

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 completed 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.

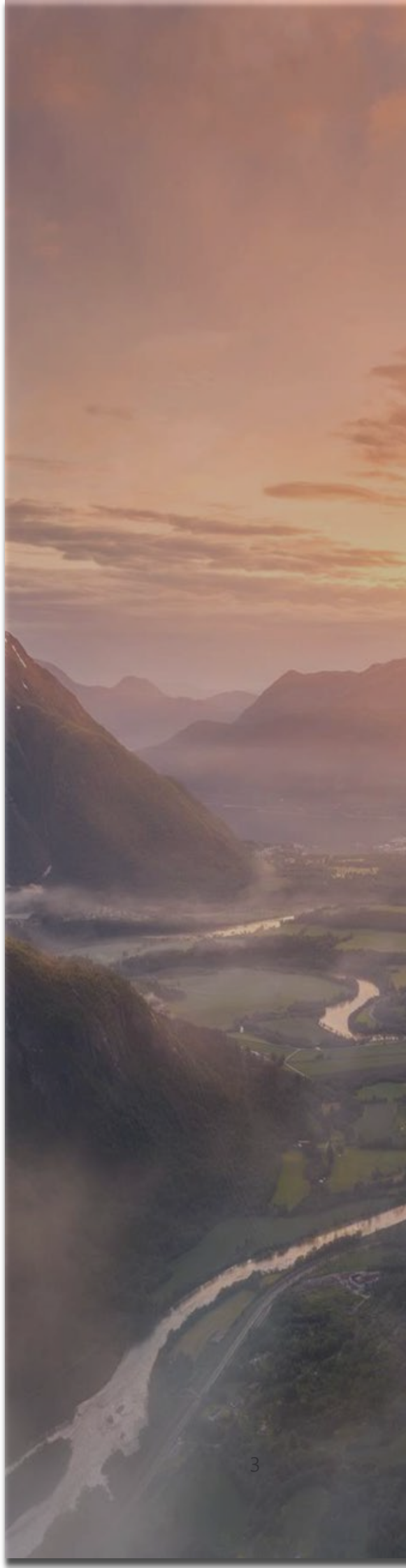
Fjellheisen in Tromsø opened in 1961, and has since its opening been the #1 attraction in Tromsø, Northern Norway's largest city & gateway to the arctic. The city offers arctic experiences both during the summer- and winter seasons and is the preferred destination for Northern Light tours as the phenomenon 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 continues to achieve strong sales performance. Sales for the first half of 2023 grew by 47 % compared to the first half of 2022. Q2 isolated grew by 29 % compared to Q2-22.

Q2 sales and EBITDA show positive progress compared to both last year and last quarter. Both destinations continue to strengthen their sales and EBITDA. With its first year of full operation without any restrictive measures related to Covid-19 Pandemic, numbers of visitors are slowly recovering to pre-covid numbers. The Group achieved revenue of NOK 24.2 million in Q2-23 compared to NOK 18.8 million the second quarter of 2022. Reported EBITDA is NOK 12.3 million (compared to NOK 7.7 million Q2-22), giving an EBITDA margin of 51 % for the quarter (compared to 41 % for the same quarter last year).

Number of visitors continued to grow, with June being the month with the highest numbers of visitors in the second quarter. In Q2-23, the official reported number of passengers were 73 108 (compared to 66 255 in Q2-22). As expected, number of visitors increased both from the last quarter and the same quarter last year, with the gondola in Romsdalen accounting for the entire increase in passenger numbers, YoY. Further, the Group also lifted its average price by 29 % from the same period last year.

Given the strong performance during the first half of 2023, the Group is expecting to outperform 2022 in terms of revenue and EBITDA.

Fjellheisen hired a new General Manager during Q2-23. He will start working in the third quarter of 2023. There have been no other extraordinary events in the second 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 financial updates are presented in the following sections.

