DigiPlex Fet AS (the Company)
Board of Directors' report
For the year ended 31 December 2016

Registration no. 912 189 287

We are pleased to present the 2016 annual financial report for the Company, DigiPlex Fet AS.

BACKGROUND

DigiPlex builds and operates data centres. Data centres are vital to the functioning of the modern economy. DigiPlex is one of the longest standing data centre builders and operators in Europe. We were founded in 2002. Our data centres are located in the Nordic Region. We are a privately-owned group of companies. Our companies are registered in Finland, Norway, Sweden and the United Kingdom. We provide a safe, secure and fully serviced home for customers' information and communications technologies (ICT) equipment and data. Ours is not a one-size-fits-all service. How we deliver the service is tailored to each customer's needs.

The Company was founded in July 2013 when it signed one of the largest data centre deals in Europe for its facility at Heiaveien 9 in the municipality of Fetsund, near Oslo.

The more than 20 year contract with EVRY AS (one of the two largest IT service companies in the Nordics) secures revenue for its 4,200 m2 of IT space, served by 8.4 megawatts of power. The high security facility will benefit from DigiPlex's industry leading Air-to-Air cooling technology delivering a power usage efficiency which will place it in the top 3 per cent of data centres worldwide and ensuring a sustainable performance with minimum environmental footprint.

BUSINESS ACTIVITIES

The business activities for 2016 were related to the delivery of completed floors to EVRY AS as construction of the data centre was completed. The last two phases (each 700m2 of white space) of the data centre were successfully delivered to EVRY AS on 1 January 2016 and 3 March 2016 respectively. This handover was approximately one month early than provided for in the Agreement with EVRY.

Revenues stabilised in 2016, reflecting the final handover to the customer. Furthermore, the Company and EVRY entered into an additional agreement whereby the Company will be compensated, throughout the term of the existing 20-year contract, for undertaking additional construction and project management work. The construction work, which was completed in the first half of the year, was funded by an additional shareholder loan.

REGULATORY DEVELOPMENTS

As at the date of this report, the Board is not aware of any current, or potential regulatory/political changes that may cause any risk to the operations of the Company.

GOING CONCERN

Notwithstanding that the Company's equity is in a negative position (NOK 22.9 million), the Board sought the required funding from the Company's shareholder in 2016 to help fund the new projects being undertaken on behalf of the customer. Total funds received from the shareholder was circa NOK 60 million.

The Board have evaluated the Company's value adjusted equity. In doing so, the valuation of the building and infrastructure was based on external advice, and the Board concluded that the market value of the Company's equity is positive.

The shareholder loan agreement does not contain restrictive covenants. Although the loan is stated to be payable on demand, there are contractual restrictions that restrict repayment thereof. Firstly, the bond loan agreement provides that any repayment of shareholder loan is subject to no event of default having occurred which is continuing, and that the issuer satisfies certain dividend incurrence tests. Secondly, the shareholder loan agreement is subject to a turn-over and subordination agreement entered into by its shareholder, DigiPlex Fet LLC and the bond trustee and pursuant to which the Company has agreed to, inter alia, (i) subordinate its claims under the shareholder loan agreement to any claim the bond trustee has against the issuer and (ii) not accept any payment from the Company which would contravene the above-mentioned clause in the Bond Agreement.

The Board is of the opinion that the financial statements give a true and fair view of the activities of the Company.

In accordance with the Norwegian Accounting Act section 3-3, the Board confirms that the conditions for continued operations as a going concern are present for the Company and that the annual financial statements have been prepared under this presumption.

INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

As previously mentioned, operational revenue began to stabilise during 2016 in accordance with the Contract, as final handover was achieved. Expenses such as fees for management and accounting support, personnel costs and other operational establishment costs were incurred in preparing the business for the handover of the final phases and commencing new projects as requested by the customer.

Operating revenues totalled NOK 78.7 million (2015: NOK 36.9 million), reflecting a complete handover of all six phases of the data centre (4,200 m2 of white space). The final handover was achieved on 3 March 2016.

Operating expenses (excluding depreciation) totalled NOK 34.0 million (2015: NOK 27.4 million), which comprised of NOK 2.6 million in cost of goods sold, NOK 2.0 million of employee costs and NOK 29.4 million of other operating costs.

EBITDA totalled NOK 44.7 million (2015: NOK 9.5 million) and respective EBITDA margin was 56.8% (2015: 25.8%).

Depreciation of property, plant and equipment totalled NOK 34.6 million (2015: NOK 16.9 million).

In light of the above, the operating profit for 2016 come in at NOK 10.1 million (2015: loss of NOK 7.4 million).

Net finance costs were NOK 28.5 million compared to NOK 0.2 million in 2015, as construction is now complete and the capitalisation of net finance costs thereby ceased from the date of final handover on 3 March 2016.

The loss before tax was NOK 18.4 million (2015: NOK 7.6 million) which resulted in a tax benefit of NOK 4.3 million (2015: NOK 1.8 million), whereof the effect of the announced reduction of applicable corporate tax rate from 25% to 24% is reflected.

