

30 May 2017

DigiPlex Rosenholm AS (the Company)
Management Commentary
For the quarter ended 31 March 2017

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 current data halls, rebuilt by the Company with new mechanical and electrical infrastructures, provide 1,500 m² of white technical space, fitted out according to customers' current and future requirements with state of the art security, functionality and sustainability.

This report should be read in conjunction with the Company's 2016 audited financial statements dated 28 April 2017, which have been prepared in accordance with the Norwegian Generally Accepted Accounting Principles [NGAAP].

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

UPDATE FOR THE QUARTER ENDED 31 MARCH 2017

During the course of the first quarter of 2017, the Company continued to provide IT housing solutions to its existing customer base.

For the quarter ended 31 March 2017, the Company's operating revenues totalled NOK 12.3 million, a 3% decrease from the same quarter last year. Operating expenses totalled NOK 7.1 million, a 7% decrease from the same quarter last year, which comprised of NOK 6.3 million of operational, management and accounting support costs, and NOK 0.8 million of personnel costs.

EBITDA (Earnings Before Interest, Tax, Depreciation & Amortisation) for the quarter was NOK 5.2 million, a 4% increase on the same quarter last year.

A charge of NOK 2.8 million was made to reflect depreciation of the plant and equipment.

Operating income for the quarter was NOK 2.4 million, an 8% increase on the same quarter last year.

The Company incurred net finance costs of NOK 1.8 million, compared to NOK 1.5 million in the same quarter last year.

In light of the above, the earnings before taxes for the first quarter of 2017 came in at NOK 0.6 million, a decrease of NOK 0.1 million as a result of higher net finance costs.

Cash generated from operations was NOK 5.5 million in the first quarter of 2017, compared to NOK 8.0 million in the same quarter last year due to changes in working capital.

DigiPlex Rosenholm AS

Profit & Loss Statement

(amounts in NOK)

	Notes	Quarter ended 31 March		Year ended
		2017 Un-audited	2016 Un-audited	31 December 2016 Audited
OPERATING REVENUE AND EXPENSES				
Sales revenue		12,305,486	12,639,750	49,056,193
Cost of goods sold		-18,687	-79,934	-271,001
Personnel expenses		-790,748	-1,649,337	-5,485,212
Other operating expenses		-6,312,445	-5,905,070	-23,756,508
EBITDA		5,183,606	5,005,409	19,543,472
Depreciation	2	-2,825,768	-2,829,581	-11,187,252
OPERATING PROFIT		2,357,838	2,175,828	8,356,220
Financial income		17,521	50,233	323,176
Financial expense		-1,809,359	-1,515,952	-6,308,291
EARNINGS/(LOSS) BEFORE TAXES		566,000	710,109	2,371,105
Taxes		-135,840	-177,527	-1,092,480
ORDINARY PROFIT/(LOSS)		430,160	532,581	1,278,625
NET PROFIT/(LOSS) FOR THE PERIOD		430,160	532,581	1,278,625
TRANSFERS AND ALLOCATIONS				
Transfer to equity gain/(loss)		430,160	532,581	1,278,625
TOTAL TRANSFERS AND ALLOCATIONS		430,160	532,581	1,278,625

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Balance Sheet

(amounts in NOK)

		As at 31 March 2017 Un-audited	As at 31 December 2016 Audited
	Notes		
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Deferred tax asset		5,511,107	5,646,947
Total intangible assets		5,511,107	5,646,947
Tangible assets			
Property, plant and equipment	2	220,153,911	222,550,951
Furniture, fittings and office equipment	2	56,594	24,167
Total tangible assets		220,210,505	222,575,118
TOTAL NON-CURRENT ASSETS		225,721,612	228,222,065
CURRENT ASSETS			
Inventory		436,737	436,737
Trade receivables		4,697,011	10,100,958
Other current assets		1,046,853	460,912
Bank deposits	3	19,406,190	14,369,393
TOTAL CURRENT ASSETS		25,586,791	25,368,000
TOTAL ASSETS		251,308,403	253,590,065
EQUITY AND LIABILITIES			
EQUITY			
Paid in equity			
Share capital		2,950,000	2,950,000
Total paid in equity		2,950,000	2,950,000
Earned equity			
Other equity		-16,364,046	-16,794,206
Total earned equity		-16,364,046	-16,794,206
Total equity		-13,414,046	-13,844,206
LIABILITIES			
Long term liabilities			
Liabilities to parent / related companies		249,277,148	249,277,148
Other long term liabilities		682,422	682,422
Total long term liabilities		249,959,570	249,959,570
Short term liabilities			
Trade liabilities		229,421	1,219,239
Liabilities to the public		1,869,761	2,419,205
Other short term liabilities		12,663,697	13,836,258
Total short term liabilities		14,762,879	17,474,702
TOTAL LIABILITIES		264,722,449	267,434,272
TOTAL EQUITY AND LIABILITIES		251,308,403	253,590,065

DigiPlex Rosenholm AS

Cash Flow Statement

(amounts in NOK)

	Quarter ended 31 March		Year ended 31 December
	2017 Un-audited	2016 Un-audited	2016 Audited
Profit/(loss) before income tax	566,000	710,109	2,371,105
<i>Adjustments for:</i>			
Depreciation and amortisation charges	2,825,768	2,829,581	11,187,252
<i>Changes in working capital:</i>			
Trade and other receivables	5,403,947	4,967,285	-263,500
Trade and other payables	-2,711,823	19	-2,038,286
Inventories	-	-	-20,032
Change in other assets	-585,940	-572,543	1,650,003
Net cash flow from operating activities	5,497,952	7,934,450	12,886,541
Cash flows from investing activities			
Investments in land, buildings and equipment	-461,155	-829,456	-3,662,110
Net cash flow from investing activities	-461,155	-829,456	-7,901,040
Cash flows from financing activities			
Loans from related companies	-	-	20,000,000
Repayment of loan to parent company	-	-	-30,000,000
Net cash flow from financing activities	-	-	-10,000,000
Increase/(decrease) in cash during the period	5,036,797	7,104,994	-775,569
Cash balance at the beginning of the period	14,369,393	15,144,962	15,144,962
Cash balance at the end of the period	19,406,190	22,249,956	14,369,393

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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 the first quarter ended 31 March 2017 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 for small enterprises. They should be read in conjunction with the audited annual financial statements for the year ended 31 December 2016, issued on 28 April 2017.

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 Tangible assets

Tangible assets	Plant and equipment	Furniture, fittings and office equipment	Total
Accumulated cost as at 1.1.2017	276,209,717	75,559	276,285,276
Additions	426,769	34,386	461,155
Disposals	-	-	-
Accumulated cost as at 31.03.2017	276,636,486	109,945	276,746,431
Accumulated depreciation	56,482,575	53,351	56,535,926
Net book value as at 31.03.2017	220,153,911	56,594	220,210,505
Depreciation for the period	2,823,809	1,959	2,825,768
Expected useful life	7-25 years	3-5 years	
Depreciation plan	Straight line	Straight line	

Note 3 Bank deposits

Bank deposits	31 Mar 2017	31 Dec 2016
Short term cash deposits, cash equivalents	19,333,012	14,187,327
Restricted cash (employee tax deductions)	73,178	182,066
Bank deposits	19,406,190	14,369,393