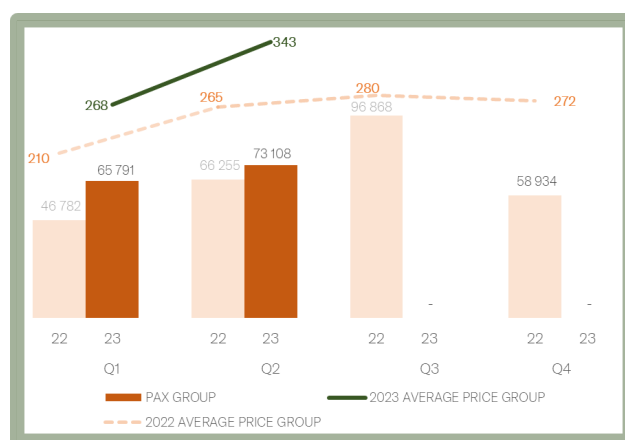
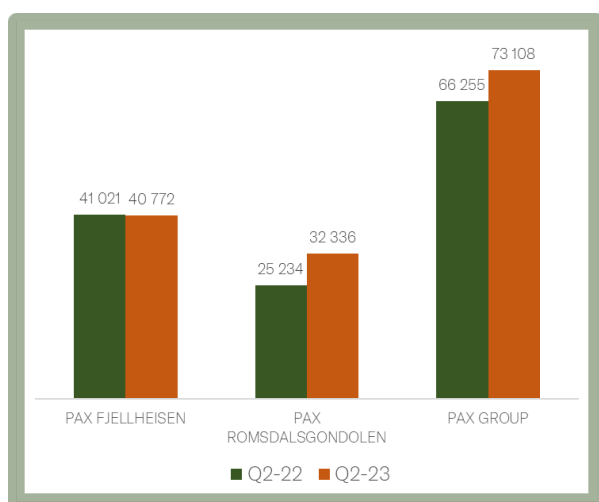
Key Performance Indicators (KPI's)

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 second quarter. Number of visitors increased by 10 % compared to Q2-22. Further, the Group also lifted its average price by 29 % from the same period last year.

Second Quarter 2023

PAX

73 108



* Sold one-way tickets in Q2-23: 12 %

NUMBER OF VISITORS (PAX)

The Group reported 73 108 passengers in Q2.

Fjellheisen had a decrease in passenger numbers by 249 (- 1 %) from last year's second quarter. Fjellheisen delivered an all-time high number of visitors in April (shoulder season), up 17 % compared to the same quarter in 2019 (pre-covid), whereas June did not count for the number of visitors as expected, mainly due to lower number of cruise passengers. Furthermore, the high season this year has shifted from early summer (June/July) to late summer (July/August).

The Romsdalen gondola reported 32 336 visitors in Q2, an increase of 7 102 pax (+28 %) from last year. The gondola delivered especially strong numbers for May and June compared to last year's numbers of visitors during the summer months.

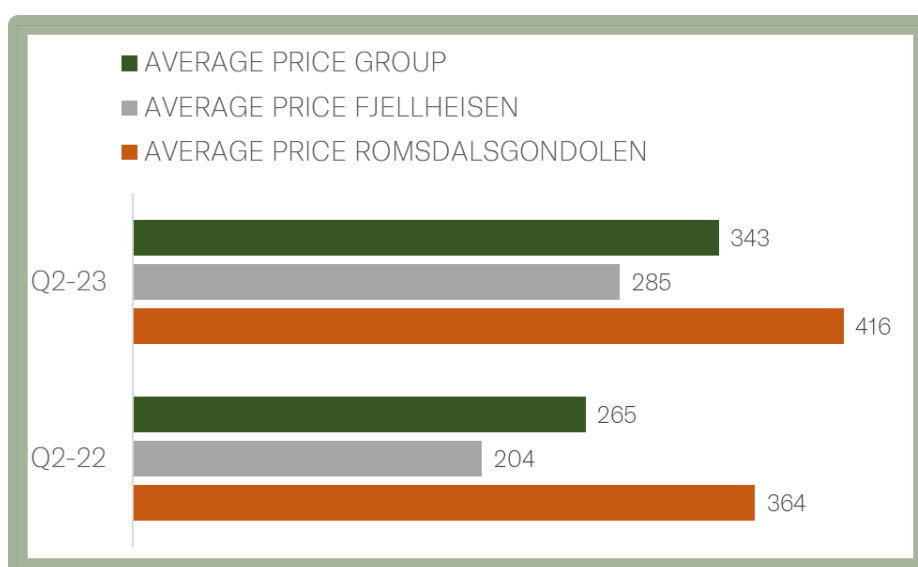
In total, the Group reported an increase of passenger numbers by 10 % compared to Q2-22 and an increase of 11 % compared to the last quarter.