Total assets were NOK 790.5 million, which is an increase of NOK 42.5 million from 2015 due to continued construction at the data centre during 2016.

CAPITAL AND FINANCING

Net cash outflow for the year was NOK 9.0 million (2015: NOK 245.6 million). Cash inflow from operating activities amounted to NOK 55.7 million (2015: NOK 4.1 million). Cash outflow to investing activities amounted to NOK 98.4 million (2015: NOK 248.6 million) and cash inflow to financing activities amounted to NOK 33.7 million (2015: cash outflow of NOK 1.1 million). A detailed cash flow statement is included in the financial statements.

The difference between operating results and cash flow from operating activities, mainly relates to depreciation and financial items. The Company's investments are financed primarily via its bond issue and shareholder loans.

The Company has raised NOK 500 million from issuing bonds, which were listed on the Oslo Stock Exchange. The bonds were issued in June 2014 to primarily finance the construction of the data centre for EVRY, and these bonds were listed on the Oslo Stock Exchange in December 2014. The bonds are due to mature in June 2019. The Company may redeem these bonds in part or in full, in accordance with the terms of the Bond Agreement.

The Company is making interest payments to the bondholders in accordance with the Bond Agreement which commenced in September 2014.

No interest is due on the shareholder loans and no principal payments were due in 2016. As mentioned above, a further NOK 60.0 million in the form of a loan was received from the shareholder in 2016. As such, at balance sheet date shareholder loans of NOK 269.1 million remained outstanding.

The Board is confident that the current financial resources available to the Company are adequate for its existing requirements.

CORPORATE GOVERNANCE

The Company's governance systems are based on principles set out in the Norwegian Code of Conduct for Corporate Governance with the aim to benefit long-term value creation for shareholders, employees and society at large.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board ensures that the Company has good internal control functions and appropriate systems for risk management tailored to its operations and in accordance with the Company's core values, ethical guidelines and social responsibility policy. The Board, at a minimum, on an annual basis conducts a review of the Company's most important risk areas and its internal control functions.

This position is in compliance with Bond Rules section 2.5 and the Stock Exchange Regulations section 1 (2).

RISKS

The Company's activities expose it to a variety of financial risks namely; market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company does not use derivative financial instruments to hedge any risk exposures.

Risk management is carried out by the Company's finance department under policies approved by the Board. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

Market risk

The Company operates nationally and is therefore exposed to a limited foreign exchange risk.

However, its interest rate risk arises from a long-term bond loan (see note 12). Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The interest on the loan is adjusted quarterly. The Company also holds loans from its shareholder. The shareholder loan is not interest bearing.

Interest Rate Sensitivity Analysis

At 31 December 2016, if the Norwegian key policy rate had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been NOK 500,000 higher/lower, mainly as a result of higher/lower interest expense on Bond borrowings.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company have only one customer, which is rated at low risk. Credit risk related to bank insolvency is closely monitored.

Liquidity risk

The Company's finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The Board is not aware of any additional financial risk factors facing the Company other than those outlined in this report.

HEALTH, SAFETY AND WORK ENVIRONMENT

As of 31 December 2016, the Company employed 1 male full time staff member. This staff member is not in a leading management position. The Company gives equal opportunities to its employees regardless of gender and will continue this policy in the future.

The Company's ambition is to conduct its operations with zero injuries through effective risk management. The Company considers the working environment as positive and there have been no serious work incidents or accidents resulting in personal injury or damages to material or equipment during the course of 2016. The Company also maintains a log of sick leave days taken and the absence percentage due to sick leave for 2016 was 2.5%.

All employees are part of a pension scheme.

EXTERNAL ENVIRONMENT

Within our environmental impact it is energy use and consequently carbon emissions that determine the biggest part of our environmental agenda. The Company is committed to operating sustainably with continuous improvements in environmental performance.

The initial target for the DigiPlex group of entities in this area was to purchase all our electricity from certified, renewable sources. We first achieved this in July 2004. We have maintained this achievement ever since.

Our aim is to be the most environmentally friendly data centre provider in Europe and we have put this into action with our fiercely competitively low PUE achievements to date. We particularly welcome the opportunity to work with our customers and help them to achieve their own environmental performance improvement goals. At the same time as targeting improvement of our existing centres, we are considering how we can apply emerging green technologies to each major new construction, including but not limited to, adiabatic cooling.

With the above processes and initiative in place, the Board is very proud of the small environmental footprint that it leaves behind.

CORPORATE SOCIAL RESPONSIBILITY

The Company's policy is designed and implemented in a way to help tackle the challenges we face in today's society. The DigiPlex policy ensures that we responsibly and fairly recruit and manage DigiPlex employees on the basis of competence and performance regardless of age, nationality, race, gender, religious beliefs, sexuality, physical ability or cultural background. We strive on our ability to provide our customers an unprecedented level of support and flexibility in all aspects of providing a Data Centre service and do so in a manner that ensures our businesses future and the prosperity of all stakeholders involved.

The Company is committed to maintaining an open working environment in which employees and contractors are able to report instances of unethical, unlawful or undesirable conduct without fear of intimidation or reprisal. In order to maintain a current and effective responsibility strategy we promote transparency in the actions of all stakeholders and act on all relevant concerns highlighted for attention.

