

30 May 2018

**DigiPlex Fet AS (the Company)
Management Commentary
For the quarter ended 31 March 2018**

Organisation no. 912 189 287

BACKGROUND

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

The 20-year contract with EVRY AS (one of the two largest IT services 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 benefits from the Company's industry leading Air-to-Air cooling technology delivering a power usage efficiency which provides a sustainable performance with minimum environmental footprint.

This report should be read in conjunction with the Company's 2017 audited financial statements dated 30 April 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

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

UPDATE FOR THE QUARTER ENDED 31 MARCH 2018

During the first quarter of 2018, the Company continued to provide IT housing solutions to its sole customer, EVRY.

For the quarter ended 31 March 2018, the Company's operating revenues totalled NOK 22.3 million compared to an operating revenue of NOK 37.7 million reported in the same quarter last year due to a higher level of added value services in relation to construction work in the first quarter of 2017.

Operating expenses totalled NOK 7.6 million, which comprised of NOK 7.1 million of cost of goods sold, operational and management support costs; and NOK 0.5 million of personnel costs. The decrease of NOK 14.0 million in operating expenses in the first quarter of 2018 compared to the same quarter last year is mainly due to the reduction in costs relating to the provision of added value services.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for the first quarter of 2018 was NOK 14.7 million, compared to an EBITDA of NOK 16.1 million for the same quarter last year.

A charge of NOK 8.6 million was made to reflect depreciation of the plant and equipment, and the Company incurred net finance costs of circa NOK 6.1 million, compared to NOK 8.4 million and NOK 6.6 million respectively in the same quarter last year.

In light of the above, the loss before income tax for the first quarter of 2018 came in at NOK -0.05 million, compared to a profit before income tax of NOK 1.0 million for the first quarter of last year.

Cash generated from operations was NOK 25.6 million, compared to NOK 5.8 million in the same period last year.

Borrowings totalled NOK 497.4 million as at 31 March 2018, which reflects the Bond Issue completed in June 2014, and remains largely unchanged from year end 2017 where borrowings totalled NOK 497.0 million. There were no movements in shareholder loans in the first quarter of 2018 with the balance remaining unchanged at NOK 237.1 million.

As at 31 March 2018, bank deposits stood at NOK 30.8 million compared to NOK 11.7 million at year end 2017.

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Income Statement

(All amounts in NOK thousand)

	Notes	Quarter ended 31 March		Year-to-date ended 31 March		Year ended 31 December
		2018 Un-audited	2017 Un-audited	2018 Un-audited	2017 Un-audited	2017 Audited
Operating income and operating expenses						
Revenue from services		20 911	20 627	20 911	20 627	83 081
Revenue from goods sold		1 421	17 060	1 421	17 060	46 419
Total revenue		22 332	37 687	22 332	37 687	129 499
Cost of goods sold		1 052	15 012	1 052	15 012	43 252
Employee benefits expense		502	593	502	593	2 610
Other operating expenses		6 083	6 025	6 083	6 025	22 953
EBITDA		14 694	16 057	14 694	16 057	60 684
Depreciation and amortisation	2	8 602	8 437	8 602	8 437	34 344
Operating profit		6 092	7 619	6 092	7 619	26 340
Finance income		150	98	150	98	436
Finance cost		6 294	6 725	6 294	6 725	26 323
Finance - net		-6 144	-6 627	-6 144	-6 627	-25 886
Profit/(loss) before income tax		-52	992	-52	992	454
Income tax expense/(benefit)		-12	238	-12	238	407
Profit/(loss) for the period		-40	754	-40	754	47
Profit/(loss) for the period attributable to the shareholders		-40	754	-40	754	47
Statement of comprehensive income/(loss)						
Profit/(loss) for the period		-40	754	-40	754	47
Other comprehensive income		0	0	0	0	0
Total comprehensive income/(loss) for the period		-40	754	-40	754	47
Total comprehensive income/(loss) attributable to shareholders		-40	754	-40	754	47

DigiPlex Fet AS

Statement of financial position (All amounts in NOK thousand)

	Notes	As at 31 March	As at 31 December	As at 31 March
		2018 Un-audited	2017 Audited	2017 Un-Audited
Assets				
Non-current assets				
Deferred tax asset		6 862	6 850	7 019
Land, building and outfitting	2	668 716	677 043	691 279
Furniture and fixtures	2	297	257	329
Other non-current assets		3 646	3 701	3 864
Total non-current assets		679 521	687 851	702 491
Current assets				
Inventories		1 482	1 646	1 236
Trade and other receivables		23 458	33 357	31 423
Bank deposits	3	30 781	11 668	32 844
Total current assets		55 721	46 671	65 504
Total assets		735 242	734 522	767 995
Equity and liabilities				
Equity				
Share capital		30	30	30
Other equity		-22 918	-22 879	-22 172
Total equity		-22 888	-22 849	-22 142
Non-current liabilities				
Borrowings		497 445	497 005	495 464
Total non-current liabilities		497 445	497 005	495 464
Current liabilities				
Shareholder loans		237 068	237 068	269 068
Trade and other payables		19 467	20 082	28 585
Public tax liabilities		4 151	3 215	-2 981
Total current liabilities		260 686	260 366	294 673
Total equity and liabilities		735 242	734 522	767 995