343

AVERAGE PRICE

The average price per ticket for Q2-23 ended at NOK 343. The Group lifted its average price by 29 % from last year's second quarter (+ 31 % from the average price of 2022). The average price in Fjellheisen is up 39 %, quarter on quarter, while the Romsdalen gondola increased its average price by 14 %.

Compared to last quarter, the price increased by 28 % for the Group. The price differs across the two gondolas with a 46 % higher price level in the Romsdalen gondola (same level in Q1). In Q1-23, Fjellheisen represented 95 % of the volume, while in Q2-23, Fjellheisen represented 56 % of the volume. Hence, the combined increase in average price for the Group (28 %) is mainly explained by adjusted sales price.



OUTLOOK FOR THE THIRD QUARTER OF 2023

Numbers for Q3-23 so far indicates an increase in number of passengers from Q3-22.

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 expecting to outperform last year's third quarter, both in passenger numbers and in revenue. Numbers so far indicates a better July and August compared to last year.



Financial update

The consolidated financial statement for Q2-23 (unaudited) have been prepared for the period from 1 April to 30 June 2023, and for the half-year starting 1 January and ending 30 June 2023.

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

Second Quarter 2023	Second Quarter 2023	Second Quarter 2023
REVENUE	EBITDA	EBITDA margin

NOKm 24.2	NOKm 12.3	51%
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Year to date 2023	Year to date 2023	Year to date 2023
REVENUE	EBITDA	EBITDA margin

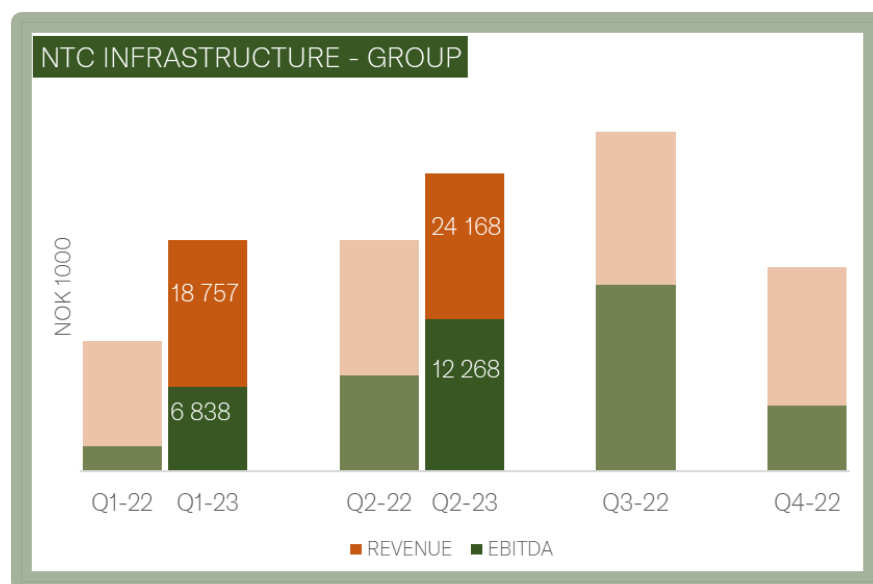
NOKm 42.9	NOKm 19.1	45%
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INCOME STATEMENT (UNAUDITED) Q2-23 AND HALF-YEAR 2023

