

29 November 2017

DigiPlex Rosenholm AS (the Company)
Management Commentary
For the nine months ended 30 September 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 following financial statements:

- 2016 audited financial statements dated 28 April 2017;
- Condensed interim Q1 2017 financial statements dated 30 May 2017; and
- Condensed interim H1 2017 financial statements dated 29 August 2017,

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 the nine months ended 30 September 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 NINE MONTHS ENDED 30 SEPTEMBER 2017

During the course of the nine months ended 30 September 2017, the Company continued to provide IT housing solutions to its existing customer base.

For the period ended 30 September 2017, the Company's operating revenues totalled NOK 33.8 million, compared to NOK 36.5 million for the same period last year. The decrease is due to a reduction of added value services and other revenue. Operating expenses totalled NOK 20.0 million, which is approximately 6% lower than for the corresponding period last year, which comprised of NOK 17.5 million of operational, management and accounting support costs, and NOK 2.5 million of personnel costs.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for the first nine months of 2017 was NOK 13.9 million, compared to NOK 15.1 million for the same period last year.

A charge of NOK 8.5 million was made to reflect depreciation of the plant and equipment.

Operating profit for the nine months ended 30 September 2017 was NOK 5.4 million, compared to NOK 6.4 million during the same period last year.

The Company incurred net finance costs of NOK 5.3 million, an increase of NOK 0.9 million compared to the same period last year.

In light of the above, the earnings before taxes for the nine months ended 30 September 2017 came in at NOK 0.1 million, a decrease of NOK 1.9 million compared to the first nine months of 2016, as a result of higher net finance costs and lower added value services.

Cash generated from operations was NOK 10.2 million in the first nine months of 2017, compared to NOK 8.7 million in the same period last year due to changes in working capital.

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Profit & Loss Statement

(amounts in NOK)

	Notes	Quarter ended 30 September		Nine months ended 30 September		Year ended
		2017 Un-audited	2016 Un-audited	2017 Un-audited	2016 Un-audited	31 December 2016 Audited
OPERATING REVENUE AND EXPENSES						
Sales revenue		10 945 399	11 988 864	33 840 426	36 491 722	49 056 193
Cost of goods sold		-1 750	-14 752	-29 087	-199 595	-271 001
Personnel expenses		-1 143 091	-1 197 583	-2 485 895	-3 744 618	-5 485 212
Other operating expenses		-6 021 902	-5 750 750	-17 457 124	-17 411 364	-23 756 508
EBITDA		3 778 656	5 025 779	13 868 320	15 136 145	19 543 472
Depreciation	2	-2 826 172	-2 995 881	-8 502 449	-8 761 637	-11 187 252
OPERATING PROFIT		952 484	2 029 898	5 365 871	6 374 508	8 356 220
Financial income		740	18 202	33 323	281 379	323 176
Financial expense		-1 748 800	-1 577 363	-5 290 146	-4 598 801	-6 308 291
EARNINGS/(LOSS) BEFORE TAXES		-795 576	470 737	109 048	2 057 086	2 371 105
Taxes		190 938	-117 685	-26 172	-514 272	-1 092 480
ORDINARY PROFIT/(LOSS)		-604 638	353 052	82 876	1 542 814	1 278 625
NET PROFIT/(LOSS) FOR THE PERIOD		-604 638	353 052	82 876	1 542 814	1 278 625
TRANSFERS AND ALLOCATIONS						
Transfer to equity gain/(loss)		-604 638	353 052	82 876	1 542 814	1 278 625
TOTAL TRANSFERS AND ALLOCATIONS		-604 638	353 052	82 876	1 542 814	1 278 625

DigiPlex Rosenholm AS

Balance Sheet
(amounts in NOK)