We take the responsibility of fairness and equality beyond our own walls and ensure that external parties with whom we engage in business are also focused on their responsibility to the wider community. The Company's tendering process clarifies whether the supplier has established its own policy and guidelines for corporate social responsibility, and whether it has been involved in incidents related to corruption, child labour or breaches of human rights or the rights of employees to unionise.

Information on such matters is obtained from the suppliers themselves or from other investigations. Possible conditions uncovered will be significant in qualifying the supplier for participation in the tendering process.

YEAR-END APPROPRIATIONS

The net loss for the year of NOK 14.1 million (2015: NOK 5.8) is transferred to retained earnings.

RESEARCH AND DEVELOPMENT

The Company is continually undertaking confidential research and development with the view of improving its processes, customer service, costs and its environmental footprint.

OUTLOOK

In 2017 the primary goal is to continue to meet our customer's requirements; including project managing modifications to the technical space in order to enhance our customer's service offerings to their customers; as part of our additional value added services.

The Board is not aware of any additional risk factors facing the Company other than those outlined in this report.

Oslo, 28 April 2017

J Byrne Murphy	Gisle M Eckhoff
Chairman	**CEO**

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To the General Meeting of Digiplex Fet AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Digiplex Fet AS which comprise the balance sheet as at 31 December 2016, income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no Key Audit Matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, statements on Corporate Governance and Corporate Social Responsibility, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

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the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsiblities of The Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

We also provide the Board of Directors with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption is consistent with the financial statements and complies with the law and regulations.

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Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 28 April 2017
PricewaterhouseCoopers AS

Stig Arild Lund
State Authorised Public Accountant

Income statement
Amounts in NOK

Operating revenue and operating expenses	Notes	2016	2015
Revenue from services		74,731,860	35,475,429
Revenue from goods sold		3,959,454	1,383,117
Total revenue		**78,691,314**	**36,858,546**
Cost of goods sold		2,593,683	1,029,070
Employee benefits expense	7	2,000,203	2,044,274
Other operating expenses	7, 16	29,401,144	24,139,763
Other gains and losses		0	145,556
EBITDA		**44,696,284**	**9,499,883**
Depreciation and write-off	5	34,591,666	16,860,743
Operating profit		**10,104,618**	**-7,360,860**
Finance income	10	427,432	834,105
Finance costs	10	28,902,151	1,062,371
Finance - net		**-28,474,719**	**-228,266**
Profit/(loss) before tax		**-18,370,101**	**-7,589,126**
Income tax expense/(benefit)	13	-4,289,900	-1,808,617
Profit/(loss) for the year		**-14,080,201**	**-5,780,509**
Profit/(loss) for the year attributable to the shareholders		-14,080,201	-5,780,509
Statement of comprehensive income/(loss)			
Items that may be reclassified to profit or loss		0	0
Items that will not be reclassified to profit or loss		0	0
Total comprehensive income/(loss) for the year		**-14,080,201**	**-5,780,509**
Total comprehensive income/(loss) attributable to shareholders		**-14,080,201**	**-5,780,509**

Statement of financial position

Amounts in NOK

Assets	Notes	2016	2015
Non-current assets			
Deferred tax asset	13	7,256,681	2,966,779
Property, plant and equipment	5	709,035,347	670,198,873
Other non-current assets		3,918,599	4,136,094
Total non-current assets		**720,210,627**	**677,301,746**
Current assets			
Inventories		1,235,960	1,066,060
Trade and other receivables	6	29,587,543	21,146,117
Bank deposits	8	39,503,025	48,498,775
Total current assets		**70,326,528**	**70,710,952**
Total assets		**790,537,155**	**748,012,698**

Equity and liabilities	Notes	2016	2015
Paid in equity			
Share capital	15	30,000	30,000
Total paid in equity		**30,000**	**30,000**
Earned equity			
Other equity	14	-22,925,961	-8,845,760
Total earned equity		**-22,925,961**	**-8,845,760**
Total equity		**-22,895,961**	**-8,815,760**
Liabilities			
Non-current liabilities			
Borrowings	11	494,950,413	492,895,417
Total non-current liabilities		**494,950,413**	**492,895,417**
Current liabilities			
Shareholder loan	12, 16	269,067,804	209,082,470
Trade and other payables	9	49,414,899	54,850,571
Total current liabilities		**318,482,703**	**263,933,041**
Total equity and liabilities		**790,537,155**	**748,012,698**

Oslo 28 April 2017

James Byrne Murphy
Chairman of the board

Gisle Michael Eckhoff
Member of the board / general manager

Statement of changes in equity

Amounts in NOK

	Notes	Share capital	Share premium reserve	Retained earnings	Total Equity
Balance at 1 January 2015	**15**	**30,000**	**0**	**-3,065,250**	**-3,035,250**
Profit/(loss) for the period		0	0	-5,780,510	-5,780,510
Other comprehensive income		0	0	0	0
Total comprehensive income for the period		**0**	**0**	**-5,780,510**	**-5,780,510**
Transactions with owners in their capacity as owners:					
Dividends paid		0	0	0	0
Balance at 31 December 2015	**15**	**30,000**	**0**	**-8,845,760**	**-8,815,760**

