

29 November 2016

DigiPlex Norway AS (the Company)  
Management Commentary  
For the nine months to 30 September 2016

Organisation no. 981 663 322

## BACKGROUND

The Company is situated at Ulven in Oslo's Økern district and started operations in 2002, making it the most established data centre in the DigiPlex Group of Companies.

The Company provides 4,200 m<sup>2</sup> 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 14 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:

- 2015 audited financial statements dated 28 April 2016;
- Condensed interim Q1 2016 financial statements dated 27 May 2016; and
- Condensed interim H1 2016 financial statements dated 26 August 2016.

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 nine months ended 30 September 2016. These statements have been prepared in accordance with IFRS, are not a full set of accounts, and have not been audited.

## UPDATE FOR THE FIRST NINE MONTHS OF 2016

During the course of the nine months ended 30 September 2016, the Company continued to provide IT housing solutions to its existing customer base.

On 29 January 2016, the bond loan of NOK 575.0 million raised in July 2015 (FRN DigiPlex Norway AS Senior Secured Callable Bond Issue 2015/2019), was listed on the Oslo Børs.

For the nine months ended 30 September 2016, the Company's operating revenues totalled NOK 96.0 million, a 10% increase over the same period last year. Operating expenses totalled NOK 47.4 million, an 11% increase over the same period last year which comprised of NOK 31.4 million of operational, management and accounting support costs and NOK 16.0 million of personnel costs.

EBITDA (Earnings Before Interest, Tax, Depreciation & Amortisation) for the nine months ended 30 September 2016 was NOK 48.6 million, a 10% increase over the same period last year.

A charge of NOK 31.4 million was made to reflect depreciation of the building, and the Company incurred net finance costs of circa NOK 17.5 million compared to NOK 26.5 million and NOK 11.3 million respectively in the first nine months of 2015.

In light of the above, the loss before income tax for the nine months ended 30 September 2016 came in at NOK 0.3 million, compared to a profit before income tax of NOK 6.5 million in the same period last year. This was due to an increase in net finance costs.

Cash generated from operations was NOK 46.5 million in the first nine months of 2016, compared to NOK 46.1 million in the same period in 2015.

Total borrowings of NOK 566.0 million at 30 September 2016 reflect the Bond Issue completed in July 2015, whilst cash and cash equivalents stood at NOK 59.7 million compared to NOK 46.6 million at year end 2015.

Income statement  
(all amounts in NOK)

	Notes	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
		2016 Un-audited	2015 Un-audited	2016 Un-audited	2015 Un-audited	2015 Audited
<b>Operating income and operating expenses</b>						
Revenue from services		31,364,974	28,943,064	94,557,099	84,189,595	108,664,526
Revenue from goods sold		580,217	879,365	1,501,598	2,633,905	10,842,894
Cost of goods sold		510,150	757,921	982,255	1,681,797	9,389,190
<b>Gross profit</b>		<b>31,435,041</b>	<b>29,064,508</b>	<b>95,076,442</b>	<b>85,141,703</b>	<b>110,118,230</b>
Employee benefits expense		6,212,921	6,348,421	16,037,222	14,697,157	20,859,602
Other expenses		9,164,423	7,931,541	30,387,658	26,108,018	32,374,926
<b>EBITDA</b>		<b>16,057,697</b>	<b>14,784,546</b>	<b>48,651,562</b>	<b>44,336,528</b>	<b>56,883,702</b>
Depreciation and amortisation	3	10,536,133	8,687,412	31,441,325	26,524,655	40,413,902
<b>Operating profit</b>		<b>5,521,564</b>	<b>6,097,134</b>	<b>17,210,237</b>	<b>17,811,873</b>	<b>16,469,800</b>
Finance income		2,165,514	1,427,810	6,134,803	1,672,644	3,463,491
Finance costs		7,934,097	6,859,518	23,628,835	12,999,673	21,730,799
<b>Finance - net</b>		<b>-5,768,583</b>	<b>-5,431,708</b>	<b>-17,494,032</b>	<b>-11,327,029</b>	<b>-18,267,308</b>
<b>Profit/(loss) before income tax</b>		<b>-247,019</b>	<b>665,426</b>	<b>-283,795</b>	<b>6,484,844</b>	<b>-1,797,508</b>
Income tax expense/(benefit)		-61,755	179,665	-70,949	1,750,908	3,292,519
<b>Profit/(loss) for the period</b>		<b>-185,264</b>	<b>485,761</b>	<b>-212,846</b>	<b>4,733,936</b>	<b>-5,090,028</b>
Profit/(loss) for the period attributable to the shareholders		-185,264	485,761	-212,846	4,733,936	-5,090,028
<b>Statement of comprehensive income/(loss)</b>						
Profit/(loss) for the period		-185,264	485,761	-212,846	4,733,936	-5,090,028
Other comprehensive income		0	0	0	0	0
<b>Total comprehensive income/(loss) for the period</b>		<b>-185,264</b>	<b>485,761</b>	<b>-212,846</b>	<b>4,733,936</b>	<b>-5,090,028</b>
<b>Total comprehensive income/(loss) attributable to shareholders</b>		<b>-185,264</b>	<b>485,761</b>	<b>-212,846</b>	<b>4,733,936</b>	<b>-5,090,028</b>

