

1 March 2019

DigiPlex Rosenholm AS (the Company)  
Management Commentary  
For the year ended 31 December 2018

Organisation no. 994 817 477

## BACKGROUND

The Company is the DigiPlex Group of Companies' second fully operational data centre in Oslo. It was founded in 2009 and is based in the Rosenholm Business Centre Campus.

The initial data halls, providing 1,400m<sup>2</sup> of technical space, were re-built by the Company with new mechanical and electrical infrastructures and fitted out according to customers' current and future requirements with state-of-the-art security, functionality and sustainability. The white space has subsequently been expanded by a newly built area of 680m<sup>2</sup> in Q3 2018.

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

- 2017 audited financial statements dated 30 April 2018;
- Condensed interim Q1 2018 financial statements dated 30 May 2018;
- Condensed interim Q2 2018 financial statements dated 29 August 2018, and
- Condensed interim Q3 2018 financial statements dated 29 November 2018

all of which have been prepared in accordance with the Norwegian Generally Accepted Accounting Principles [NGAAP].

The enclosed financial statements are the condensed interim results for Q4 2018 and the year ended 31 December 2018. These statements have been prepared in accordance with NGAAP, are not a full set of accounts, and have not been audited.

## UPDATE FOR THE YEAR ENDED 31 DECEMBER 2018

The Company continued to provide IT housing solutions to its existing customer base during the year and it also expanded the data centre with an additional 680 m<sup>2</sup> of white space to meet increased customer demand. Construction work was completed in Q3 2018.

For the year ended 31 December 2018, the Company's operating revenues totalled NOK 50.8 million, which is NOK 5.0 million higher compared to last year. Operating expenses totalled NOK 28.2 million, as compared to NOK 26.9 million last year, and comprised of NOK 26.4 million of operational, management and accounting support costs, and NOK 1.8 million of personnel costs.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for 2018 was NOK 22.5 million, compared to NOK 19.0 million last year.

A charge of NOK 12.1 million was made to reflect depreciation of the plant and equipment. A slight increase from the NOK 11.3 million reported for 2017.

Operating profit for the year ended 31 December 2018 was NOK 10.4 million, compared to NOK 7.6 million for 2017.

The Company incurred net finance costs of NOK 6.9 million, which was unchanged from last year.

In light of the above, the profit before income taxes for the year came in at NOK 3.5 million, an increase of NOK 2.9 million compared to 2017, mainly as a result of higher operating revenues.

Cash generated from operating activities was NOK 11.8 million for 2018, compared to NOK 15.8 million for last year.

Loans from a related party totalling NOK 137.5 million were re-classified from long term borrowings to current liabilities in July 2018. A repayment of NOK 6.3 million was made in December 2018 with a further repayment of NOK 6.3 million in January 2019, leaving an amount of NOK 131.3 million to be repaid in July 2019. The Company is in the process of reviewing its re-financing options which is expected to be completed ahead of the maturity date of 17 July 2019.

# DigiPlex Rosenholm AS

## Income Statement

(All amounts in NOK thousand)

	Notes	Quarter ended 31 December		Year ended 31 December	
		2018 Un-audited	2017 Un-audited	2018 Un-audited	2017 Audited
<b>Operating income and operating expenses</b>					
Revenue from services		13 590	11 378	49 559	44 971
Revenue from goods sold		318	618	1 202	866
<b>Total revenue</b>		<b>13 909</b>	<b>11 996</b>	<b>50 761</b>	<b>45 836</b>
Cost of goods sold		32	304	290	333
Employee benefits expense		504	693	1 794	3 179
Other operating expenses		6 362	5 907	26 139	23 364
<b>EBITDA</b>		<b>7 011</b>	<b>5 092</b>	<b>22 537</b>	<b>18 960</b>
Depreciation and amortisation	2	3 076	2 846	12 103	11 349
<b>Operating profit</b>		<b>3 935</b>	<b>2 245</b>	<b>10 434</b>	<b>7 611</b>
Finance income		16	0	49	33
Finance cost		1 757	1 688	6 964	6 979
<b>Finance - net</b>		<b>-1 740</b>	<b>-1 688</b>	<b>-6 915</b>	<b>-6 945</b>
<b>Profit/(loss) before income tax</b>		<b>2 195</b>	<b>557</b>	<b>3 519</b>	<b>666</b>
Income tax expense/(benefit)		505	134	809	827
<b>Profit/(loss) for the period</b>		<b>1 690</b>	<b>423</b>	<b>2 710</b>	<b>-160</b>

**Statement of financial position**  
**(All amounts in NOK thousand)**

	Notes	As at 31 December	As at 31 December
		2018 Un-audited	2017 Audited
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax asset		4 011	4 820
Land, building and outfitting	2	225 189	213 677
Furniture and fixtures	2	172	41
<b>Total non-current assets</b>		<b>229 372</b>	<b>218 538</b>
<b>Current assets</b>			
Inventories		478	571
Trade and other receivables		11 943	6 056
Bank deposits	3	9 496	27 666
<b>Total current assets</b>		<b>21 916</b>	<b>34 293</b>
<b>Total assets</b>		<b>251 289</b>	<b>252 832</b>

