

1 March 2018

**DigiPlex Norway AS (the Company)
Management Commentary
For the year ended 31 December 2017**

Organisation no. 981 663 322

BACKGROUND

The Company is situated at Ulven in Oslo's Økern district and started operations in 2000, making it the most established data centre in the DigiPlex Group of Companies.

The Company provides 4,200 m² of white technical space, fitted out according to customers' current and future requirements with state of the art security, functionality and sustainability. It has now been fully operational for more than 16 years over which period it has attracted an impressive portfolio of customers, of which approximately a third consists of government bodies. It also has a high customer renewal rate allowing the Company to maintain a consistent and reliable operating revenue stream.

This report should be read in conjunction with the Company's following financial statements:

- 2016 audited financial statements dated 28 April 2017;
- Condensed interim Q1 2017 financial statements dated 30 May 2017;
- Condensed interim H1 2017 financial statements dated 29 August 2017; and
- Condensed interim Q3 2017 financial statements dated 29 November 2017.

All of the above have been prepared in accordance with International Financial Reporting Standards (IFRS).

The enclosed financial statements are the condensed interim results for the year ended 31 December 2017. These statements, which have been prepared in accordance with IFRS, are not a full set of accounts, and have not been audited.

UPDATE FOR THE YEAR ENDED 31 DECEMBER 2017

During the year ended 31 December 2017, the Company continued to provide IT housing solutions to its existing customer base.

For 2017, the Company's operating revenues totalled NOK 148.4 million, compared to NOK 143.3 million last year. Operating expenses totalled NOK 77.9 million, compared to NOK 77.7 million last year, and comprised NOK 44.8 million of costs of goods sold, operational, management and accounting support costs, and NOK 33.1 million of personnel costs.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for the year ended 31 December 2017 was NOK 70.5 million, a 7.5 % increase from last year.

A charge of NOK 42.7 million was made to reflect depreciation of the plant and equipment, and the Company incurred net finance costs of circa NOK 21.9 million compared to NOK 42.0 million and NOK 23.2 million respectively last year.

In light of the above, the profit before income tax for the year came in at NOK 5.9 million, compared to a profit before income tax of NOK 0.4 million at year end 2016.

Cash generated from operations was NOK 74.0 million, compared to NOK 68.4 million last year.

Borrowings totalled NOK 545.3 million as at 31 December 2017, which reflects the Bond Issue completed in July 2015 and the re-classification of NOK 25.0 million to current liabilities with effect from July 2017.

As at 31 December 2017, cash and cash equivalents stood at NOK 28.7 million compared to NOK 39.1 million at year end 2016.

Income statement
(all amounts in NOK)

	Notes	Quarter ended 31 December		Year ended 31 December	
		2017 Un-audited	2016 Un-audited	2017 Un-audited	2016 Audited
Operating income and operating expenses					
Revenue from services		34 962 014	34 703 497	134 845 397	129 260 596
Revenue from goods sold		4 802 728	5 601 800	13 558 903	14 060 629
Total revenue		39 764 742	40 305 297	148 404 300	143 321 225
Cost of goods sold		4 516 864	5 242 137	12 661 264	13 181 623
Employee benefits expense		12 344 067	10 660 571	33 138 359	26 697 793
Other expenses		6 154 373	7 457 522	32 069 035	37 845 180
EBITDA		16 749 438	16 945 067	70 535 642	65 596 629
Depreciation and amortisation	3	11 400 118	10 597 936	42 681 317	42 039 261
Operating profit		5 349 320	6 347 131	27 854 325	23 557 368
Finance income		2 437 136	2 256 056	9 746 893	8 390 859
Finance costs		8 391 275	7 926 939	31 670 660	31 555 774
Finance - net		-5 954 139	-5 670 883	-21 923 767	-23 164 915
Profit/(loss) before income tax		-604 819	676 248	5 930 558	392 453
Income tax expense/(benefit)		-145 157	2 061 520	1 423 334	1 990 571
Profit/(loss) for the period		-459 662	-1 385 272	4 507 224	-1 598 118
Profit/(loss) for the period attributable to the shareholders		-459 662	-1 385 272	4 507 224	-1 598 118
Statement of comprehensive income/(loss)					
Profit/(loss) for the period		-459 662	-1 385 272	4 507 224	-1 598 118
Other comprehensive income		0	0	0	0
Total comprehensive income/(loss) for the period		-459 662	-1 385 272	4 507 224	-1 598 118
Total comprehensive income/(loss) attributable to shareholders		-459 662	-1 385 272	4 507 224	-1 598 118

