

30 May 2018

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

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 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, which 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 quarter ended 31 March 2018, the Company continued to provide IT housing solutions to its existing customer base.

For the first quarter of 2018, the Company's operating revenues totalled NOK 44.7 million, compared to NOK 37.6 million for the same quarter last year. Operating expenses totalled NOK 23.7 million, compared to NOK 20.2 million for the first quarter last year, and comprised of NOK 4.4 million of costs of goods sold, NOK 10.7 million of operational, management and accounting support costs, and NOK 8.6 million of personnel costs.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for the quarter ended 31 March 2018 was NOK 21.0 million, a 21 % increase on the same quarter last year.

A charge of NOK 11.8 million was made to reflect depreciation of the plant and equipment, and the Company incurred net finance costs of circa NOK 5.1 million compared to NOK 10.6 million and NOK 5.3 million respectively last year.

In light of the above, the profit before income tax for the first quarter of 2018 came in at NOK 4.2 million, compared to a profit before income tax of NOK 1.5 million for the same quarter last year.

Cash generated from operations was NOK 20.6 million, compared to NOK 30.7 million in the same quarter last year.

Borrowings totalled NOK 521.1 million as at 31 March 2018, which reflects the Bond Issue of NOK 575 million completed in July 2015 and the re-classification of NOK 25.0 million to current liabilities with effect from July 2017, and an additional NOK 25.0 million with effect from March 2018.

As at 31 March 2018, bank deposits stood at NOK 31.1 million compared to NOK 28.7 million at the end of December 2017.

DigiPlex Norway AS

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		41 422	34 611	41 422	34 611	134 845
Revenue from goods sold		3 294	3 038	3 294	3 038	13 559
Total revenue		44 716	37 649	44 716	37 649	148 404
Cost of goods sold		4 395	2 709	4 395	2 709	12 661
Employee benefits expense		8 622	7 867	8 622	7 867	33 138
Other operating expenses		10 667	9 629	10 667	9 629	32 069
EBITDA		21 032	17 444	21 032	17 444	70 536
Depreciation and amortisation	3	11 766	10 584	11 766	10 584	42 681
Operating profit		9 266	6 861	9 266	6 861	27 854
Finance income		2 393	2 474	2 393	2 474	9 747
Finance cost		7 466	7 792	7 466	7 792	31 671
Finance - net		-5 073	-5 317	-5 073	-5 317	-21 924
Profit/(loss) before income tax		4 193	1 543	4 193	1 543	5 931
Income tax expense/(benefit)		964	370	964	370	2 116
Profit/(loss) for the period		3 229	1 173	3 229	1 173	3 815
Profit/(loss) for the period attributable to the shareholders		3 229	1 173	3 229	1 173	3 815
Statement of comprehensive income/(loss)						
Profit/(loss) for the period		3 229	1 173	3 229	1 173	3 815
Other comprehensive income		0	0	0	0	0
Total comprehensive income/(loss) for the period		3 229	1 173	3 229	1 173	3 815
Total comprehensive income/(loss) attributable to shareholders		3 229	1 173	3 229	1 173	3 815

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Statement of financial position (All amounts in NOK thousand)

	Notes	As at 31 March	As at 31 December	As at 31 March
		2018	2017	2017
		Un-audited	Audited	Un-Audited
Assets				
Non-current assets				
Deferred Tax		41 392	42 356	44 102
Land, building and outfitting	3	389 713	388 130	385 161
Furniture and fixtures	3	1 716	1 898	1 557
Loans to related parties		189 960	197 500	203 750
Total non-current assets		622 781	629 884	634 570
Current assets				
Inventories		592	616	448
Trade and other receivables		69 272	55 660	25 059
Bank deposits	2	31 060	28 661	42 365
Total current assets		100 924	84 937	67 872
Total assets		723 705	714 821	702 442

