

Interxion Danmark ApS

Industriparken 20 A
2750 Ballerup
Denmark

CVR no. 25 14 70 22

Annual report 2018

The annual report was presented and approved at the
Company's annual general meeting on

28 May 2019


Jacobus Johannes Camman
Chairman

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Interxion Danmark ApS
Annual report 2018
CVR no. 25 14 70 22

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Interxion Danmark ApS for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

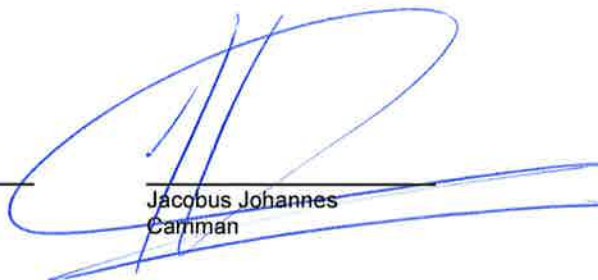
Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Ballerup, 28 May 2019
Executive Board:



Peder Frederik Bank
CEO



Jacobus Johannes
Camman



Independent auditor's report

To the shareholder of Interxion Danmark ApS

Opinion

We have audited the financial statements of Interxion Danmark ApS for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that



Independent auditor's report

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 28 May 2019

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael Sten Larsen
State Authorised
Public Accountant
mne10488

Interxion Danmark ApS
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Management's review

Company details

Interxion Danmark ApS
Industriparken 20 A
2750 Ballerup
Denmark

Telephone: +45 44 82 23 00
Fax: +45 44 82 23 01
Website: www.interxion.com

CVR no.: 25 14 70 22
Established: 15 January 2000
Registered office: Ballerup
Financial year: 1 January – 31 December

Executive Board

Peder Frederik Bank, CEO
Jacobus Johannes Camman

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
2100 Copenhagen
Denmark

Annual general meeting

The annual general meeting will be held on 28 May 2019 at the Company's address.

Management's review

Financial highlights

DKKm	2018	2017	2016	2015	2014
Key figures					
Revenue	148	128	116	107	101
Gross profit	50	46	42	43	40
Operating profit	24	25	22	18	18
Net financials	-7	1	1	-2	-3
Profit for the year	13	20	17	13	13
Assets					
Current assets	71	59	65	82	148
Total assets	404	336	277	225	80
Equity	214	199	179	161	145
Investment in property, plant and equipment	87	130	89	21	8
Ratios					
Gross margin	34%	36%	36%	40%	40%
Operating margin	16%	20%	19%	17%	18%
Return on equity	8%	11%	10%	10%	9%
Solvency ratio	50%	56%	65%	72%	73%
Employees					
Average number of full-time employees	31	25	22	21	21

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities year end}}$

Management's review

Operating review

Principal activity

Interxion Aps is providing data centre services to provide the foundation upon which companies and organizations can build and expand their digital businesses.

We offer flexible data centre solutions with direct access to networks, clouds and a connected community, allowing our customers to interconnect with other organizations to cut costs, improve the quality of your service and create value.

Development in activities and financial position

The revenue for 2018 amounts to DKK 148 compared to DKK 128.4 million in 2017. Profit for the year amounts to DKK 13.2 million compared to DKK 20.2 million in 2017.

The revenue growth in 2018 has been positive and in line with the expectations.

The profit for the year is satisfactory.

Environmental matters

Throughout 2018, Interxion has continuously worked on several energy saving initiatives to reduce the impact on the environment. These initiatives will continue in the future.

Outlook 2018

A profit is expected for the financial year 2019 on same level as 2018.

