

27/11/2015

**DigiPlex Rosenholm AS**  
**Management Commentary**  
**For the nine months ended 30 September 2015**

**Organisation no. 994 817 477**

DigiPlex Rosenholm AS (the Company) is 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 m<sup>2</sup> of white technical space, fitted out according to customers' current and future requirements with state of the art security, functionality and sustainability.

The Company's operating revenues in the first nine months of the year totalled NOK 33.3 million whilst operating expenses totalled NOK 28.3 million, which comprised of NOK 15.8 million of operational, management and accounting support costs, NOK 8.1 million in depreciation and NOK 4.4 million of personnel costs.

In light of the above, operating income for the first nine months of the year came in at NOK 5.0 million.

**Digiplex Rosenholm AS**
**Profit and Loss Statement**

	Notes	Nine Months Ended 30.09.2015 NOK	Quarter Ended 30.09.2015 NOK	Quarter Ended 30.06.2015 NOK	Quarter Ended 31.03.2015 NOK
<b>OPERATING REVENUE AND EXPENSES</b>					
Sales Revenue		30,972,725	10,285,058	10,670,921	10,016,746
Other Revenue		2,298,541	663,740	786,533	848,268
Personnel Expenses	6	(4,410,441)	(1,295,264)	(1,380,584)	(1,734,593)
Depreciation	1	(8,074,761)	(2,722,920)	(2,226,191)	(3,125,650)
Other Operating Expenses		(15,824,726)	(5,858,584)	(4,689,032)	(5,277,110)
<b>OPERATING INCOME / (LOSS)</b>		<b>4,961,338</b>	<b>1,072,030</b>	<b>3,161,647</b>	<b>727,661</b>
Interest Income		92,462	37,438	34,134	20,890
Other Financial Income		58,740	48,859	2,456	7,425
Interest Expense		(4,811,871)	(1,696,494)	(1,500,235)	(1,615,142)
Other Financial Expense		(59,469)	(33,505)	(22,454)	(3,510)
<b>EARNINGS/(LOSS) BEFORE TAXES</b>		<b>241,200</b>	<b>(571,672)</b>	<b>1,675,548</b>	<b>(862,676)</b>
Taxes	7	(65,124)	154,351	(452,398)	232,923
<b>ORDINARY PROFIT/(LOSS)</b>		<b>176,076</b>	<b>(417,321)</b>	<b>1,223,150</b>	<b>(629,753)</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<b>176,076</b>	<b>(417,321)</b>	<b>1,223,150</b>	<b>(629,753)</b>
<b>TRANSFERS AND ALLOCATIONS</b>					
Transfer to equity (Gain/Loss)	5	176,076	(417,321)	1,223,150	(629,753)
<b>TOTAL TRANSFERS AND ALLOCATIONS</b>		<b>176,076</b>	<b>(417,321)</b>	<b>1,223,150</b>	<b>(629,753)</b>

<b>Digiplex Rosenholm AS</b>				
<b>Balance Sheet</b>	<b>Notes</b>	<b>30.09.2015</b>	<b>30.06.2015</b>	<b>31.03.2015</b>
		<b>NOK</b>	<b>NOK</b>	<b>NOK</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>Intangible assets</b>				
Deferred Tax Advantage	7	7,107,998	6,953,647	7,406,044
<b>Total intangible assets</b>		<b>7,107,998</b>	<b>6,953,647</b>	<b>7,406,044</b>
<b>Tangible Assets</b>				
Buildings and Outfitting	1	229,079,931	231,402,914	232,833,080
Furniture & Fittings, Office Equipment	1	35,988	40,978	50,304
<b>Total Tangible Assets</b>		<b>229,115,919</b>	<b>231,443,892</b>	<b>232,883,384</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>236,223,917</b>	<b>238,397,539</b>	<b>240,289,428</b>
<b>CURRENT ASSETS</b>				
Goods on stock		59,450	59,450	59,450
Trade receivables		15,003,942	13,038,335	5,890,217
Other Financial Assets (Restricted Cash Deposit)	4	270,101	372,480	376,562
Other Current Assets		2,680,283	2,944,863	1,696,003
Bank Deposits		6,199,439	2,513,902	8,341,548
<b>TOTAL CURRENT ASSETS</b>		<b>24,213,215</b>	<b>18,929,030</b>	<b>16,363,780</b>
<b>TOTAL ASSETS</b>		<b>260,437,132</b>	<b>257,326,569</b>	<b>256,653,208</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<b>Paid in Equity</b>				
Share Capital	5	2,950,000	2,950,000	2,950,000
<b>Total Paid in Equity</b>		<b>2,950,000</b>	<b>2,950,000</b>	<b>2,950,000</b>
<b>Earned Equity</b>				
Other Equity	5	(17,072,469)	(16,655,148)	(17,878,298)
<b>Total Earned Equity</b>		<b>(17,072,469)</b>	<b>(16,655,148)</b>	<b>(17,878,298)</b>
<b>Total Equity</b>		<b>(14,122,469)</b>	<b>(13,705,148)</b>	<b>(14,928,298)</b>
<b>LIABILITIES</b>				
<b>Long Term Liabilities</b>				
Debt to financial institutions	2	0	101,264,336	101,264,336
Liabilities to parent/related companies	2	259,277,148	158,932,829	158,932,829
Other long term liabilities		372,840	372,840	372,840
<b>Total Long Term Liabilities</b>		<b>259,649,988</b>	<b>260,570,005</b>	<b>260,570,005</b>
<b>Short Term Liabilities</b>				
Trade Liabilities		3,233,392	2,842,688	4,862,929
Liabilities to the Public		2,023,895	1,504,464	714,953
Other Short Term Liabilities		9,652,326	6,114,560	5,433,619
<b>Total Short Term Liabilities</b>		<b>14,909,613</b>	<b>10,461,712</b>	<b>11,011,501</b>
<b>Total Liabilities</b>		<b>274,559,601</b>	<b>271,031,717</b>	<b>271,581,506</b>
<b>Total Equity and Liabilities</b>		<b>260,437,132</b>	<b>257,326,569</b>	<b>256,653,208</b>