Revenue in Q2 ended at NOK 24.2 million with an EBITDA of NOK 12.3 million. Revenue is up by 29 % from the same quarter last year, and up by 29 % compared to Q1-23. The first half of 2023 shows strong numbers compared to the first half of 2022. Revenue is up by 47 %, and EBITDA is up by 96 %.

Both gondolas have been operating in high season during the second quarter, further the gondola in Romsdalen had a significant increase in visitors compared to last year. The growth in revenue is a result of good visitor numbers, combined with an increase in the price.

EBITDA grew from NOK 6.8 million in Q1-23 to NOK 12.3 million in Q2-23. Compared to the same quarter last year, EBITDA is up by 59 %.



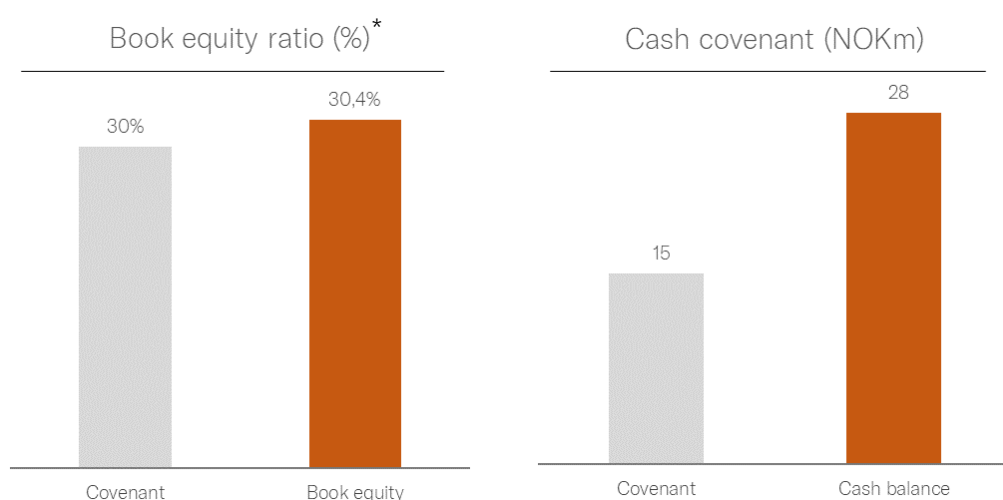
BALANCE SHEET AND LIQUIDITY (UNAUDITED) Q2 AND HALF-YEAR 2023

The Group held a total book equity* of NOK 191.5 million at the end of Q2-23. Total assets were NOK 630.3 million. The majority of the balance sheet is related to the infrastructure of the gondolas (NOK 438.3 million) and goodwill (NOK 149.9 million).

As of 30 June 2023, the Group has a book equity ratio of 30.4 %, and liquidity of NOK 27.6 million (calculated in accordance with the terms of its bond agreement). Therefore, the Group has complied with the financial covenants during the Q2-23 reporting period. With respect to the foreseeable reporting periods, Management has plans to ensure that all relevant covenant requirement will be met.

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 still expects an 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. The APMs represent important measures for how the management monitors the group and its business activity.