		Share capital	Share premium reserve	Retained earnings	Total Equity
Balance at 1 January 2016	**15**	**30,000**	**0**	**-8,845,760**	**-8,815,760**
Profit/(loss) for the period		0	0	-14,080,201	-14,080,201
Other comprehensive income		0	0	0	0
Total comprehensive income for the period		**0**	**0**	**-14,080,201**	**-14,080,201**
Transactions with owners in their capacity as owners:					
Dividends paid		0	0	0	0
Balance at 31 December 2016	**15**	**30,000**	**0**	**-22,925,961**	**-22,895,961**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flow

Amounts in NOK

	Notes	As at 31 December 2016	2015
Cash flows from operating activities			
Profit/(loss) before tax		-18,370,101	-7,589,126
Depreciation charges	5	34,591,666	16,860,743
Adjustment for financial activities		28,474,719	-1,364,405
Changes in inventories and non-current assets		47,595	-5,202,154
Change in trade and other receivables	6	-8,441,426	-1,622,104
Change in trade and other payables	9	19,444,032	2,971,836
Net cash from operating activities		**55,746,485**	**4,054,790**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	-98,438,530	-217,627,202
Interest paid capitalised on qualifying asset	5	0	-30,950,360
Net cash from investing activities		**-98,438,530**	**-248,577,562**
Cash flows from financing activities			
Proceeds from shareholder loan	12, 16	59,985,334	0
Interest paid	11	-26,289,039	-1,054,263
Net cash from financing activities		**33,696,295**	**-1,054,263**
Net increase/(decrease) in cash and cash equivalents		-8,995,750	-245,577,035
Cash and cash equivalents at beginning of year	8	48,498,775	294,075,810
Cash and cash equivalents at end of year	8	**39,503,025**	**48,498,775**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statement

1. General information

DigiPlex Fet AS ("the Company") is a Norwegian private limited liability company incorporated on 3 July 2013 and regulated by the Norwegian Private Limited Liability Companies Act and supplementing Norwegian laws and regulations. The Company is registered in the Norwegian Companies Registry with company registration number 912 189 287, and its registered business address is Selma Ellefsens vei 1, 0581 Oslo, Norway.

The Company provides highly secure, high-powered, energy-efficient and carrier-neutral data centre space at Heiaveien 9 in the municipality of Fetsund, near Oslo, Norway, for its customer's information and communication technology equipment.

The financial statements of Digiplex Fet AS have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRSIC") applicable to companies reporting under IFRS.

The financial statements of the Company for the year ended 31 December 2016 were authorised for issue by the Board of Directors on 28 April 2017. The financial statements will be approved by the shareholders meeting on 28 April 2017. The financial statements are presented in Norwegian Kroner (NOK).

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared on a historical cost basis, and in accordance with IFRS as adopted by the European Union ("EU"), and interpretations issued by IFRSIC.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been applied consistently, unless otherwise stated. The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements are disclosed in the notes to these financial statements.

The financial statements have been prepared on a going concern basis.

2.1.1 New and amended standards and interpretations

The Company has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2016:
- Accounting for acquisitions of interests in joint operations – Amendments to IFRS 11
- Clarification of acceptable methods of depreciation and amortisation – Amendments to IAS 16 and IAS 38
- Annual improvements to IFRSs 2012 – 2014 cycle, and
- Disclosure initiative – amendments to IAS 1.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.
The group also elected to adopt the following amendments early:
- Disclosure Initiative: Amendments to IAS 7.

This amendment requires disclosure of changes in liabilities arising from financing activities.

The following new standards have been reviewed with regards to their effect on the Company's financial statements:
IFRS 9, 'Financial instruments'
IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. Following the changes approved by the IASB in July 2014, the Company no longer expects any impact from the new classification, measurement and derecognition rules on the Company's financial assets and financial liabilities. The standard is mandatory from 01.01.2018 and has not been endorsed by the EU.

IFRS 15, 'Revenues from contracts with customers'
The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. 1 January 2017), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The standard is mandatory from 01.01.2018 and has been endorsed by the EU.

IFRS 16, 'Leases'
IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.
The income statement will be affected, additionally, operating expense will be replaced with interest and depreciation, so EBITDA will change.
The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

None of these new standards is expected to have a significant effect on the financial statements of the Company.

2.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales of services:
The Company provides IT housing services including engineering support, connectivity and other IT services. For sales of services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided. When invoices are raised in advance for contracted services, the revenue is spread over the period of the service and deferred income is recognised on the balance sheet.

Sale of goods:
The Company sells some IT related goods to its existing customers. Sales of goods are recognised when the entity has delivered and/or installed the products to the customer.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

The Company has identified one segment; IT housing services, and one geographical segment; Fetsund.

2.4 Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. Instalments payable or receivable within one year on long term liabilities and long term receivables are classified as either current liabilities or current assets.

2.5 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classfied as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.6 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

2.7 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.
Borrowing cost on qualifying assets are capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.8 Foreign currencies

Functional and presentation currency

The financial statements of the Company are presented in Norwegian kroner (NOK) which is the functional currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Other gains and losses'.