Events after the balance sheet date

No significant events have occurred after the end of the financial year that would significantly influence the financial statements for 2018.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2018	2017
Revenue		148,036	128,361
Production costs	2	<u>-98,303</u>	<u>-82,474</u>
Gross profit		49,733	45,887
Sales and distribution costs		-911	-951
Administrative expenses		<u>-25,154</u>	<u>-19,483</u>
Operating profit		23,668	25,453
Financial income	3	103	33
Financial expenses	4	<u>-6,970</u>	<u>-1,971</u>
Profit before tax		16,801	23,515
Tax on profit for the year	5	<u>-3,573</u>	<u>-3,277</u>
Profit for the year	6	<u>13,228</u>	<u>20,238</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2018	31/12 2017
ASSETS			
Fixed assets			
Property, plant and equipment			
	7		
Land and buildings		310,797	256,817
Hardware and software		1,435	956
Property, plant and equipment in progress		16,257	15,444
Fixtures and fittings, tools and equipment		922	870
Leasehold improvements		3,160	3,142
		<u>332,571</u>	<u>277,229</u>
Total fixed assets		<u>332,571</u>	<u>277,229</u>
Current assets			
Receivables			
Trade receivables		35,268	19,325
Receivables from group entities		0	28,850
Other receivables		4,748	80
Prepayments	8	1,526	1,485
		<u>41,542</u>	<u>49,740</u>
Cash at bank and in hand		<u>29,445</u>	<u>9,177</u>
Total current assets		<u>70,987</u>	<u>58,917</u>
TOTAL ASSETS		<u>403,558</u>	<u>336,146</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2018	31/12 2017
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,300	1,300
Retained earnings		213,167	198,138
Total equity		<u>214,467</u>	<u>199,438</u>
Liabilities			
Non-current liabilities other than provisions			
Loan from group entities		75,000	75,000
Deferred tax		18,984	19,307
Trade payables		217	256
		<u>94,201</u>	<u>94,563</u>
Current liabilities other than provisions			
Trade payables		18,631	20,332
Payables to group entities		30,936	0
Corporation tax		978	2,420
Other payables		3,481	2,539
Deferred income	9	30,165	5,493
Deposits		10,699	11,361
		<u>94,890</u>	<u>42,145</u>
Total liabilities		<u>189,091</u>	<u>136,708</u>
TOTAL EQUITY AND LIABILITIES		<u>403,558</u>	<u>336,146</u>
Contingent assets, liabilities and other financial obligations	10		
Related parties	11		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2018	1,300	198,138	199,438
Transferred over the profit appropriation	0	13,228	13,228
Contribution from group	0	1,801	1,801
Equity at 31 December 2018	1,300	213,167	214,467

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Interxion Danmark ApS for 2018 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Interxion Holding NV.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets purchased in foreign currencies are measured at the exchange rates at the transaction date.

Income statement

Revenue

Revenue from the sale of services is recognised in revenue provided that delivery and invoicing to the buyer have taken place before year end.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue. The revenue from signed contracts is accrued in the financial statements.

Implementation payments related to data centre contracts are accrued from inception to conclusion and recognised over the term of the contract. If the contract is cancelled, the remaining amount will be recognised as the payment is non-refundable.

Production costs

Production costs comprise costs for the operation, maintenance and depreciation of the data centre and security guard costs. In addition, production costs comprise costs related to services to customers offered by partners and sub-suppliers and staff costs, including wages and salaries.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Sales and distribution costs

Sales and distribution costs comprise costs for distribution, sale, advertising and other marketing activities, including representation and staff costs, including wages and salaries.

Administrative expenses

Administrative expenses comprise expenses for office premises, other depreciation, travel, fees for legal and auditor assistance, bad debt losses, operating leases and staff costs, including wages and salaries.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Data centre, office building, furniture and equipment are measured at cost less accumulated depreciation.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Data centre	30 years
Hardware and software	3 years
Furniture and fixtures	10-18 years
Leasehold improvements	15 years

Property, plant and equipment is written down to the lower of recoverable amount and the carrying amount.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement under depreciation.

Leases

All leases are treated as operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingencies, etc.

Receivables

Receivables are measured at amortised cost.

Write-down is made for expected bad debt losses.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in the tax rates are recognised in the income statement.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities

Trade payables are measured at net realisable value.

Deferred income

Deferred income comprises payments received in relation to subsequent financial years.

Share-based incentive schemes

The value of employee services received in exchange for warrants granted in the parent company is measured at the fair value of the warrants.

The equity-settled warrants are measured at fair value at the grant date and are recognised in the income statement as staff costs over the vesting period. The counter entry is recognised directly in equity.

At initial recognition of warrants, an estimate is made of the number of warrants that the employees are expected to vest. Subsequently, adjustments will be made to the estimate of vested warrants so that the total amount recognised as an expense will be based on the number of vested warrants.

The fair value of the warrants granted is estimated using the Black Scholes model. The calculation takes the terms and conditions related to the warrants into consideration.

2 Staff costs

DKK'000	31/12 2018	31/12 2017
Wages and salaries	18,879	13,949
Pensions	2,048	1,590
Other social security costs	194	150
Other staff costs	5,877	2,570
	<u>26,998</u>	<u>18,259</u>
Wages and salaries, pensions, other social security costs and other staff costs are recognised in the following items:		
Production costs	14,964	9,446
Sales and distribution costs	4,698	4,519
Administrative expenses	7,336	4,294
	<u>26,998</u>	<u>18,259</u>
Average number of employees	31	25

Share-based payments in the amount of DKK 1.801 thousand are included in other staff costs (2017: DKK 88 thousand).