## Cash Flow Statement

	Nine Months Ended 30.09.2015 NOK	Quarter Ended 30.09.2015 NOK	Quarter Ended 30.06.2015 NOK	Quarter Ended 31.03.2015 NOK
<b>Cash flows from operating activities</b>				
Cash received from customers	33,271,266	10,948,798	11,457,454	10,865,014
Cash paid for wages and other operating expenses	(20,235,167)	(7,153,848)	(6,069,616)	(7,011,703)
Cash received from interest	151,202	86,297	36,590	28,315
Cash paid for interest and finance fees	(4,871,340)	(1,729,999)	(1,522,689)	(1,618,652)
Change in short term assets and liabilities	(507,172)	2,746,874	(8,946,768)	5,692,722
<b>Net cash provided (used) by operating activities</b>	<b>7,808,789</b>	<b>4,898,122</b>	<b>(5,045,029)</b>	<b>7,955,696</b>
<b>Cash flows from investing activities</b>				
Investments in buildings and equipment	(4,186,443)	(394,947)	(786,699)	(3,004,797)
<b>Net cash provided (used) by investing activities</b>	<b>(4,186,443)</b>	<b>(394,947)</b>	<b>(786,699)</b>	<b>(3,004,797)</b>
<b>Cash flows from financing activities</b>				
Cash received from loans from related companies	123,750,000	123,750,000	0	0
Repayment to parent company	(23,405,681)	(23,405,681)	0	0
Amortisation of loan	(101,264,336)	(101,264,336)	0	0
<b>Net cash provided (used) in financing activities</b>	<b>(920,017)</b>	<b>(920,017)</b>	<b>0</b>	<b>0</b>
Increase (decrease) in cash during the period	2,702,329	3,583,158	(5,831,728)	4,950,899
<b>Cash balance at the beginning of the period</b>	<b>3,767,211</b>	<b>2,886,382</b>	<b>8,718,110</b>	<b>3,767,211</b>
<b>Cash balance at the end of the period</b>	<b>6,469,540</b>	<b>6,469,540</b>	<b>2,886,382</b>	<b>8,718,110</b>

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

**Accounting principles**

The financial statements for the quarter and nine months ended 30 September 2015 have been prepared in accordance with Norwegian Generally Accepted Accounting Principles (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 realisable 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 realisable 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 carry forward 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 capitalise the deferred tax advantage.

**Note 1 Fixed Assets**

Fixed assets	Buildings and Fit out	Furniture & Fittings, Office equipment	Total
Acquisition Cost as at 1.1.2015	264,685,755	36,371	264,722,126
Additions	4,147,256	39,187	4,186,443
Disposals	0	0	0
Acquisition Cost as at 30.9.2015	268,833,011	75,558	268,908,569
Accumulated depreciation	39,753,080	39,570	39,792,650
<b>Net book value as at 30.9.2015</b>	<b>229,079,931</b>	<b>35,988</b>	<b>229,115,919</b>
Depreciation for the period	8,060,445	14,316	8,074,761
Expected useful life	10-25 years	3-5 years	
Depreciation plan	Straight line	Straight line	

**Note 2 Long term debt**

Debt to financial institutions:	Q3 2015	Q2 2015	Q1 2015
Term loan	0	101,264,336	101,264,336
<b>Total</b>	<b>0</b>	<b>101,264,336</b>	<b>101,264,336</b>
Debt to related companies:	Q3 2015	Q2 2015	Q1 2015
DigiPlex Rosenholm L.L.C, parent company	135,527,148	158,932,829	158,932,829
Digiplex Norway AS, related company	123,750,000	0	0
<b>Total</b>	<b>259,277,148</b>	<b>158,932,829</b>	<b>158,932,829</b>

DigiPlex Rosenholm L.L.C. did not apply interest to the loan in Q3 2015.

