

Colocation

INDUSTRY SUMMARY

COGENT VALUATION identified **Colocation** publicly traded companies, IPOs, and recent M&A transactions within the Colocation industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since March 31, 2017, the median 52-week share price return of the Colocation industry was -0.9%. Between March 31, 2016 and March 31, 2018, the median EV/EBITDA multiple decreased from 15.3 to 11.7. However, the median price-to-earnings multiple increased from 46.3 to 80.0 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 5.8% and 42.7%, respectively.

Public Company Key Statistics

Median 52-Week
Return

-.9%

Median 3-Year CAGR
Return

-26.8%

Median EV/Revenue
Multiple

3.1x

Median EV/EBITDA
Multiple

11.7x

Median Price/Earnings
Multiple

80x

Median EV/Gross CF
Multiple

32.6x

Comparable Public Company Market Price Returns as of March 31, 2018

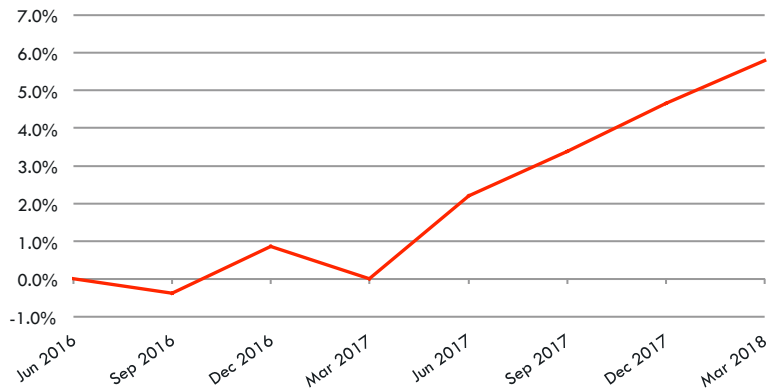
| | YTD | 3 Month | 1 Year | 2 Year | 3 Year | 2016 | 2015 | 2014 |
|--------------------------------------------|--------|---------|--------|--------|--------|--------|--------|--------|
| 21Vianet Group, Inc. | -13.2% | 40.2% | 13.8% | -44.2% | -31.9% | -66.8% | 36.7% | -34.2% |
| Digital Realty Trust, Inc. | 39.7% | N/A | N/A | 34.6% | 23.8% | 29.9% | 14.1% | 35.0% |
| Equinix, Inc. (REIT) | -7.5% | -3.7% | 15.9% | 27.8% | 28.1% | 18.2% | 33.4% | 27.8% |
| Internap Corporation | -7.7% | 1.6% | 26.8% | -15.8% | -14.3% | -75.9% | -19.6% | 5.9% |
| InterXion Holding N.V. | -30.0% | -9.7% | 155.0% | 37.1% | 22.5% | 16.3% | 10.3% | 15.8% |
| Range Resources Corporation | 5.4% | -8.9% | -47.8% | -20.3% | -34.2% | 41.5% | -56.6% | -33.4% |
| Windstream Holdings, Inc. | -20.4% | N/A | N/A | -46.3% | -69.9% | 13.8% | -87.0% | 3.3% |
| Median of Industry Public Companies | -12.5% | 4.5% | -74.8% | -2.7% | -4.5% | 15.1% | 10.2% | 10.8% |

Multiple year periods are calculated as the average annual return.

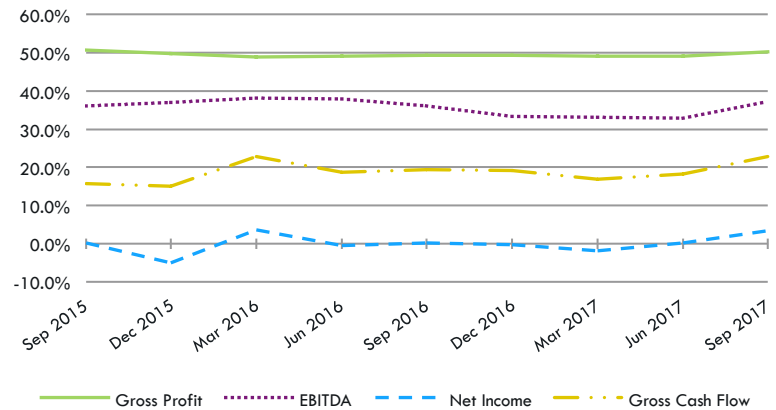
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Colocation Companies



Median Gross Profit, EBITDA, Net Income, and Gross Cash Flow Margins



Median Public Companies

The chart below illustrates Public Company Multiples.

| | 3/31/18 | 12/31/17 | 6/30/17 | 3/31/17 | 12/31/16 | 9/30/16 | 6/30/16 | 3/31/16 |
|-------------------------------------|---------|----------|---------|---------|----------|---------|---------|---------|
| EV/Revenues Multiple | 3.1x | 3.4x | 3.7x | 4.1x | 4.5x | 4.5x | 4.6x | 5.1x |
| EV/EBITDA Multiple | 11.7x | 12.6x | 14.6x | 17.9x | 11.6x | 22.1x | 24.2x | 15.3x |
| Price/Earnings Multiple | 80.0x | 89.7x | 53.5x | 51.9x | 47.7x | 51.6x | 55.8x | 46.3x |
| EV/Gross Cash Flows Multiple | 32.6x | 34.9x | 20.7x | 25.3x | 23.3x | 22.9x | 22.3x | 23.6x |