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>	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Profit/(loss) for the period	(1 162)	(1 452)	(6 596)	(8 688)
Income tax expense	(328)	(400)	(1 860)	(2 431)
Depreciation expenses	2 674	2 623	5 349	5 245
Financial (income)/expenses, net	11 083	6 950	22 213	15 626
EBITDA	12 268	7 721	19 106	9 753

<i>(Amounts in NOK thousand)</i>	Q2 2023	Q2 2022	YTD 2023	YTD 2022
(a) Revenue	24 168	18 750	42 925	29 286
(b) EBITDA	12 268	7 721	19 106	9 753
(b/a) EBITDA margin	51%	41%	45%	33%

NTC Infrastructure AS

Unaudited interim consolidated report

Second quarter and half-year ended 30 June 2023

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK thousand</i>	Notes	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Revenue from contracts with customers	5	23 594	17 458	41 373	26 866
Other operating income	5	574	1 292	1 551	2 420
Total operating revenue		24 168	18 750	42 925	29 286
Employee benefit expenses		(3 372)	(3 765)	(7 117)	(7 178)
Depreciation expenses	6	(2 674)	(2 623)	(5 349)	(5 245)
Other operating expenses		(8 528)	(7 264)	(16 702)	(12 355)
Operating profit/(loss)		9 594	5 098	13 757	4 508
Financial income		1	1 719	8	1 796
Financial expenses		(11 084)	(8 669)	(22 221)	(17 422)
Financial income/(expenses), net		(11 083)	(6 950)	(22 213)	(15 626)
Profit/(loss) before income tax		(1 490)	(1 852)	(8 456)	(11 119)
Income tax expense		328	400	1 860	2 431
PROFIT/(LOSS) FOR THE PERIOD		(1 162)	(1 452)	(6 596)	(8 688)
Net other comprehensive income/(loss)		-	-	-	-
COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		(1 162)	(1 452)	(6 596)	(8 688)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June	31 December
<i>Amounts in NOK thousand</i>	Notes	2023	2022
ASSETS			
Non-current assets			
Goodwill		149 947	149 947
Property, plant and equipment	6	438 316	439 645
Right-of-use assets		626	629
Related party loans	8	3 052	3 052
Total non-current assets		591 941	593 273
Current assets			
Trade and other receivables		4 032	1 534
Other current assets		6 121	986
Cash and cash equivalents		28 184	27 193
Total current assets		38 337	29 713
TOTAL ASSETS		630 278	622 986

<i>Amounts in NOK thousand</i>	Notes	30 June 2023	31 December 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital		51	51
Other equity		171 682	178 278
Total equity		171 733	178 329
LIABILITIES			
Borrowings	7	409 244	402 472
Lease liabilities		784	754
Deferred tax liabilities		11 990	13 850
Other long term liabilities	7	11 740	10 474
Total non-current liabilities		433 758	427 550
Borrowings	7	5 777	5 686
Trade and other payables		11 355	5 363
Other current liabilities		7 655	6 058
Total current liabilities		24 787	17 107
Total liabilities		458 545	444 657
TOTAL EQUITY AND LIABILITIES		630 278	622 986

**Anne Kjørseth
Ekerholt**
Chair

Bernt Eivind Østhus
Director

Kristian Høydahl
Chief executive officer

Åndalsnes
31 August 2023

CONSOLIDATED STATEMENT OF CASH-FLOWS

<i>Amounts in NOK thousand</i>	Notes	YTD 2023	YTD 2022
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before income tax		(8 456)	(11 119)
Adjustments to reconcile profit/loss before tax to net cash flow:			
Depreciation expenses	6	5 349	5 245
Finance income/(expense), net		22 213	15 626
Working capital changes:			
Change in trade and other receivables		(2 497)	(56)
Change in trade and other payables		5 881	(4 608)
Change in other current assets and liabilities		1 518	2 173
Interests received		8	1 796
Interests paid		(19 099)	(15 058)
Net cash flow from operating activities		4 917	(6 000)
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Payment for property, plant and equipment	6	(4 016)	(5 762)
Payment for acquisition of subsidiary, net of cash acquired		-	(217 698)
Net cash flow from investing activities		(4 016)	(223 460)
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from borrowings	7	90	10 869
Repayment of borrowings	7	-	(173 759)
Net cash flow from financing activities		90	(162 890)
Net increase/(decrease) in cash and cash equivalents		991	(392 350)
Cash and cash equivalents at the beginning of the period		27 193	417 298
Cash and cash equivalents at the end of the period		28 184	24 948