Interest expenses related to the loan from Digiplex Norway AS (DNAS) amounts to circa NOK 1,035,000.

On repayment of the term loan to the financial institution, the Company transferred the first ranking priority charge over the Company's debtor ledger to the bondholders of the DNAS bond issue (details below). This serves as collateral for funds raised from the DNAS bond issue (NOK 575m), of which circa NOK 124m has been advanced to the Company by DNAS (in accordance with the Bond Agreement).

FRN Digiplex Norway AS Senior Secured Callable Bond Issue 2015/2019

ISIN NO: 001 0741747	Issue date	17/07/2015
Bond trustee: Nordic Trustee ASA	Amount	575,000,000 NOK
	Duration	4 Years

**Note 3 Transactions with related parties**

Purchase of services	Q3 2015	Q2 2015	Q1 2015
- Companies controlled by members of the management or Board of DigiPlex Rosenholm AS	2,151,000	5,652,000	1,268,000
<b>Total</b>	<b>2,151,000</b>	<b>5,652,000</b>	<b>1,268,000</b>

**Note 4 Restricted bank deposits, overdraft facilities**

The Company has one restricted cash item.

The restricted bank deposit relates to employee tax deductions in the amount of NOK 270,101.

**Note 5 Shareholder's equity, share capital and shareholder information**

**Equity change in the year**

	Share capital	Other Equity	Total
Opening Balance 01.01.2015	2,950,000	(17,248,545)	(14,298,545)
Profit /(loss) for the period	0	176,076	176,076
<b>Shareholder's equity 30.09.2015</b>	<b>2,950,000</b>	<b>(17,072,464)</b>	<b>(14,122,469)</b>

The share capital of NOK 2,950,000 consists of 2,950,000 shares of NOK 1 each. All shares have equal rights.

Shareholders as at 30.09.2015	Shares	Total	Ownership
Digiplex Rosenholm LLC, New Castle County, Delaware 19801, USA	2,950,000	2,950,000	100%

**Note 6 Payroll expenses, number of employees, remunerations, loans to employees, etc.**

Average number of full-time employees for the first nine months of 2015 was 4.

	Q3 2015	Q2 2015	Q1 2015	Total
Salaries	974,970	1,259,486	1,437,988	3,672,443
Payroll tax	153,100	160,901	235,129	549,130
Pensions	56,308	52,336	54,044	162,688
Other personnel costs	110,886	(92,139)	7,432	26,180
<b>Total</b>	<b>1,295,264</b>	<b>1,380,584</b>	<b>1,734,593</b>	<b>4,410,441</b>

**Note 7 Income Tax**

Calculation of deferred tax and change in deferred tax	Changes	30/09/2015	31/12/2014
<b>Temporary differences</b>			
Fixed assets	0	36,783,637	36,783,637
Receivables	0	0	0
<b>Net temporary differences</b>	<b>0</b>	<b>36,783,637</b>	<b>36,783,637</b>
Carry forward losses	241,200	(63,109,559)	(63,350,759)
<b>Basis for deferred tax in the balance sheet</b>	<b>241,200</b>	<b>(26,325,922)</b>	<b>(26,567,122)</b>
<b>Deferred tax and change in deferred taxes</b>			
27% deferred tax benefit	(65,124)	(7,107,999)	(7,173,123)
Not shown in the balance sheet	0	0	0
<b>Deferred tax/tax benefit in the balance sheet</b>	<b>(65,124)</b>	<b>(7,107,999)</b>	<b>(7,173,123)</b>
<b>Payable taxes</b>			
<b>Basis for payable taxes</b>			
Result before tax charges		241,200	(3,742,021)
Permanent differences		0	0
Basis for payable taxes (*)		241,200	(3,742,021)
Change in temporary differences		0	(7,616,993)
<b>Taxable income</b>		<b>241,200</b>	<b>(11,359,014)</b>
Utilisation of carry forward losses		(241,200)	11,359,014
<b>Basis for payable taxes (in the tax charge)</b>		<b>0</b>	<b>0</b>
<b>Tax charge in the profit and loss accounts</b>			
27% of basis for payable taxes (in the tax charge)		0	
Change in deferred taxes		65,124	
<b>Tax charge of the year</b>		<b>65,124</b>	

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.