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—Industry: Colocation (dollars in millions, except share prices)

| Offer Date | Company Name | Offer Price | Shares Offered | Amount Raised | Total Assets | Debt | LTM Revenues | LTM EBITDA | LTM Net Income | LTM Cash Flows |
|------------|---------------------------------------|-------------|----------------|----------------|----------------|----------------|----------------|---------------|-----------------|----------------|
| 11/26/17 | Beeks Trading Corporation Ltd. | \$0.67 | 14.0 | \$9.3 | \$3.0 | \$1.0 | \$5.2 | (\$0.3) | (\$30.9) | \$42.4 |
| 10/6/17 | Switch, Inc. | \$17.00 | 31.3 | \$531.3 | \$1,124.4 | \$847.0 | \$360.8 | \$176.6 | (\$38.7) | (\$25.8) |
| 11/1/16 | GDS Holdings Limited | \$10.00 | 19.3 | \$192.5 | \$1,013.8 | \$589.5 | \$143.0 | \$23.4 | \$22.0 | \$139.4 |
| 4/21/11 | 21Vianet Group, Inc. | \$15.00 | 13.0 | \$195.0 | \$151.2 | \$19.1 | \$98.1 | (\$27.7) | \$19.1 | \$157.9 |
| 1/27/11 | InterXion Holding N.V. | \$13.00 | 20.4 | \$264.9 | \$733.2 | \$348.4 | \$279.4 | \$103.6 | (\$18.8) | \$69.1 |
| 8/7/08 | Rackspace Hosting, Inc. | \$12.50 | 15.0 | \$187.5 | \$408.3 | \$183.6 | \$453.2 | \$104.5 | N/A | N/A |
| 10/24/07 | Telecity Group plc | \$4.50 | 23.6 | \$197.1 | \$463.5 | \$67.8 | \$187.3 | \$42.3 | (\$2.7) | (\$0.8) |
| 11/1/16 | Median | nm | nm | \$195.0 | \$463.5 | \$183.6 | \$187.3 | \$42.3 | (\$10.7) | \$55.8 |

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Revenues | EV/ Revenues |
|------------------|-------------------------------|-----------------------------|------------------|----------|--------------|--------------|
| 1/10/18 | IO Data Centers, LLC | Liberated Syndication Inc. | \$128.0 | 100% | N/A | N/A |
| 12/27/17 | pair Networks, Inc. | 5G Networks Limited | \$1,675.0 | 100% | N/A | N/A |
| 11/13/17 | Enspire Australia Pty Ltd | Iron Mountain Incorporated | \$124.4 | 100% | N/A | N/A |
| 9/1/17 | FORTRUST LLC | Peak 10 Holding Corporation | \$10.3 | 100% | N/A | N/A |
| 8/1/17 | ViaWest, Inc. | Thorium DC Pte. Ltd. | \$36.8 | 100% | N/A | N/A |
| 6/30/17 | Cincinnati Data Center | Carter Validus | \$600.0 | 100% | N/A | N/A |
| 6/28/17 | Sunnyvale Data Center | Carter Validus | \$11.9 | 100% | N/A | N/A |
| 6/26/17 | Wilcon Holdings LLC | Crown Castle International | \$21.0 | 100% | N/A | N/A |
| 5/1/17 | CenturyLink, Inc. Datacenters | BC Partners | \$2,277.0 | 100% | \$626.0 | 3.6x |
| 4/4/17 | FORTRUST LLC | Dreamscape Networks Ltd. | \$2.0 | 100% | N/A | N/A |
| 2/1/17 | Netlogic | TPG Capital, L.P. | \$650.0 | 100% | N/A | N/A |
| 9/1/17 | Grand Communication | Iron Mountain Incorporated | \$128.0 | 100% | N/A | N/A |

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

(Continued from previous page)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Revenues | EV/ Revenues |
|-----------------------------------------------------|-----------------------|---------------------------------|------------------|-------------|----------------|--------------|
| 1/31/17 | DC74, LLC | Lumos Networks Corp. | \$29.5 | 100% | N/A | N/A |
| 10/17/16 | McLean Data Center | Carter Validus Mission Critical | \$85.0 | 65% | \$6.2 | 13.7x |
| 10/12/16 | M247 Limited | Metronet (UK) Ltd | \$57.9 | 100% | N/A | N/A |
| 10/6/16 | Q9 Networks Inc. | BCE Inc. | \$512.8 | 100% | N/A | N/A |
| 8/1/16 | AF-Southeast, LLC | Strome Mezzanine Fund IV | \$24.0 | 100% | N/A | N/A |
| 4/1/16 | CME Group Inc. | CyrusOne LP | \$130.0 | 100% | N/A | N/A |
| 1/29/16 | City Lifeline Limited | Redcentric plc | \$6.8 | 100% | \$5.0 | 1.4x |
| 1/15/16 | Telecity Group plc | Equinix, Inc. (REIT) | \$4,119.8 | 100% | \$532.1 | 7.7x |
| 1/31/17 | Sanity Holdings | Over the Wire | \$29.5 | 100% | N/A | N/A |
| Median of the 19 M&A Transaction Targets | | | \$71.5 | 100% | \$189.3 | 4.7X |

USA
 International
 Highest
 Lowest
 Median

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Definitions of Financial Terms Used in this Quarterly Industry Update: Enterprise Value (EV): Market Value of Equity + Market Value of Debt
—Cash Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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