2.9 Employee benefits

The Company has one defined contribution plan. With a defined contribution plan the Company pays contributions to an insurance company. After the contribution has been made the Company has no further commitment to pay. The contribution is recognised as payroll expenses.

2.10 Taxation

Income tax expense represents the current tax calculated on taxable profits for the year, any adjustments in respect of prior periods and the deferred tax charge or credit for the year.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

Deferred tax
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that have been enacted and that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is reflected at nominal value.

2.11 Property, plant and equipment

Fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term, as described in note 5.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement for the period.

2.12 Impairment of tangible assets

On an annual basis, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The test is performed on the lowest level of fixed assets at which independent cash flows can be identified (Cash Generating Unit - CGU).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement. Impairment of goodwill is not subject to reversal in subsequent periods.

2.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

2.14 Financial instruments

The Company has the following classes of financial assets and liabilities: Receivables and financial liabilities at amortised cost.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Receivables where collection is expected in on year or more are treated as non-current assets.

Receivables include cash and cash equivalents, trade and other receivables recognised in the balance sheet (notes 6 and 8). Cash and cash equivalents comprise cash on hand and demand deposits.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, and that it is probable that they will enter bankruptcy or insolvency.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are deducted from the cost of the asset and are credited to the income statement on a straight line basis over the expected lives of the related assets as part of depreciation.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. No impairment was made in 2016 or 2015.

3 Significant accounting estimates and assumptions

The application of accounting standards and policies requires the Company to make estimates and assumptions about future events that directly affect its reported financial condition and operating performance. The accounting estimates and assumptions discussed are those that the Company considers to be most critical to its financial statements. An accounting estimate is considered critical if both (a) the nature of estimates or assumptions is material due to the level of subjectivity and judgement involved, and (b) the impact within a reasonable range of outcomes of the estimates and assumptions is material to the Company's financial condition or operating performance. Management have identified the following material estimates:

Deferred tax asset: The Company has a significant deferred tax asset. Deferred tax assets are only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilised. A change in this assumption will have significant effect on the financial statements.

Depreciation: Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. Changes in the estimated useful life will have significant effect on the financial statements.

4 Financial risk management and Financial instruments

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company does not use derivative financial instruments to hedge any risk exposures.

Risk management is carried out by the Company's finance department under policies approved by the board of directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

Market risk – foreign exchange risk

The Company operates domestically and is therefore exposed to a limited foreign exchange risk.

Market risk – cash flow interest rate risk

The Company's interest rate risk arises from a long-term bond loan (see note 11). Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The interest on the bond loan is adjusted quarterly. The Company also holds borrowings issued by the shareholder. The shareholder loan is not interest bearing.

Sensitivity analysis – cash flow interest rate risk

At 31 December 2016, if the Norwegian key policy rate had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been approximately NOK 500,000 higher/lower, mainly as a result of higher/lower interest expense on bond borrowings.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. Management assesses the credit quality of the customers, taking into account its financial position, past experience and other factors. Notwithstanding that the Company only has one customer, given the customer's dependability of the services provided by the Company, there is a low collection risk. This is demonstrated through the immaterial overdue accounts receivable at year end. Credit risk related to bank insolvency is closely monitored.

Liquidity risk

The Company's finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table on the next page analyses the Company's non-derivative financial liabilities and assets into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cashflows.

As 31 December 2016	Book value	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Trade and other receivables	29,587,543	29,587,543	0	0	0

As 31 December 2016					
Bond loan	494,950,413	24,800,000	535,000,000	0	0
Shareholder loan (1)	269,067,804	269,067,804	0	0	0
Trade and other payables	49,414,899	49,414,899	0	0	0

As 31 December 2015	Book value	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Trade and other receivables	21,146,117	21,146,117	0	0	0

As 31 December 2015					
Bond loan	492,895,417	24,400,000	561,000,000	0	0
Shareholder loan (1)	209,082,470	209,082,470	0	0	0
Trade and other payables	54,850,571	54,850,571	0	0	0

1) The shareholder loan is stated to be payable on demand, however there are contractual restrictions that restrict repayment thereof, see note 12 Shareholder loan for further details.

The Company holds restricted cash to meet the cash outflow from certain transactions, see note 8 for details.

Determination of fair value
The carrying amount of cash and cash equivalents and bank overdrafts approximates fair value because these instruments have a short-term maturity date. Similarly, the carrying amount of accounts receivable and accounts payable approximates fair value as the impact of discounting is not significant.

Fair value of the bond loan is calculated to be NOK 509 million using the observations from the Norwegian Securities Dealers Association as 31.12.2016. The bond was listed on the Oslo Stock Exchange on 11 December 2014.

The fair value hierarchy
The Company has not recognised any items at fair value as at 31 December 2016 or 31 December 2015. There has not been any transfers between the levels of the fair value hierarchy during 2016 and 2015.

Classification of financial assets and liabilities
The Company has the following classification of financial assets and liabilities.

