euNetworks Performance Update for 2016

London, UNITED KINGDOM – **28 March 2017** – As a European bandwidth infrastructure provider, euNetworks is focused on delivering scalable, fibre based products and solutions to a customer base that is at the centre of technology transformation. Our customers require fibre based data centre to data centre connectivity, both within the key cities in Europe and between these cities, supporting both their bandwidth growth and the performance requirements that their applications demand. These customer needs have shaped euNetworks' network investment and development undertaken over the last 24 months, whether that be organic or inorganic in nature. Network development was particularly important in 2016, with numerous construction projects commenced and completed.

In 2016 euNetworks invested €56m of capital, up 36% from 2015. Over half of this was allocated to customer projects – success based capital, while 36% of the capital was for network development initiatives, such as expanding our long haul footprint to Marseille, Madrid and Stockholm and further overbuild on our German network. Our long haul network is now highly differentiated, with unique and multiple routes available between multiple locations. Our European wide fibre based city networks continue to be our key differentiator in the market. Some examples of our 2016 metro developments included:

- Network construction and duct acquisition in Berlin to support our customers. This network now spans 250km around the city and is our second largest metro network in Germany.
- We enabled our networks in Amsterdam, Rotterdam and Utrecht with our dc connect solution. This offers pre-provisioned capacity between specific data centres for rapid service delivery.
- We also started new construction and bought duct in Manchester, with this new metro network due to go live in the coming week, also enabled with dc connect.

Our footprint is a key differentiator and enabler of euNetworks' position as a leading cloud connectivity provider in Europe. We do not offer cloud services. We maintain our focus on bandwidth provision, and have partnered with all the leading cloud platforms, offering direct connection to their services. As these cloud providers seek to add more cloud entry points across Europe, euNetworks' fibre footprint supports these needs quickly while maintaining data centre neutrality. In 2016 we implemented a more flexible approach to billing for cloud connectivity, fulfilling our customers' need for flexibility in how they access the cloud- from fixed, to burstable or usage based billing. We also developed an online ordering capability, meaning our customers will have even more control on how, when and where they access the cloud over our network.

In November 2016, the delisting and privatisation process of euNetworks was completed. This was important to optimise our capital structure, and to provide the necessary financial flexibility and commercial agility as we move forward. Our investors understand the capital intensive nature of our business, and the associated returns available from capital investment. Our largest investors are Columbia Capital (39%), GK Goh and associates (13%), Greenspring Investments (11%), QIC (9%) and Daniel Aegerter (7%). They are long-term investors, with the majority of them holding a stake in euNetworks for a number of years.

Our performance metrics in 2016 were strong. Sales grew 15% from 2015 and installations were up 13%, which underpinned our revenue growth. In Q4 2016 sales, including both new and replacement sales – when customers upgrade their bandwidth requirements with us for example, were up 19% from Q3 2016 and 26% from Q4 2015, with the addition of more major cloud based customers. Service installations grew 20% from Q3 2016 and 22% from Q4 2015. Average churn was 0.9% in Q4 2016 and for the year. That was a strong performance at a time when we were withdrawing SDH, a non-focus product in our portfolio. Average debtor days reached an average 35 days outstanding in 2016, and improved to an average 32 days by the end of December.

Revenue grew 8% from 2015, reaching €126.9m. Normalised adjusted EBITDA for 2016 was €43.6m, growing 23% from 2015.

"euNetworks operates in a market where the key drivers of bandwidth growth are data centre to data centre connectivity and cloud connectivity, and we shape our network development to serve this," said Brady Rafuse, Chief Executive Officer of euNetworks. "We continue to focus on three products - Fibre, Wavelengths and Ethernet - with 91% of new sales from these products in 2016. We combine these products into bandwidth solutions to meet specific customer needs, across wholesale, finance, content, media, data centre and enterprise segments. We continue to strengthen our points of differentiation in the market, both in the long haul and metro, with multiple unique routes between data centres becoming evermore important for uptime and the reliable growth of high bandwidth consuming applications. Our sales and revenue growth continues to be strong and we have invested in more people across our European footprint to maintain our growth into 2017."

"Q4 2016 was a great quarter for the business and the milestones achieved in 2016 are important to our plans to develop the business further," said Rafuse. "Through the year we connected our fibre to more data centres, built more routes into data centres, added more of our product solution capabilities in existing markets and also added new markets to the footprint. We serve the most important European cities with deeply meshed fibre networks, diversely connecting over 300 data centres. It's an exciting time, with further network development projects underway to support our customers' growth."

"In March 2017, we successfully upsized and simplified our debt facilities, increasing our committed debt capacity to €175m, extending the tenor to 5 years, reducing our cost of capital and significantly widening our bank group. The incremental available funding allows us flexibility to pursue incremental growth projects, both organic and inorganic."

"As a private company, we will continue to release information externally on our performance, but have chosen to change our format of that and the metrics we discuss. The drivers of that information centre on the key activities undertaken by euNetworks in the reporting period that add value and context to how we are performing, both for the near term and with a more long-term view of how we position ourselves in the European market."

€m	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016		2015	2016	%
Total Revenue	29.6	30.6	30.6	32.2	31.8	32.3		117.2	126.9	8.3
Recurring Revenue	29.6	30.6	30.6	32.2	31.8	32.3		117.2	126.9	8.3
Adjusted EBITDA	8.2	9.9	9.8	10.7	10.8	10.6		33.9	41.9	23.6
Normalised Adjusted EBITDA	8.9	9.8	9.9	11.1	11.0	11.7		35.5	43.6	23.1
LQA Normalised Adjusted EBITDA exit	35.5	39.3	39.5	44.2	44.2	46.7		39.5	46.7	18.7
Capital Expenditure	11.3	10.9	11.5	16.1	11.9	16.5		41.2	56.0	35.9
Proxy Cash flow	(3.1)	(1.0)	(1.7)	(5.6)	(1.1)	(5.9)		(7.3)	(14.1)	n/a

These results are reported unaudited

About euNetworks

euNetworks is a bandwidth infrastructure provider, owning and operating 14 fibre based metropolitan networks across Europe connected with a high capacity intercity backbone covering 48 cities in 13 countries. The company leads the market in data centre connectivity, directly connecting over 300 in Europe today. euNetworks is also a leading cloud connectivity provider, connecting 12 cloud platforms. The company offers a portfolio of metropolitan and long haul services including Dark Fibre, Wavelengths, and Ethernet. Wholesale, finance, content, media,

data centre and enterprise customers benefit from euNetworks' unique inventory of fibre and duct based assets that are tailored to fulfil their high bandwidth needs.

euNetworks Group Limited is headquartered in London. For further information please visit www.eunetworks.com.

To view the euNetworks map go to http://map.eunetworks.com/.

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