	Notes	As at 31 March	As at 31 December	As at 31 March
		2018	2017	2017
		Un-audited	Audited	Un-Audited
Equity and liabilities				
Equity				
Share capital		33 300	33 300	33 300
Share premium reserve		22 610	22 610	22 610
Retained Earnings		23 871	20 641	18 000
Total equity		79 781	76 551	73 910
Non-current liabilities				
Borrowings		521 097	545 316	567 385
Total non-current liabilities		521 097	545 316	567 385
Current liabilities				
Trade and other payables		107 136	78 795	44 036
Deposits from customers		9 200	8 913	8 913
Public tax liabilities		6 492	5 245	8 198
Total current liabilities		122 828	92 953	61 148
Total equity and liabilities		723 705	714 821	702 442

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

	Share Capital	Share premium reserve	Retained earnings	Total equity
As at 1 January 2017	33 300	22 610	16 826	72 736
Profit/(loss) for the period	0	0	3 815	3 815
Other comprehensive income/(loss)	0	0	0	0
Total comprehensive income/(loss)	0	0	3 815	3 815
Total transactions with shareholders recognised directly in equity	0	0	0	0
As at 31 December 2017	33 300	22 610	20 641	76 551
As at 1 January 2018	33 300	22 610	20 641	76 551
Profit/(loss) for the period	0	0	3 229	3 229
Other comprehensive income/(loss)	0	0	0	0
Total comprehensive income/(loss)	0	0	3 229	3 229
Total transactions with shareholders recognised directly in equity	0	0	0	0
As at 31 March 2018	33 300	22 610	23 871	79 781

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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	4 193	1 543	4 193	1 543	5 931
Adjustments for:					
Depreciation and amortisation charges	11 766	10 584	11 766	10 584	42 681
Adjustment for financial activities	5 073	5 317	5 073	5 317	21 924
Changes in working capital					
Trade and other receivables	-6 072	14 473	-6 072	14 473	-9 879
Trade and other payables	5 655	-1 250	5 655	-1 250	8 488
Inventories	24	0	24	0	-169
Net cash flow from operating activities	20 640	30 668	20 640	30 668	68 977
Cash flows from investing activities					
Investment in property, plant and equipment	3	-13 168	-13 168	-2 128	-37 535
Issue of loans to related parties		0	0	-20 000	-20 000
Interest received from related parties		2 422	2 316	2 422	9 487
Net cash flow from investing activities	-10 851	-19 706	-10 851	-19 706	-48 049
Cash flows from financing activities					
Interest paid		-7 739	-7 389	-7 739	-31 411
Net cash flow from financing activities	-7 389	-7 739	-7 389	-7 739	-31 411
Net (decrease)/increase in cash and cash equivalents	2 399	3 222	2 399	3 222	-10 482
Cash and cash equivalents at beginning of the period	28 661	39 143	28 661	39 143	39 143
Cash and cash equivalents at end of the period	31 060	42 365	31 060	42 365	28 661

DigiPlex Norway AS

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 quarter ended 31 March 2018 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 2017, issued on 30 April 2018, which have been prepared in accordance with International Financial Reporting Standards ('IFRS').

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 - Bank deposits

	31 Mar 2018	31 Dec 2017
Short term cash deposits	30 308	27 434
Restricted cash	751	1 226
Bank deposits	31 060	28 661

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

As at 31 March 2018, the Company had a restricted bank account with a total amount of NOK 751 thousand 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 2017					
Accumulated cost	7 431	80 135	713 998	5 581	807 145
Accumulated depreciation	0	51 820	361 613	3 684	417 117
Net book amount	7 431	28 314	352 385	1 898	390 028
Year to date ended 31 March 2018					
Opening net book amount	7 431	28 314	352 385	1 898	390 028
Additions	0	0	12 501	667	13 168
Reclassifications	0	0	0	0	0
Depreciation charge	0	801	10 117	848	11 766
Net book amount	7 431	27 513	354 769	1 716	391 429
As at 31 March 2018					
Accumulated cost	7 431	80 135	726 499	6 248	820 312
Accumulated depreciation	0	52 622	371 730	4 532	428 883
Net book amount	7 431	27 513	354 769	1 716	391 429
Depreciation for the period					
	0	801	10 117	848	11 766
Estimated useful life	N/A	15-25 years	10-25 years	3-5 years	

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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.