Financial instruments

As 31 December 2016	Loans and receivables	Other items	Total
Assets			
Other non-current assets	0	3,918,599	3,918,599
Trade receivables (non interest bearing)	22,641,763	0	22,641,763
Other receivables (non interest bearing)	1,554,854	0	1,554,854
Cash and cash equivalents	39,503,025	0	39,503,025
Reimbursable VAT	0	1,628,626	1,628,626
Other current assets	0	3,762,300	3,762,300
Total financial assets	**63,699,642**	**9,309,525**	**73,009,167**

As 31 December 2015	Loans and receivables	Other items	Total
Assets			
Other non-current assets	0	4,136,094	4,136,094
Trade receivables (non interest bearing)	15,745,203	0	15,745,203
Other receivables (non interest bearing)	2,655,188	0	2,655,188
Cash and cash equivalents	48,498,775	0	48,498,775
Reimbursable VAT	0	2,745,726	2,745,726
Total financial assets	**66,899,166**	**6,881,820**	**73,780,986**

As 31 December 2016	Other financial liabilities at amortised cost	Other items	Total
Liabilities			
Bond loan	494,950,413	0	494,950,413
Shareholder loan (non interest bearing)	269,067,804	0	269,067,804
Trade payables (non interest bearing)	17,418,787	0	17,418,787
Other current liabilities (non interest bearing)	31,872,706	0	31,872,706
Accrued public taxes (non interest bearing)	0	123,406	123,406
Total financial liabilities	**813,309,710**	**123,406**	**813,433,116**

As 31 December 2015	Other financial liabilities at amortised cost	Other items	Total
Liabilities			
Bond loan	492,895,417	0	492,895,417
Shareholder loan (non interest bearing)	209,082,470	0	209,082,470
Trade payables (non interest bearing)	6,399,427	0	6,399,427
Other current liabilities (non interest bearing)	48,322,400	0	48,322,400
Accrued public taxes (non interest bearing)	0	128,744	128,744
Total financial liabilities	**756,699,714**	**128,744**	**756,828,458**

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital management.

To ensure that the Company complies with covenants, minimum liquidity and loan to value ratio is closely monitored.

Note 5 - Property, plant and equipment

	Property	Plant under construction	Plant and equipment	Furniture and fixtures	Total
At 1 January 2015					
Accumulated cost	38,520,577	399,794,448	0	193,362	438,508,387
Accumulated depreciation	0	0	0	0	0
Accumulated impairment	0	0	0	0	0
Net book amount	**38,520,577**	**399,794,448**	**0**	**193,362**	**438,508,387**
Year ended 31 December 2015					
Opening net book amount	38,520,577	399,794,448	0	193,362	438,508,387
Additions	0	248,308,184	0	269,378	248,577,562
Disposals	0	0	0	-26,333	-26,333
Reclassifications	0	-543,133,409	543,133,409	0	0
Depreciation charge	0	0	16,773,507	87,236	16,860,743
Net book amount	**38,520,577**	**104,969,223**	**526,359,902**	**349,171**	**670,198,873**
At 31 December 2015					
Accumulated cost	38,520,577	104,969,223	543,133,409	436,407	687,059,616
Accumulated depreciation	0	0	16,773,507	87,236	16,860,743
Accumulated impairment	0	0	0	0	0
Net book amount	**38,520,577**	**104,969,223**	**526,359,902**	**349,171**	**670,198,873**
At 1 January 2016					
Accumulated cost	38,520,577	104,969,223	543,133,409	436,407	687,059,616
Accumulated depreciation	0	0	16,773,507	87,236	16,860,743
Accumulated impairment	0	0	0	0	0
Net book amount	**38,520,577**	**104,969,223**	**526,359,902**	**349,171**	**670,198,873**
Year ended 31 December 2016					
Opening net book amount	38,520,577	104,969,223	526,359,902	349,171	670,198,873
Additions	0	38,978,878	34,286,799	162,463	73,428,140
Disposals/write-off	0	0	3,089,669	0	3,089,669
Reclassifications	0	-143,948,101	143,948,101	0	0
Depreciation charge	0	0	31,360,302	141,695	31,501,997
Net book amount	**38,520,577**	**0**	**670,144,831**	**369,939**	**709,035,347**
At 31 December 2016					
Accumulated cost	38,520,577	0	717,974,184	598,870	757,093,631
Accumulated depreciation	0	0	47,829,353	228,931	48,058,284
Accumulated impairment	0	0	0	0	0
Net book amount	**38,520,577**	**0**	**670,144,831**	**369,939**	**709,035,347**
Expected useful life			7 - 50 years	3-5 years	
Depreciation plan	None	None	Straight line	Straight line	

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts.

The accumulated cost and depreciation of the building were reduced by NOK3,394,125 and NOK304,456 respectively during the year to take into account the write down of an asset.
With effect from 2016, the estimated useful life of the building has been increased from 25 to 50 years.