Statement of financial position
(all amounts in NOK)

Assets	Notes	As at 31	As at 31
		December	December
		2017	2016
		Un-audited	Audited
Non-current assets			
Deferred tax asset		43 048 545	44 471 879
Property, plant and equipment	3	393 129 912	393 928 060
Furniture and fixtures	3	1 897 700	1 245 445
Loans to related parties		203 750 000	183 750 000
Total non-current assets		641 826 157	623 395 384
Current assets			
Inventories		616 353	447 702
Trade and other receivables		44 410 143	39 531 607
Bank deposits	2	28 660 515	39 142 926
Total current assets		73 687 011	79 122 235
Total assets		715 513 168	702 517 619
Equity and liabilities			
Equity and liabilities	Notes	As at 31	As at 31
		December	December
		2017	2016
		Un-audited	Audited
Equity			
Share capital		33 300 000	33 300 000
Share premium reserve		22 609 964	22 609 964
Retained earnings		21 333 683	16 826 459
Total equity		77 243 647	72 736 423
Non-current liabilities			
Bond loan		545 316 250	566 688 250
Total non-current liabilities		545 316 250	566 688 250
Current liabilities			
Trade and other payables		79 161 407	47 907 151
Deposits from customers		8 913 320	8 818 819
Public tax liabilities		4 878 544	6 366 978
Total current liabilities		92 953 271	63 092 948
Total equity and liabilities		715 513 168	702 517 619

Statement of changes in equity
(all amounts in NOK)

	Notes	Share capital	Share premium reserve	Retained earnings	Total equity
As at 1 January 2016		33 300 000	22 609 964	18 424 577	74 334 541
Profit/(loss) for the period		0	0	-1 598 118	-1 598 118
Other comprehensive income/(loss)		0	0	0	0
Total comprehensive income/(loss)		0	0	-1 598 118	-1 598 118
Total transactions with shareholders recognised directly in equity		0	0	0	0
As at 31 December 2016		33 300 000	22 609 964	16 826 459	72 736 423
As at 1 January 2017		33 300 000	22 609 964	16 826 459	72 736 423
Profit/(loss) for the period		0	0	4 507 224	4 507 224
Other comprehensive income/(loss)		0	0	0	0
Total comprehensive income/(loss)		0	0	4 507 224	4 507 224
Total transactions with shareholders recognised directly in equity		0	0	0	0
As at 31 December 2017		33 300 000	22 609 964	21 333 683	77 243 647

Statement of cash flow
(all amounts in NOK)