Statement of financial position  
(all amounts in NOK)

Assets	Notes	As at 30	As at 31	As at 30
		September 2016 Un-audited	December 2015 Audited	September 2015 Un-audited
<b>Non-current assets</b>				
Deferred tax asset		46,533,399	46,462,450	48,004,061
Property, plant and equipment	3	396,820,493	422,571,725	426,457,844
Furniture and fixtures	3	1,033,995	821,918	663,398
Loans to related parties		153,750,000	143,750,000	123,750,000
<b>Total non-current assets</b>		<b>598,137,887</b>	<b>613,606,093</b>	<b>598,875,303</b>
<b>Current assets</b>				
Inventories		483,020	518,878	627,480
Trade and other receivables		37,698,992	39,658,787	39,253,871
Bank deposits	2	59,738,854	46,608,916	62,817,803
<b>Total current assets</b>		<b>97,920,866</b>	<b>86,786,581</b>	<b>102,699,154</b>
<b>Total assets</b>		<b>696,058,753</b>	<b>700,392,674</b>	<b>701,574,457</b>
<b>Equity and liabilities</b>				
Equity and liabilities	Notes	As at 30	As at 31	As at 30
		September 2016 Un-audited	December 2015 Audited	September 2015 Un-audited
<b>Equity</b>				
Share capital		33,300,000	33,300,000	33,300,000
Share premium reserve		22,609,964	22,609,964	22,609,964
Retained earnings		18,211,731	18,424,577	28,248,541
<b>Total equity</b>		<b>74,121,695</b>	<b>74,334,541</b>	<b>84,158,505</b>
<b>Non-current liabilities</b>				
Bond loan		565,991,875	563,574,986	568,323,462
Debt to financial institutions		0	0	0
Loan from related companies		0	0	0
<b>Total non-current liabilities</b>		<b>565,991,875</b>	<b>563,574,986</b>	<b>568,323,462</b>
<b>Current liabilities</b>				
Trade and other payables		40,634,064	49,901,453	37,020,442
Deposits from customers		8,664,029	8,030,879	6,929,278
Public tax liabilities		6,647,090	4,550,815	5,142,770
<b>Total current liabilities</b>		<b>55,945,183</b>	<b>62,483,147</b>	<b>49,092,490</b>
<b>Total equity and liabilities</b>		<b>696,058,753</b>	<b>700,392,674</b>	<b>701,574,457</b>

Statement of changes in equity  
(all amounts in NOK)

	Notes	Share capital	Share premium reserve	Retained earnings	Total equity
<b>As at 1 January 2015</b>		<b>33,300,000</b>	<b>22,609,964</b>	<b>23,514,605</b>	<b>79,424,569</b>
Profit/(loss) for the period		0	0	-5,090,028	-5,090,028
Other comprehensive income/(loss)		0	0	0	0
<b>Total comprehensive income/(loss)</b>		<b>0</b>	<b>0</b>	<b>-5,090,028</b>	<b>-5,090,028</b>
<b>Total transactions with shareholders recognised directly in equity</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>As at 31 December 2015</b>		<b>33,300,000</b>	<b>22,609,964</b>	<b>18,424,577</b>	<b>74,334,541</b>
<b>As at 1 January 2016</b>		<b>33,300,000</b>	<b>22,609,964</b>	<b>18,424,577</b>	<b>74,334,541</b>
Profit/(loss) for the period		0	0	-212,846	-212,846
Other comprehensive income/(loss)		0	0	0	0
<b>Total comprehensive income/(loss)</b>		<b>0</b>	<b>0</b>	<b>-212,846</b>	<b>-212,846</b>
<b>Total transactions with shareholders recognised directly in equity</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>As at 30 September 2016</b>		<b>33,300,000</b>	<b>22,609,964</b>	<b>18,211,731</b>	<b>74,121,695</b>

Statement of cash flow  
(all amounts in NOK)

