These interim consolidated financial statements have been prepared based on the going concern assumption. When preparing financial statements, Management has made an assessment of the Group's ability to continue as a going concern, considering all available information about the future and including, but not limited to, 12 months after the end of the reporting period. Based on that analysis Management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

Dependent on the financial performance of the Group, this assumption will continue to rely on the Group having further support from its majority shareholders to continue meeting its covenant requirements for the secured bond, as discussed in Note 7.1.

Significant assumptions and estimates

The preparation of financial statements requires Management and the Board of Directors to make assessments and assumptions that affect recognised assets, liabilities, income and expenses and

other information provided. For further information concerning these, please refer to the NTC Infrastructure 2022 annual report.

3. SIGNIFICANT CHANGES, EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD

The financial position and the performance of the Group was not particularly affected by any significant events or transactions during the first quarter of 2023.

4. PROFIT AND LOSS INFORMATION

Income tax expense

Income tax expense is recognised based on Management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the current quarter is 22 % which is the same as the tax rate used for the comparable period.

Seasonality of operations

The operations of the Group is subject to certain seasonality. Higher revenues and operating profits are usually expected in the second and third quarter of the year, as these periods are considered as high seasons for both gondolas. Results for the current quarter has been in line with management's operational estimates.

5. OPERATING INCOME

The following breakdown presents the disaggregation of total operating income generated by the Group:

Operating income	Q1 2023	Q1 2022
<i>(Amounts in NOK thousand)</i>		
Direct sale of tickets	17 447	9 213
Sales through joint packages with other parties	333	195
Total revenue from contracts with customers	17 780	9 408
Lease income	977	666
Other operating income	-	462
Total operating income	977	1 128

Revenue arising from other than contracts with customers includes primarily income from leasing contracts.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment <i>(Amounts in NOK thousand)</i>	Buildings (¹) and land	Machinery, plant and other equipment	Buildings subject to operating lease	Assets under construction	Total
At 31 December 2022					
Cost	245 217	133 642	73 855	1 587	454 301
Accumulated depreciation and impairment	(7 034)	(6 177)	(1 445)	-	(14 656)
Net book amount	238 183	127 464	72 410	1 587	439 645
Period ended 31 March 2023					
Opening net book amount (1 January)	238 183	127 464	72 410	1 587	439 645
Additions	71	322		1 839	2 231
Depreciation charge	(1 393)	(1 080)	(200)	-	(2 673)
Closing net book amount	236 861	126 706	72 210	3 426	439 204
At 31 March 2023					
Cost	245 288	133 964	73 855	3 426	456 533
Accumulated depreciation and impairment	(8 427)	(7 257)	(1 645)	-	(17 329)
Net book amount	236 861	126 706	72 210	3 426	439 204

(¹) Buildings in this category do not include those leased by the Group acting as a lessor.

7. BORROWINGS

	31 March 2023	31 December 2022
Overview of borrowings and other long-term liabilities		
<i>(Amounts in NOK thousand)</i>		
Non-current		
Senior secured bond	388 749	387 685
Loan from PPE supplier	11 222	10 474
Subordinated debt	19 733	14 691
Other loans with related parties	-	96
Total non-current	419 704	412 946
Current		
Other loans with related parties	6 348	5 686
Total current	6 348	5 686
Total borrowings and other long-term liabilities	426 052	418 632

7.1. COMPLIANCE WITH COVENANTS

The Group has complied with all financial covenants at the end of the reporting period, as explained in “Balance sheet and liquidity (unaudited) Q1 2023” section in the management’s presentation included in this document.

8. RELATED PARTIES

8.1. TRANSACTIONS WITH RELATED PARTIES

The following table summarises the Group's transactions with related parties:

Transactions with related parties	Q1 2023	Q1 2022
<i>(Amounts in NOK thousand)</i>		
Rental income	696	570
Sales of tickets through experience packages	473	161
General management services	(1 651)	(1 408)
Market and sales management services	(2 627)	(1 466)
Total related party profit or loss items	(3 109)	(2 143)

8.2. BALANCES WITH RELATED PARTIES

The following table summarises the Group's balances with related parties:

Balance sheet items by related party	31 March 2023	31 December 2022
Trade and other receivables	655	-
Subsidiaries of controlling party	655	-
Long-term-loan granted	3 052	3 052
Romsdalen Eiendom AS	3 052	3 052
Loan received	(6 348)	(5 804)
Romsdalen AS	(5 685)	(5 686)
The Norwegian Travel Company AS	(500)	-
Subsidiaries of controlling party	(163)	(118)
Subordinated debt with The Norwegian Travel Company AS	(19 733)	(14 691)
Trade and other payables	(75)	-
Net assets (liabilities) with related parties	(22 448)	(17 443)

9. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors is not aware of any other events that occurred after the balance sheet date, or any new information regarding existing matters, that can have a material effect on the 2023 first quarter interim financial report for the company.



Q1 2023

