

**DigiPlex Fet AS  
Board of Directors' Report  
For the six months ended 30 June 2014**

**Register no. 912189287**

DigiPlex Fet AS was founded in July 2013 when it signed one of the largest data centre deals in Europe for its facility at Heiaveien 9 in the municipality of Fet, near Oslo.

The 21.5 years contract with Evry AS (one of the two largest IT service companies in Scandinavia) secures revenue for its 4,200 m<sup>2</sup> of IT space, served by 12 megawatts of power. The high security facility will benefit from DigiPlex's industry leading Air-to-Air cooling technology delivering a Power Usage Efficiency (P.U.E) ratio of 1.1, which places it in the top 3 per cent of data centres worldwide and ensuring a sustainable performance with minimum environmental footprint.

Construction commenced in February 2014 and the company is on target to deliver the first of its six scheduled phases of 700 m<sup>2</sup> each to Evry AS in Q4 2014. The last phase is scheduled to be delivered at the beginning of Q2 2016.

The company expanded its capital resources in this period when it completed on a NOK500million bond issue where Pareto Securities AS acted as the sole manager. The proceeds from the bond with a maturity date of 11 June 2019 will be used mainly to finance the construction of the facility. The sole shareholder of the company, DigiPlex Fet LLC has funded an amount of NOK204million as of 30 June 2014, of which NOK30million will be repaid from the proceeds of the bond issue.

There is no operational revenue in this period; however, in preparing the business for the handover of the first phase in Q4 2014, operational expenses such as fees for management and accounting support have been incurred. Furthermore, the fees paid to Pareto Securities AS will be amortised over the tenor of the Bond starting from June 2014.

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**Digiplex Fet AS****Balance Sheet**

	Notes	30-Jun-14 NOK	31-Mar-14 NOK
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Deferred tax asset	8	168,236	0
<b>Tangible Assets</b>			
Land	2	38,520,577	38,520,577
Buildings Under Construction	2	159,029,908	84,901,176
Guarantee Deposit	5	4,000,000	0
<b>Total Tangible Assets</b>		<b>201,550,485</b>	<b>123,421,753</b>
<b>TOTAL FIXED ASSETS</b>		<b>201,550,485</b>	<b>123,421,753</b>
<b>CURRENT ASSETS</b>			
Other Financial Assets (Restricted Cash Deposit)	5	465,350,000	0
Other Current Assets		25,752,970	15,763,185
Bank Deposits		53,092,650	48,923,625
<b>TOTAL CURRENT ASSETS</b>		<b>544,195,620</b>	<b>64,686,810</b>
<b>TOTAL ASSETS</b>		<b>745,914,341</b>	<b>188,108,563</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Paid in Equity</b>			
Share Capital	6	30,000	30,000
<b>Total Paid in Equity</b>		<b>30,000</b>	<b>30,000</b>
<b>Earned Equity</b>			
Other Equity	6	(387,363)	124,614
<b>Total Earned Equity</b>		<b>(387,363)</b>	<b>124,614</b>
<b>Total Equity</b>		<b>(357,363)</b>	<b>154,614</b>
<b>LIABILITIES</b>			
<b>Long Term Liabilities</b>			
Bond	3	500,000,000	
Liabilities towards Group Companies	3	204,081,525	174,082,470
<b>Total Long Term Liabilities</b>		<b>704,081,525</b>	<b>174,082,470</b>
<b>Short Term Liabilities</b>			
Trade and Other Payables		42,190,179	13,871,478
<b>Total Short Term Liabilities</b>		<b>42,190,179</b>	<b>13,871,478</b>
<b>Total Liabilities</b>		<b>746,271,704</b>	<b>187,953,948</b>
<b>Total Equity and Liabilities</b>		<b>745,914,341</b>	<b>188,108,563</b>