	Notes	Quarter ended 31 December		Year ended 31 December	
		2017 Un-audited	2016 Un-audited	2017 Un-audited	2016 Audited
Profit/(loss) before income tax		-604 819	676 248	5 930 558	392 453
Adjustments for:					
Depreciation and amortisation charges	3	11 400 118	10 597 936	42 681 317	42 039 261
Adjustment for financial activities		5 954 139	7 697 472	21 923 767	25 191 504
Changes in working capital			0		
Trade and other receivables		-23 524 301	-1 832 615	-4 878 536	127 180
Trade and other payables		7 898 025	4 730 872	8 488 325	609 799
Inventories		-156 869	35 320	-168 651	71 178
Net cash flow from operating activities		966 293	21 905 233	73 976 780	68 431 375
Cash flows from investing activities					
Investment in property, plant and equipment	3	-26 498 431	-7 916 954	-42 535 424	-13 819 124
Issue of loans to related parties		0	-30 000 000	-20 000 000	-40 000 000
Interest received from related parties		2 398 554	2 705 489	9 486 872	5 952 618
Net cash flow from investing activities		-24 099 877	-35 211 465	-53 048 552	-47 866 506
Cash flows from financing activities					
Interest paid		-8 352 693	-7 289 697	-31 410 639	-28 030 858
Net cash flow from financing activities		-8 352 693	-7 289 697	-31 410 639	-28 030 858
Net (decrease)/increase in cash and cash equivalents		-31 486 277	-20 595 930	-10 482 411	-7 465 989
Cash and cash equivalents at beginning of the period		60 146 792	59 738 854	39 142 926	46 608 915
Cash and cash equivalents at end of the period	2	28 660 515	39 142 926	28 660 515	39 142 926

Note 1 - Statement of compliance, basis of preparation and significant accounting policies

DigiPlex Norway AS is a Norwegian private limited liability company incorporated on 1 March 2000 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 981 663 322 and its registered business address is Selma Ellefsens vei 1, 0581 Oslo, Norway.

DigiPlex Norway AS provides highly secure, high-powered, energy-efficient and carrier-neutral data centre space at Selma Ellefsens vei 1, in Oslo, Norway, for its customers' information and communication technology equipment.

These condensed interim financial statements for the year ended 31 December 2017 do not include all of the information required for a full set of annual financial statements, and have not been audited.

They have been prepared in accordance with International Accounting Standard ('IAS') 34, 'Interim Financial Reporting'. They should be read in conjunction with the audited annual financial statements for the year ended 31 December 2016, issued on 28 April 2017, and the condensed interim financial statements dated 30 May 2017 for Q1 2017, 29 August 2017 for H1 2017 and 29 November 2017 for Q3 2017, which have been prepared in accordance with International Financial Reporting Standards ('IFRS').

The accounting principles applied in the audited 2016 annual financial statements have also been applied to these statements. For further information regarding the accounting principles applied, please refer to the abovementioned reports.

Note 2 - Bank deposits**Bank deposits**

	31 Dec 2017	31 Dec 2016
Short term cash deposits	27 434 061	38 012 034
Restricted cash	1 226 454	1 130 892
Bank deposits	28 660 515	39 142 926

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

As at 31 December 2017, the Company had a restricted bank account with a total amount of NOK 1,226,454 related to employee's tax deductions.

Note 3 - Property, plant and equipment

	Land	Building	Plant and equipment	Furniture and fixtures	Total
As at 31 December					
Accumulated cost	7 430 578	80 134 520	677 913 491	4 130 630	769 609 219
Accumulated	0	48 614 849	322 935 680	2 885 185	374 435 714
Net book amount	7 430 578	31 519 671	354 977 811	1 245 445	395 173 505
Year to date ended 31 December 2017					
Opening net book	7 430 578	31 519 671	354 977 811	1 245 445	395 173 505
Additions	0	0	41 084 618	1 450 806	42 535 424
Depreciation charge	0	3 205 381	38 677 385	798 551	42 681 317
Net book amount	7 430 578	28 314 290	357 385 044	1 897 700	395 027 612
As at 31 December					
Accumulated cost	7 430 578	80 134 520	718 998 109	5 581 436	812 144 643
Accumulated	0	51 820 230	361 613 065	3 683 736	417 117 031
Net book amount	7 430 578	28 314 290	357 385 044	1 897 700	395 027 612
Depreciation for 2017	0	3 205 381	38 677 385	798 551	42 681 317
Estimated useful life	N/A	15-25 years	10-25 years	3-5 years	

Definitions

DigiPlex Norway AS's 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 earnings before interest, tax, depreciation and amortisation.