Pursuant to section 98B(3) of the Danish Financial Statements Act, Management remuneration is not disclosed in the financial statements.

Financial statements 1 January – 31 December

Notes

3 Financial income		
DKK'000	2018	2017
Exchange rate gain	<u>103</u>	<u>33</u>
4 Financial expenses		
DKK'000	2018	2017
Interest expense to group entities	6,619	1,705
Interest expenses	15	99
Bank charges	203	99
Exchange rate loss	<u>133</u>	<u>68</u>
	<u>6,970</u>	<u>1,971</u>
5 Tax on profit for the year		
Current tax for the year	3,192	3,978
Deferred tax for the year	-323	1,037
Adjustment of tax concerning previous years	<u>704</u>	<u>-1,738</u>
	<u>3,573</u>	<u>3,277</u>
6 Proposed profit appropriation		
Retained earnings	<u>13,228</u>	<u>20,238</u>

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7 Property, plant and equipment

DKK'000	Data centre	Hardware and software	Furniture and fixtures	Leasehold improvements	Assets under construction	Total
Cost at 1 January 2018	452,444	4,605	2,679	4,671	15,444	479,843
Additions for the year	13,894	1,408	336	293	71,011	86,942
Disposals for the year	-5,472	0	0	0	0	-5,472
Transfers for the year	70,213	-15	0	0	-70,198	0
Cost at 31 December 2018	531,079	5,998	3,015	4,964	16,257	561,313
Impairment losses and Depreciation at 1 January 2018	-195,637	-3,639	-1,809	-1,529	0	-202,614
Depreciation for the year	-28,808	-924	-284	-275	0	-30,291
Impairment and depreciation of disposals for the year	4,163	0	0	0	0	4,163
Revaluations at 31 December 2018	-220,282	-4,563	-2,093	-1,804	0	-228,742
Carrying amount at 31 December 2018	310,797	1,435	922	3,160	16,257	332,571

Financial statements 1 January – 31 December

Notes

DKK'000	2018	2017
Depreciation and impairment losses are recognised as follows in the income statement:		
Production costs	28,778	23,467
Administrative expenses	<u>1,544</u>	<u>1,561</u>
	<u>30,322</u>	<u>25,028</u>

8 Prepayments

Prepayments consist of DKK 1,090 thousand in prepaid rent, DKK 38 thousand in prepaid maintenance costs and DKK 398 thousand in other prepaid costs.

9 Deferred income

Deferred income consist of revenue pre-invoiced for concurring periods.

10 Contingent assets, liabilities and other financial obligations

The Company has entered into the following operating leases and other leases at the following amounts (DKK thousand):

DKK'000	2018	2017
Rent (expires in 2020, 2021 and 2024)		
Due within one year:	5,320	6,470
Due between one and five years:	<u>7,644</u>	<u>9,151</u>
	<u>12,964</u>	<u>15,621</u>
Cars (expires in 2019, 2020, 2021 and 2022)		
Due within one year:	<u>857</u>	<u>820</u>
	<u>857</u>	<u>820</u>
Other equipment (expires in 2019 and 2020)		
Due within one year:	136	56
Due between one and five years:	<u>129</u>	<u>26</u>
	<u>265</u>	<u>82</u>

The Company can extend the leases.

The Company is jointly taxed with Interxion Real Estate VI ApS. As the administrative company, together with the other group entities included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends and interest. The jointly taxed companies' net liabilities on corporation tax payable and withholding taxes on dividends and interest to the Danish tax authorities, SKAT, amounted to DKK 0,00 thousand at 31 December 2018. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes, etc., may entail that the Company's liability will increase.

Interxion Danmark ApS

Annual report 2018

CVR no. 25 14 70 22

Financial statements 1 January – 31 December**Notes****11 Related party disclosures**

Interxion Danmark ApS' related parties comprise the following:

Control

Interxion Operational B.V. (principal shareholder), Tupolevlaan 24, 1119 NX Schiphol-Rijk, the Netherlands.

Interxion Operational B.V. holds the majority of the share capital in the Company.

Related party transactions

DKK'000	2018	2017
Purchase of goods from group companies	-	-
Purchase of services from group companies	30,173	20,090
Sale of goods to group companies	-	-
Sale of service to group companies	6,529	5,705

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note #.

Consolidated financial statements

Interxion Danmark ApS is part of the consolidated financial statements of Interxion Operational B.V., the Netherlands, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Interxion Operational B.V. can be obtained by contacting the Company.

Interxion Danmark ApS is part of the consolidated financial statements of Interxion Holding N.V., the Netherlands, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Interxion Holding N.V. can be obtained by contacting the Company or at the following website: www.interxion.com.