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Statement of changes in equity (All amounts in NOK thousand)

	Share capital	Share premium reserve	Other equity	Total equity
As at 1 January 2017	30	0	-22 926	-22 896
Profit/(loss) for the period	0	0	47	47
Other comprehensive income/(loss)	0	0	0	0
Total comprehensive income/(loss)	0	0	47	47
Total transactions with shareholders recognised directly in equity	0	0	0	0
As at 31 December 2017	30	0	-22 879	-22 849
As at 1 January 2018	30	0	-22 879	-22 849
Profit/(loss) for the period	0	0	-40	-40
Other comprehensive income/(loss)	0	0	0	0
Total comprehensive income/(loss)	0	0	-40	-40
Total transactions with shareholders recognised directly in equity	0	0	0	0
As at 31 March 2018	30	0	-22 918	-22 888

Statement of cash flow (All amounts in NOK thousand)

	Quarter ended 31 March		Year-to-date ended 31 March		Year ended 31 December
	2018 Un-audited	2017 Un-audited	2018 Un-audited	2017 Un-audited	2017 Audited
Profit/(loss) before income tax	-52	992	-52	992	454
Adjustments for:					
Depreciation and amortisation charges	8 602	8 437	8 602	8 437	34 344
Adjustment for financial activities	6 144	6 627	6 144	6 627	25 886
Changes in working capital					
Trade and other receivables	9 954	-1 836	9 954	-1 836	-3 770
Trade and other payables	760	-8 465	760	-8 465	-16 281
Inventories	164	55	164	55	-192
Net cash flow from operating activities	25 572	5 810	25 572	5 810	40 441
Cash flows from investing activities					
Investment in property, plant and equipment	-315	-5 843	-315	-5 843	-10 390
Net cash flow from investing activities	-315	-5 843	-315	-5 843	-10 390
Cash flows from financing activities					
Repayment of shareholder loan	0	0	0	0	-32 000
Interest paid	-6 144	-6 627	-6 144	-6 627	-25 886
Net cash flow from financing activities	-6 144	-6 627	-6 144	-6 627	-57 886
Net (decrease)/increase in cash and cash equivalents	19 113	-6 659	19 113	-6 659	-27 835
Cash and cash equivalents at beginning of the period	11 668	39 503	11 668	39 503	39 503
Cash and cash equivalents at end of the period	30 781	32 844	30 781	32 844	11 668

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

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 is a reliable provider of 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.

These condensed interim financial statements 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 2017, issued on 30 April 2018.

The accounting principles applied in the audited 2017 annual financial statements, International Financial Reporting Standards ('IFRS'), have also been applied to these statements. For further information regarding the accounting principles applied, please refer to the abovementioned reports.

Note 2 - Land, building and outfitting

(All amounts in NOK thousand)	Land	Building and outfitting	Furniture and fixtures	Total
Year ended 31 December 2017				
Opening net book amount	38 521	670 145	370	709 035
Additions	0	2 573	36	2 609
Depreciation charge	0	34 195	149	34 344
Net book amount	38 521	638 522	257	677 300
As at 31 December 2017				
Accumulated cost	38 521	720 547	635	759 702
Accumulated depreciation	0	82 025	378	82 402
Net book amount	38 521	638 522	257	677 300
Period ended 31 March 2018				
Opening net book amount	38 521	638 522	257	677 300
Additions	0	250	65	315
Depreciation charge	0	8 577	25	8 602
Net book amount	38 521	630 195	297	669 013
As at 31 March 2018				
Accumulated cost	38 521	720 797	699	760 017
Accumulated depreciation	0	90 601	402	91 004
Net book amount	38 521	630 195	297	669 013
Depreciation for current period				
	0	8 577	25	8 602
Estimated useful life	n/a	7-50 years	3-5 years	

Note 3 - Bank deposits

(All amounts in NOK thousand)	31 Mar 2018	31 Dec 2017
Short term cash deposits	30 739	11 599
Restricted cash	42	68
Bank deposits	30 781	11 668

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

Definitions

DigiPlex Fet 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.