**Digiplex Fet AS****Profit and Loss Statement**

		<b>Quarter Ended 30-Jun-14 NOK</b>	<b>Quarter Ended 31-Mar-14 NOK</b>
<b>OPERATING REVENUE AND EXPENSES</b>			
Revenue		0	0
Other Operating Expenses	4	431,213	27,903
<b>OPERATING INCOME / (LOSS)</b>		<b>(431,213)</b>	<b>(27,903)</b>
Interest Income		128,696	134,944
Interest Expense		(77,500)	(60)
Other Financial Expense (incl amortisation of fees)		(321,328)	(28,731)
<b>EARNINGS/(LOSS) BEFORE TAXES</b>		<b>(701,345)</b>	<b>78,250</b>
Taxes	8	(189,363)	21,128
<b>ORDINARY PROFIT/(LOSS)</b>		<b>(511,982)</b>	<b>57,123</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<b>(511,982)</b>	<b>57,123</b>
<b>TRANSFERS AND ALLOCATIONS</b>			
Transfer to equity (Gain/Loss)	6	(511,982)	57,123
<b>TOTAL TRANSFERS AND ALLOCATIONS</b>		<b>(511,982)</b>	<b>57,123</b>

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**Digiplex Fet AS****Cash Flow Statement**

	<b>Quarter Ended 30-Jun-14 NOK</b>	<b>Quarter Ended 31-Mar-14 NOK</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	0	0
Cash paid for wages and other operating expenses	(431,213)	(27,903)
Cash received from interest	128,696	134,944
<b>Net cash provided (used) by operating activities</b>	<b>(302,517)</b>	<b>107,041</b>
<b>Cash flows from investing activities</b>		
Investments machinery	(39,500)	0
Investments in buildings and equipment	(51,488,013)	(35,313,814)
Guarantee provided for the general contractor	(4,000,000)	
<b>Net cash provided (used) by investing activities</b>	<b>(55,527,513)</b>	<b>(35,313,814)</b>
<b>Cash flows from financing activities</b>		
Cash received from Bond Issue (net of fees)	495,350,000	
Cash received from shareholder loans	29,999,055	40,630,000
<b>Net cash provided (used) in financing activities</b>	<b>525,349,055</b>	<b>40,630,000</b>
Increase (decrease) in cash during the period	469,519,025	5,423,227
<b>Cash balance at the beginning of the period</b>	<b>48,923,625</b>	<b>43,500,398</b>
<b>Cash balance at the end of the period</b>	<b>518,442,650</b>	<b>48,923,625</b>

**DigiPlex Fet AS**  
**Notes to the Financial Statements**

**Accounting principles**

The financial statements for the quarter ended 30 June 2014 have been prepared in accordance with NGAAP.

**Accounting policies**

**Sales Revenues**

IT housing service revenues will be recognised and expensed over the designated term of each respective contract.

**Classification and valuation of balance sheet items**

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. Current assets are valued at the lower of cost price and net realizable value. Short term liabilities are reflected in the balance sheet at nominal value on the establishment date.

Fixed assets are valued at purchase cost. Fixed assets whose value will deteriorate are depreciated on a straight line basis over the asset's estimated useful life. The fixed assets are written down to net realizable value if a value reduction occurs which is not believed to be temporary.

**Fixed assets**

Fixed assets are reflected in the balance sheet and depreciated over the asset's expected useful life on a straight-line basis. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the purchase date.

**Debtors**

Trade debtors and other debtors are reflected in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

**Foreign currencies**

Monetary items in foreign currencies are translated at the exchange rate on the balance sheet date.

**Tax**

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 27% on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. The company chose to capitalize the deferred tax advantage.

**Note 1 Revenue**

The company has not had any revenue in the period

**Note 2 Fixed Assets**

<b>Fixed assets</b>	<b>Land</b>	<b>Project under construction</b>	<b>Total</b>
Cost 1.4.2014	38,520,577	84,901,176	123,421,753
Additions	0	74,128,732	74,128,732
Disposals	0	0	0
Cost 30.6.2014	38,520,577	159,029,908	197,550,485
Accumulated depreciation	0	0	0
<b>Net book value 30.6.2014</b>	<b>38,520,577</b>	<b>159,029,908</b>	<b>197,550,485</b>
Depreciation in the year	0	0	0
Write-down in the year		0	0
Expected useful life	N/A		
Depreciation plan	None		
The building is under construction. The operations are expected to commence at the end of 2014.			
The split in different categories will be done when the project is completed			