	Notes	Quarter ended 30 September		Nine months ended 30 September		Year ended 31
		2016 Un-audited	2015 Un-audited	2016 Un-audited	2015 Un-audited	2015 Audited
<b>Profit/(loss) before income tax</b>		<b>-247,019</b>	<b>665,426</b>	<b>-283,795</b>	<b>6,484,844</b>	<b>-1,797,509</b>
Adjustments for:						
Depreciation and amortisation charges	3	10,536,133	8,687,412	31,441,325	26,524,655	40,413,902
Adjustment for financial activities		5,768,583	5,431,708	17,494,032	11,327,029	15,626,776
Changes in working capital			0			
Trade and other receivables		20,691,009	1,691,596	1,959,795	-592,510	-997,426
Trade and other payables		-285,475	10,826,022	-4,121,074	2,394,149	10,235,408
Inventories		105,022	0	35,858	0	108,600
<b>Net cash flow from operating activities</b>		<b>36,568,253</b>	<b>27,302,164</b>	<b>46,526,141</b>	<b>46,138,167</b>	<b>63,589,752</b>
<b>Cash flows from investing activities</b>						
Investment in property, plant and equipment	3	-2,495,090	-5,109,786	-5,902,170	-8,773,246	-18,934,893
Issue/repayment of loans to/from related parties		10,000,000	-123,750,000	-10,000,000	-123,750,000	-143,750,000
Interest received from related parties		3,247,129	1,021,950	3,247,129	1,021,950	2,604,000
<b>Net cash flow from investing activities</b>		<b>10,752,039</b>	<b>-127,837,836</b>	<b>-12,655,041</b>	<b>-131,501,296</b>	<b>-160,080,893</b>
<b>Cash flows from financing activities</b>						
Proceeds from issue of bond		0	575,000,000	0	575,000,000	575,000,000
Transaction cost related to the issuing of bond		0	-7,015,000	0	-7,015,000	-7,015,000
Repayment of loan		0	-324,000,000	0	-336,000,000	-336,000,000
Repayment of shareholder loan		0	-99,852,173	0	-99,852,173	-99,852,173
Interest paid		-6,960,712	-6,453,658	-20,741,161	-12,348,979	-17,429,856
<b>Net cash flow from financing activities</b>		<b>-6,960,712</b>	<b>137,679,169</b>	<b>-20,741,161</b>	<b>119,783,848</b>	<b>114,702,971</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>40,359,580</b>	<b>37,143,497</b>	<b>13,129,938</b>	<b>34,420,719</b>	<b>18,211,830</b>
Cash and cash equivalents at beginning of the period		19,379,274	25,674,306	46,608,916	28,397,084	28,397,086
Exchange gains/(losses) on cash and cash equivalents		0	0	0	0	0
<b>Cash and cash equivalents at end of the period</b>	2	<b>59,738,854</b>	<b>62,817,803</b>	<b>59,738,854</b>	<b>62,817,803</b>	<b>46,608,916</b>

**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 Ulvenveien 89B, 0581 Oslo, Norway.

Digiplex Norway AS provides highly secure, high-powered, energy-efficient and carrier-neutral data centre space at Ulvenveien 89B in Oslo, Norway, for its customers' information and communication technology equipment.

These condensed interim financial statements for the nine months ended 30 September 2016 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 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 2015, issued on 28 April 2016, which have been prepared in accordance with International Financial Reporting Standards ('IFRS') and with the condensed interim financial statements for the quarters ended 31 March 2016 and 30 June 2016, issued on 27 May 2016 and 26 August 2016 respectively.

The accounting principles applied in the audited 2015 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**

	30 September 2016	31 December 2015
Short term cash deposits, cash equivalents	59,086,891	45,723,645
Restricted cash employee tax deductions	651,963	885,271
<b>Bank deposits</b>	<b>59,738,854</b>	<b>46,608,916</b>

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

**Note 3 - Property, plant and equipment**

	Land	Building	Plant and equipment	Furniture and fixtures	Total
<b>As at 31 December 2015</b>					
Accumulated cost	7,430,578	80,134,520	664,891,370	3,333,627	755,790,095
Accumulated depreciation	0	45,409,468	284,475,274	2,511,709	332,396,451
Accumulated impairment	0	0	0	0	0
<b>Net book amount</b>	<b>7,430,578</b>	<b>34,725,052</b>	<b>380,416,096</b>	<b>821,918</b>	<b>423,393,644</b>
<b>Period ended 30 September 2016</b>					
Opening net book amount	7,430,578	34,725,052	380,416,096	821,918	423,393,644
Additions	0	0	5,425,802	476,367	5,902,169
Reclassifications	0	0	0	0	0
Depreciation charge	0	-2,404,036	-28,772,999	-264,290	-31,441,325
<b>Net book amount</b>	<b>7,430,578</b>	<b>32,321,016</b>	<b>357,068,899</b>	<b>1,033,995</b>	<b>397,854,488</b>
<b>As at 30 September 2016</b>					
Accumulated cost	7,430,578	80,134,520	670,317,172	3,809,994	761,692,264
Accumulated depreciation	0	47,813,504	313,248,273	2,775,999	363,837,776
Accumulated impairment	0	0	0	0	0
<b>Net book amount</b>	<b>7,430,578</b>	<b>32,321,016</b>	<b>357,068,899</b>	<b>1,033,995</b>	<b>397,854,488</b>
<b>Depreciation for 2016</b>	0	2,404,036	28,772,999	264,290	31,441,325
Estimated useful life	NA	15-25 years	10-25 years	3-5 years	