Note 6 - Trade and other receivables

	2016	2015
Trade receivables	22,641,763	15,745,203
Trade receivables related parties	1,554,854	0
Less: provision for impairment of trade receivables	0	0
Trade receivables - net	**24,196,617**	**15,745,203**
Prepayments	3,421,549	0
Other receivables	1,628,626	5,386,248
Accrued income not invoiced	340,751	0
Receivables from parent company	0	14,666
Total receivables	**29,587,543**	**21,146,117**

Note 7 - Payroll and auditor remuneration

Personnel expenses	2016	2015
Salaries	1,580,918	1,556,328
Payroll tax	245,622	237,049
Defined contribution plan	86,510	107,001
Other benefits	87,153	143,895
Total personnel expenses	**2,000,203**	**2,044,274**
Number of employees	2	2
Average number of full-time employees	2	2

Key management personnel are defined as directors of the board and the CEO. The CEO is employed by a related party, and the fee for his services as managing director for 2016 was NOK 586,347. The fee is included in Other operating expenses.

No loans have been granted to the CEO, the Board chairman or other related parties.

Auditor remuneration (all amounts are excluding VAT)	2016	2015
Statutory audit	122,500	122,500
Other assurance services	35,000	0
Tax compliance	0	0
Other assistance	50,000	202,683
Total auditor remuneration (excluding VAT)	**207,500**	**325,183**

Note 8 - Cash and cash equivalents

Cash and other cash equivalents	2016	2015
Short term cash deposits, cash equivalents	29,983,189	8,219,250
Restricted cash	9,519,836	40,279,525
Cash and cash equivalents	**39,503,025**	**48,498,775**

Cash and cash equivalents consists of short term cash deposits and cash equivalents held at financial institutions.

As at 31 December 2016, the Company had bank accounts with restricted amount of NOK 9,519,836. NOK 9,460,998 is to be applied towards the settlement of development projects with the project contractor. The remaining balance of NOK 58,838 are restricted funds related to employees' tax deductions.

Note 9 - Trade and other payables

Trade payables and other current liabilities	2016	2015
Trade payables	16,279,967	6,072,277
Trade payables related parties	1,138,820	327,150
Accrued salaries to employees	236,148	0
Social security and other taxes	123,406	128,744
Other accrued expenses	31,636,558	48,322,400
Total trade and other payables	**49,414,899**	**54,850,571**

Amounts are settled on standard commercial trade terms. Generally no interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Accrued expenses are mainly related to accruals for construction work completed but yet to be invoiced by the contractor.

Note 10 - Financial income and expenses

Financial income	**2016**	**2015**
Interest income on short term bank deposits	383,582	834,105
Other interest and financial income	43,850	0
Total financial income	**427,432**	**834,105**

Financial expenses	**2016**	**2015**
Interest expenses	26,750,677	31,456,686
Capitalised borrowing costs	0	-30,950,360
Other financial expenses	2,151,474	556,045
Total financial expenses	**28,902,151**	**1,062,371**
Net financial (expenses)/income	**-28,474,719**	**-228,266**

Note 11 - Borrowings

Borrowings	**2016**	**2015**
Bond loan long term	500,000,000	500,000,000
Total	**500,000,000**	**500,000,000**
Capitalised transaction cost	5,049,587	7,104,583
Book value at amortised cost	**494,950,413**	**492,895,417**
Accrued interest	1,290,000	1,450,000

The bond loan is interest bearing with a coupon rate equal to 3 months NIBOR plus a margin of 4.0%, which was reduced to 3.75 % when the final and full delivery of the data centre and acceptance by the customer (3 March 2016). The maturity date for the bond loan is 11 June 2019. The bond loan has financial covenants related to minimum liquidity and loan to value ratio below 65 per cent.

The shareholder loan agreement does not contain restrictive covenants. Although the loan is stated to be payable on demand, there are contractual restrictions that restrict repayment thereof. Firstly, the bond loan agreement provides that any repayment of shareholder loan is subject to no event of default having occurred and that is continuing and that the issuer satisfies certain dividend incurrence test. Secondly, the shareholder loan agreement is subject to a turn-over and subordination agreement entered into by DigiPlex Fet LLC and the bond trustee and pursuant to which the Company has agreed to, inter alia, (i) subordinate its claims under the shareholder loan agreement to any claim the bond trustee has against the issuer and (ii) not accept any payment from the Issuer which would contravene the above mentioned clause in the bond agreement.

Fair value of the bond loan is calculated to be NOK 509 750 000 using the observations from the Norwegian Securities Dealers Association as at 31 December 2016. The bond was listed on the Oslo Stock Exchange on 11 December 2014 with no trading in 2014.

Total borrowings include secured liabilities of NOK 500 000 000. The bond loan is secured by fixed assets (note 5), trade receivables and restricted bank accounts (notes 6 and 8).

Note 12 - Shareholder loan

Fair value of shareholders loan was equal to book value due to the loan being repayable on demand. No interest was paid during 2016 and 2015.