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 year				(8 688)	(8 688)
Balance at 30 June 2022		51	-	180 587	180 638
Balance at 1 January 2023		51	-	178 278	178 329
Profit for the year				(6 596)	(6 596)
Balance at 30 June 2023		51	-	171 682	171 733

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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 30 June 2023 and the comparable financial statements for the period ending 30 June 2022, were authorised for issue on 30 June 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 second quarter (Q2) is defined as the reporting period from 1 April to 30 June. The first half-year (YTD in this report) corresponds to the reporting period from 1 January to 30 June.

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 consolidated annual report (audited).

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 second 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	Q2 2023	Q2 2022	YTD 2023	YTD 2022
<i>(Amounts in NOK thousand)</i>				
Direct sale of tickets	21 528	15 843	38 975	25 056
Sales through joint packages with other parties	2 066	1 615	2 399	1 810
Total revenue from contracts with customers	23 594	17 458	41 374	26 866
Lease income	13	760	990	1 426
Other operating income	561	532	561	994
Total operating income	24 168	18 750	42 925	29 286

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

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	Buildings (*) and land	Machinery, plant and other equipment	Buildings subject to operating lease	Assets under construction	Total
<i>(Amounts in NOK thousand)</i>					
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 30 June 2023					
Opening net book amount (1 January)	238 183	127 464	72 410	1 587	439 645
Additions	101	322		3 593	4 016
Depreciation charge	(2 786)	(2 160)	(400)	-	(5 346)
Closing net book amount	235 498	125 626	72 010	5 180	438 315
At 30 June 2023					
Cost	245 318	133 964	73 855	5 180	458 317
Accumulated depreciation and impairment	(9 820)	(8 337)	(1 845)	-	(20 002)
Net book amount	235 498	125 626	72 010	5 180	438 315

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

7. BORROWINGS

	30 June 2023	31 December 2022
Overview of borrowings and other long-term liabilities		
<i>(Amounts in NOK thousand)</i>		
Non-current		
Senior secured bond	389 511	387 685
Loan from PPE supplier	11 740	10 474
Subordinated debt	19 733	14 691
Other loans with related parties	-	96
Total non-current	420 984	412 946
Current		
Other loans with related parties	5 777	5 686
Total current	5 777	5 686
Total borrowings and other long-term liabilities	426 761	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) Q2 2023 and half-year 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	Q2 2023	Q2 2022	YTD 2023	YTD 2022
<i>(Amounts in NOK thousand)</i>				
Rental income	555	570	1 251	1 140
Sales of tickets through experience packages	2 232	1 501	2 705	1 662
General management services	(1 483)	(1 427)	(3 134)	(2 835)
Market and sales management services	(3 623)	(2 622)	(6 250)	(4 088)
Total related party profit or loss items	(2 319)	(1 978)	(5 427)	(4 121)

8.2. BALANCES WITH RELATED PARTIES

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

Balance sheet items by related party	30 June 2023	31 December 2022
Trade and other receivables	954	-
Subsidiaries of controlling party	954	-
Long-term-loan granted	3 052	3 052
Romsdalen Eiendom AS	3 052	3 052
Loan received	(5 777)	(5 804)
Romsdalen AS	(5 685)	(5 686)
Subsidiaries of controlling party	(92)	(118)
Subordinated debt with The Norwegian Travel Company AS	(19 733)	(14 691)
Trade and other payables *	(6 202)	-
Net assets (liabilities) with related parties	(27 705)	(17 443)

* Total trade and other payables at 30 June 2023 mainly consists of payables with The Norwegian Travel Company AS amounting to NOK 5.9 million, for the purchase of services in accordance with the service agreement with the Group

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 half interim financial report for the company.



Q2 2023