	Notes	As at 31 December	As at 31 December
		2018 Un-audited	2017 Audited
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		2 950	2 950
Other equity		-14 245	-16 955
<b>Total equity</b>		<b>-11 295</b>	<b>-14 005</b>
<b>Non-current liabilities</b>			
Loans from related parties		0	137 500
Deposits from customers		682	682
Shareholder loan		105 527	105 527
<b>Total non-current liabilities</b>		<b>106 210</b>	<b>243 710</b>
<b>Current liabilities</b>			
Loans from related parties		137 500	6 250
Trade and other payables		16 461	14 603
Public tax liabilities		2 412	2 274
<b>Total current liabilities</b>		<b>156 374</b>	<b>23 127</b>
<b>Total equity and liabilities</b>		<b>251 289</b>	<b>252 832</b>

DigiPlex Rosenholm AS

**Statement of cash flow**

(All amounts in NOK thousand)

	Quarter ended 31 December		Year ended 31 December	
	2018 Un-audited	2017 Un-audited	2018 Un-audited	2017 Audited
<b>Profit/(loss) before income tax</b>	<b>2 195</b>	<b>557</b>	<b>3 519</b>	<b>666</b>
Adjustments for:				
Depreciation and amortisation charges	3 076	2 846	12 103	11 349
Changes in working capital				
Trade and other receivables	-6 832	1 269	-5 886	4 456
Trade and other payables	-906	1 032	1 997	-549
Inventories	93	-134	93	-134
<b>Net cash flow from operating activities</b>	<b>-2 374</b>	<b>5 570</b>	<b>11 825</b>	<b>15 788</b>
<b>Cash flows from investing activities</b>				
Investment in property, plant and equipment	-2 474	-1 497	-23 746	-2 491
<b>Net cash flow from investing activities</b>	<b>-2 474</b>	<b>-1 497</b>	<b>-23 746</b>	<b>-2 491</b>
<b>Cash flows from financing activities</b>				
Repayment of related party loan	-6 250	0	-6 250	0
<b>Net cash flow from financing activities</b>	<b>-6 250</b>	<b>0</b>	<b>-6 250</b>	<b>0</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-11 098</b>	<b>4 073</b>	<b>-18 171</b>	<b>13 297</b>
Cash and cash equivalents at beginning of the period	20 594	23 593	27 666	14 369
<b>Cash and cash equivalents at end of the period</b>	<b>3</b>	<b>9 496</b>	<b>9 496</b>	<b>27 666</b>

# DigiPlex Rosenholm AS

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

DigiPlex Rosenholm AS is a Norwegian private limited liability company incorporated on 24 November 2009 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 994 817 477 and its registered business address is Selma Ellefsens vei 1, 0581 Oslo, Norway.

DigiPlex Rosenholm AS provides highly secure, high-powered, energy-efficient and carrier-neutral data centre space at Rosenholmveien 25 outside Oslo, Norway, for its customers' information and communication technology equipment.

These condensed interim financial statements for Q4 2018 and the year ended 31 December 2018 do not include all of the information required for a full set of annual financial statements and they have not been audited.

They have been prepared in accordance with the Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP) for small enterprises. They should be read in conjunction with the audited annual financial statements for the year ended 31 December 2017, issued on 30 April 2018, the condensed interim Q1 2018 financial statements dated 30 May 2018, the condensed interim H1 2018 financial statements dated 29 August 2018 and the condensed interim Q3 2018 financial statements dated 29 November 2018.

The accounting principles applied in the audited 2017 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 Tangible assets

Tangible assets	Plant and equipment	Furniture and fixtures	Total
Accumulated cost as at 01.01.2018	278 667	110	278 777
Additions	23 576	170	23 746
Disposals	-	-	-
Accumulated cost as at 31.12.2018	302 243	280	302 523
Accumulated depreciation	77 055	108	77 162
<b>Net book value as at 31.12.2018</b>	<b>225 189</b>	<b>172</b>	<b>225 362</b>
Depreciation for the period	12 065	38	12 103
Expected useful life	7-25 years	3-6 years	
Depreciation plan	Straight line	Straight line	

## Note 3 Bank deposits

Bank deposits	31 Dec 2018	31 Dec 2017
Short term cash deposits, cash equivalents	7 709	27 574
Restricted cash	1 786	92
<b>Bank deposits</b>	<b>9 496</b>	<b>27 666</b>

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

As at 31 December 2018, the Company had bank accounts with a total restricted amount of NOK 1,786 thousand. NOK 1,727 thousand are held in escrow awaiting completion of a construction contract. The remaining balance of NOK 59 thousand are restricted funds related to employees' tax deductions.