Note 13 - Tax

	2016	2015
Tax payable	0	0
Change in deferred tax	-4,592,263	-2,045,960
Effect of change in tax rate to deferred tax positions	302,363	237,342
Income tax benefit	**-4,289,900**	**-1,808,617**
Basis for tax payable		
Result before tax	-18,370,101	-7,589,126
Permanent differences	1,050	11,498
Change in deferred tax	-6,372,138	-57,063,690
Change in tax losses carry forward	24,741,189	64,641,318
Basis for tax payable	**0**	**0**
Temporary differences		
Non-current assets	80,861,905	72,434,771
Current assets	0	0
Goods	0	0
Capitalised transaction cost	5,049,587	7,104,583
Tax loss carry forward	-116,147,660	-91,406,471
Basis for deferred tax asset in the balance sheet	**-30,236,168**	**-11,867,117**
Calculated deferred tax liability with 24 % (2015: 25 %)	**-7,256,681**	**-2,966,779**
Net deferred tax positions		
Non-current assets	19,406,857	18,108,693
Current assets	0	0
Goods	0	0
Capitalised transaction costs	1,211,901	1,776,146
Tax loss carry forward	-27,875,438	-22,851,618
Net at 31 December	**-7,256,681**	**-2,966,779**
Calculation of effective tax rate		
Profit before income tax	**-18,370,101**	**-7,589,126**
Tax calculated using effective tax rate 25% (2015: 27%)	-4,592,525	-2,049,064
Effect of permanent differences 25% (2015: 27%)	263	3,104
Effect of change in tax rate to 24% for deferred tax positions	302,362	237,342
Income tax expense	**-4,289,900**	**-1,808,617**
Tax payable	**0**	**0**
Effective tax rate	**0%**	**0%**

Deferred tax asset is recognised. Deferred income tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. 2016 was the first year in full operation and all financial forecast shows an increase in taxable profit for the forthcoming years. Experience from comparable projects shows that there is a high probability that these carry forward losses will be realised over the projects lifetime.

With effect from 1 January 2017 the corporate tax rate has changed from 25% to 24%. Accordingly, tax loss carry forward has been calculated with the new tax rate.

Note 14 - Dividends

No dividends were paid during 2016 or 2015.

Note 15 - Share capital and shareholder information

	Number of shares	Ordinary shares	Share face value	Share capital	Share premium	Total paid in capital
As 1 January 2015	30,000	30,000	1	30,000	0	**30,000**
Share capital	0	0	0	0	0	**0**
As 31 December 2015	30,000	30,000	1	30,000	0	**30,000**
Share capital	0	0	0	0	0	**0**
As 31 December 2016	**30,000**	**30,000**	**1**	**30,000**	**0**	**30,000**

All shares have equal rights and are fully paid.

Shareholders	**Shares**	**Percentage ownership**
DigiPlex Fet LLC	30,000	100.0 %

Chairman of the Board, James Byrne Murphy directly and indirectly controls 15 % of DigiPlex Fet AS through Kitebrook Fet LLC.

Note 16 - Related party disclosures

The Company is controlled by Stupar Holdings Corporation and Kitebrook Fet LLC through DigiPlex Fet LLC. The following transactions were carried out with related parties:

	2016	2015
Purchase of services		
Management services	7,703,452	2,800,000
Support services*	9,056,149	17,759,739
Total	**16,759,601**	**20,559,739**

The year end balances arising from the purchase of related party services in the amount of NOK 1 138 820 (2015: NOK 163 730) are included in Trade and other payables.

*Support services include non-paid capitalised transaction cost related to the bond.

Long term loans to/from related parties:	**Loans from related parties**	
	2016	**2015**
As 1 January	209,082,470	209,082,470
Loans advanced	59,985,334	0
Loans repaid	0	0
As 31 December	**269,067,804**	**209,082,470**

Fair value of shareholders loan is equal to book value as the loan is repayable on demand.

The Company has identified the following related parties:

Name of company	Type of relationship	Type of services
DigiPlex Norway AS	Related party	Management services
DigiPlex Rosenholm AS	Related party	Support services
DigiPlex London 1 Limited	Related party	Support services
DigiPlex Stockholm 1 AB	Related party	Support services
Kitebrook Partners LLC	Related party	Management services
DigiPlex Fet LLC	Owner	Financing

Note 17 - Operating lease

The future minimum payments receivable under non-cancellable operating lease are as follows:

	2016	2015
No later than 1 year	61,837,785	51,056,229
Later than 1 year and no later than 5 years	261,758,362	227,304,175
Later than 5 years	1,145,496,991	1,048,713,086

The contractual arrangement with the customer contains a lease in accordance with IFRIC 4. The lease element has been classified as operating leases in accordance with IAS 17.

Note 18 - Contingencies and commitments

The Company does not have any contingent liabilities as at 31 December 2016.

Note 19 - Events after the balance sheet date

There have been no events after the balance sheet date.

Definitions

DigiPlex Fet AS' financial information is prepared in accordance with International Financial Reporting Standards ('IFRS'). Additionally, some alternative performance measures have been provided, these are defined as follows:

EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the year ended 31 December 2016 have been prepared in accordance with IFRS as adopted by the EU, and give a true and fair view of the Company's assets, liabilities, financial position and results of operation, and that the Board of Directors' Report gives a true and fair review of the development and performance of the business and the position of the Company, and includes a description of the principal risks and uncertainties facing the Company.

Oslo, 28 April 2017

J Byrne Murphy
Chairman

Gisle M Eckhoff
CEO