	Notes	As at 30 September 2017 Un-audited	As at 31 December 2016 Audited	As at 30 September 2016 Un-audited
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Deferred tax asset		5 620 776	5 646 947	6 225 155
Total intangible assets		5 620 776	5 646 947	6 225 155
Tangible assets				
Property, plant and equipment	2	215 020 909	222 550 951	223 968 394
Furniture, fittings and office equipment	2	45 989	24 167	26 126
Total tangible assets		215 066 898	222 575 118	223 994 520
TOTAL NON-CURRENT ASSETS		220 687 674	228 222 065	230 219 675
CURRENT ASSETS				
Inventory		436 737	436 737	410 813
Trade receivables		4 537 747	10 100 958	6 241 431
Other current assets		2 358 564	460 912	2 223 718
Bank deposits	3	23 592 283	14 369 393	11 239 058
TOTAL CURRENT ASSETS		30 925 331	25 368 000	20 115 020
TOTAL ASSETS		251 613 005	253 590 065	250 334 695
EQUITY AND LIABILITIES				
EQUITY				
Paid in equity				
Share capital		2 950 000	2 950 000	2 950 000
Total paid in equity		2 950 000	2 950 000	2 950 000
Earned equity				
Other equity		-16 711 082	-16 794 206	-16 530 017
Total earned equity		-16 711 082	-16 794 206	-16 530 017
Total equity		-13 761 082	-13 844 206	-13 580 017
LIABILITIES				
Long term liabilities				
Liabilities to parent / related companies		243 027 148	249 277 148	249 277 148
Other long term liabilities		682 422	682 422	682 422
Total long term liabilities		243 709 570	249 959 570	249 959 570
Short term liabilities				
Trade liabilities		1 686 972	1 219 239	1 219 451
Liabilities to the public		1 781 358	2 419 205	1 962 890
Other short term liabilities		18 196 187	13 836 258	10 772 801
Total short term liabilities		21 664 517	17 474 702	13 955 142
TOTAL LIABILITIES		265 374 087	267 434 272	263 914 712
TOTAL EQUITY AND LIABILITIES		251 613 005	253 590 065	250 334 695

DigiPlex Rosenholm AS
Cash Flow Statement
 (amounts in NOK)

	Quarter ended 30 September		Nine months ended 30 September		Year ended
	2017 Un-audited	2016 Un-audited	2017 Un-audited	2016 Un-audited	31 December 2016 Audited
Profit/(loss) before income tax	-795 576	470 737	109 048	2 057 086	2 371 105
<i>Adjustments for:</i>					
Depreciation and amortisation charges	2 826 172	2 995 881	8 502 449	8 761 637	11 187 252
<i>Changes in working capital:</i>					
Trade and other receivables	-1 418 235	7 788 354	5 563 211	3 596 025	-263 500
Trade and other payables	239 570	-8 933 727	-2 059 938	-5 557 671	-2 038 286
Inventories	-	5 892	-	5 892	-20 032
Change in other assets	-298 880	579 761	-1 897 651	-112 975	1 650 003
Net cash flow from operating activities	553 051	2 906 898	10 217 119	8 749 994	12 886 541
Cash flows from investing activities					
Investments in land, buildings and equipment	-206 481	-613 586	-994 229	-2 655 898	-3 662 110
Net cash flow from investing activities	-206 481	-613 586	-994 229	-2 655 898	-7 901 040
Cash flows from financing activities					
Loans from related companies	-	-10 000 000	-	-10 000 000	20 000 000
Repayment of loan to parent company	-	-	-	-	-30 000 000
Net cash flow from financing activities	-	-10 000 000	-	-10 000 000	-10 000 000
Increase/(decrease) in cash during the period	346 570	-7 706 688	9 222 890	-3 905 904	-775 569
Cash balance at the beginning of the period	23 245 713	18 945 746	14 369 393	15 144 962	15 144 962
Cash balance at the end of the period	23 592 283	11 239 058	23 592 283	11 239 058	14 369 393

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 third quarter ended 30 September 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, and the condensed interim Q1 2017 financial statement dated 30 May 2017, and Q2 2017 financial statement dated 29 August 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	959 843	34 386	994 229
Disposals	-	-	-
Accumulated cost as at 30.09.2017	277 169 560	109 945	277 279 505
Accumulated depreciation	62 148 651	63 956	62 212 607
Net book value as at 30.09.2017	215 020 909	45 989	215 066 898
Depreciation for the period	8 489 885	12 564	8 502 449
Expected useful life	7-25 years	3-5 years	
Depreciation plan	Straight line	Straight line	

Note 3 Bank deposits

Bank deposits	30 Sep 2017	31 Dec 2016
Short term cash deposits, cash equivalents	23 504 199	14 187 327
Restricted cash (employee tax deductions)	88 084	182 066
Bank deposits	23 592 283	14 369 393