**Note 3. Long term debt**

Debt to parent company:	Q2 2014	Q1 2014
Digiplex Fet LLC	204,081,525	174,082,470
<b>Total</b>	<b>204,081,525</b>	<b>174,082,470</b>

No interest is calculated on the loan from the parent company in the period

**FRN Digiplex Fet AS Senior Secured Bond Issue 2014/2019**

ISIN NO: 001 071 2870	Issue date	11/06/2014
Bond trustee: Nordic Trustee ASA	Amount	500,000,000 NOK
	Duration	5 Years

**Note 4. Transactions with related parties**

Purchase of services	Q2 2014	Q1 2014
- Companies controlled by members of the management or Board of DigiPlex Fet AS	140,605	-
	-	-
<b>Total</b>	<b>140,605</b>	<b>-</b>

**Note 5. Restricted bank deposits, overdraft facilities**

The company has 2 separate restricted cash items

*FRN Digiplex Fet AS Senior Secured Bond Issue 2014/2019*

The amount of NOK 465 350 000, from the bond issue (net of manager and legal fees and repayment to shareholder) , is held in an Escrow Account in the name of the company which is pledged and blocked on first priority as security for the company's obligations under the Bond Agreement; the drawdown of which is applied through the Bond Trustee, Nordic Trustee ASA

*Deposit for bank guarantee made out to AS Miljøbygg, NOK 4 000 000*

**Note 6. Shareholder's equity, share capital and shareholder information****Equity change in the year**

	Share capital	Other equity	Total
Opening Balance 01.04.2014	30,000	124,614	154,614
Profit /(loss) for the quarter		(511,982)	(511,982)
Transfer from reserve to uncovered loss			0
<b>Shareholder's equity Q2 2014</b>	<b>30,000</b>	<b>(387,363)</b>	<b>(357,368)</b>

The share capital of NOK 30.000 consists of 30.000 shares of NOK 1 each. All shares have equal rights.

Shareholder as of 30.06.2014	Shares	Total	Ownership
DigiPlex Fet LLC, New Castle County, Delaware 19801, USA	30,000	30,000	100%

**Note 7. Payroll expenses, number of employees, remunerations, loans to employees, etc**

The company did not have employees in the period

The company fullfills the regulations regarding obligatory pension fund.

There has not been paid any remuneration to the managing director Oddvar Dahle.

Neither the managing director, nor the chairman of the board or any other related parties have received loans during the period

**Note 8 Income Tax**

<b>Calculation of deferred tax and change in deferred tax</b>	<b>Changes</b>	<b>30/06/2014</b>	<b>31/03/2014</b>
<b>Temporary differences</b>			
Fixed assets	0	0	0
Goods	0	0	0
Receivables	0	0	0
<b>Net temporary differences</b>	<b>0</b>	<b>0</b>	<b>0</b>
Carryforward losses	(623,095)	(623,095)	0
<b>Basis for deferred tax in the balance sheet</b>		<b>(623,095)</b>	<b>0</b>
<b>Deferred tax and change in deferred taxes</b>			
27% deferred tax benefit	(168,236)	(168,236)	0
Not shown in the balance sheet	0	0	0
<b>Deferred tax/tax benefit in the balance sheet</b>	<b>(168,236)</b>	<b>(168,236)</b>	<b>0</b>
<b>Payable taxes (Calculated)</b>			
<b>Basis for payable taxes</b>			
Result before tax charges		(701,345)	78,250
Permanent differences		0	0
<b>Basis for payable taxes (*)</b>		<b>(701,345)</b>	<b>78,250</b>
Change in temporary differences		0	0
<b>Taxable income</b>		<b>(701,345)</b>	<b>78,250</b>
Utilisation of carryforward losses		0	0
<b>Basis for payable taxes (in the tax charge)</b>		<b>(701,345)</b>	<b>78,250</b>