
Cassin Networks ApS

c/o Accura Advokatpartnerselskab, Tuborg
Boulevard 1, DK-2900 Hellerup

Annual Report for 1 January - 31 December 2021

CVR No 36 96 75 52

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
27/06 2022

Joachim Ziehm Mortensen
Chairman of the General
Meeting

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Cassin Networks ApS (the "Company") for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Hellerup, 24 June 2022

Executive Board

Susan Jennifer Simone Taylor

Independent Auditor's Report

To the Shareholder of Cassin Networks ApS

Opinion

We have audited the financial statements of Cassin Networks ApS for the financial year 1 January – 31 December 2021, which comprise 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities 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 as 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence

Independent Auditor's Report

the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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 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 note 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

Independent Auditor's Report

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 Statement Act. We did not identify any material misstatement of the Management's review.

Kolding, 27 June 2022

EY

Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Claus E. Andreasen
State Authorised Public Accountant
mne16652

Sussi Toft
State Authorised Public Accountant
mne35830

Company Information

The Company

Cassin Networks ApS
c/o Accura Advokatpartnerselskab
Tuborg Boulevard 1
DK-2900 Hellerup

CVR No: 36 96 75 52

Financial period: 1 January - 31 December 2021

Municipality of reg. office: Gentofte

Executive Board

Susan Jennifer Simone Taylor

Auditors

EY
Godkendt Revisionspartnerselskab
Trindholmsgade 4, 2.
DK-6000 Kolding

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
Key figures					
Profit/loss					
Revenue	2.923.306	2.364.527	987.203	0	0
Operating profit/loss	232.912	228.724	8.210	-110.967	-13.673
Profit/loss before financial income and expenses	226.788	168.360	7.845	-111.025	-13.673
Net financials	-9.891	17.986	-21.070	-6.080	4.813
Net profit/loss for the year	169.164	145.171	-10.453	-80.217	-8.861
Balance sheet					
Balance sheet total	13.223.663	12.619.532	11.339.930	7.685.653	3.393.258
Equity	12.490.299	12.321.135	11.003.964	6.149.417	2.482.418
Investment in property, plant and equipment	2.629.967	3.153.030	4.168.475	4.787.322	2.238.148
Number of employees	73	63	54	32	20
Ratios					
Gross margin	79,2%	85,7%	76,7%	0,0%	0,0%
Profit margin	7,8%	7,1%	0,8%	0,0%	0,0%
Return on assets	1,7%	1,3%	0,1%	-1,4%	-0,4%
Solvency ratio	94,5%	97,6%	97,0%	80,0%	73,2%
Return on equity	1,4%	1,2%	-0,1%	-1,9%	-0,7%

Management's Review

Key activities

The Company carries on the business of and activities associated with data hosting services from a data centre in Denmark.

Turnover for the year is the value of principal services supplied by the company to other group companies, net of VAT.

Development in the year

The income statement of the Company for 2021 shows a profit of TDKK 169,164, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 12,490,299.

The Company is currently constructing a data centre in a commercial park close to Odense, Denmark.

The developments in the year are in line with 2021's expected developments which is acceptable to management.

Expected Developments

The Company plans to continue to construct the data center and intends to continue its ability to operate on a going concern basis.

Principal risks and uncertainties facing the business

Financial risk management objectives and policies

The Company operates in a market which is characterised by continuous change. As a result, the Company faces risks and uncertainties which may have a significant impact on its ability to achieve continued success within its market. Further principal risks and uncertainties have been identified as follows:

- a breach of online security may result in compromising of sensitive data and information causing users to lose trust in the Platform;
- privacy issues could deter people from using the Platform;
- the loss of customers or a reduction in their advertising spend could severely impact turnover;
- a lack of innovation and new products and services may cause Meta to lose competitiveness, which could affect turnover and operating results.

Management has considered its exposure to the below risks, and does not consider the Company to have significant exposures in respect of these risks.

Management's Review

Market risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise a number of types of risk including interest rate risk and currency risk.

Foreign exchange risks

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The board of directors has a currency policy in place and the exposure to currency risk is monitored on an ongoing basis.

Interest rate risks

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company has no significant liabilities carrying interest rates, and as such management does not consider this to be a risk to the Company.

Credit risks

Credit risk is the risk that a counter party will not meet its objectives under a financial instrument or customer contract, leading to financial risk. The board of directors has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Liquidity risks

Liquidity risk is the risk that the Company will encounter difficulty in realising assets or otherwise raising funds to meet commitments. The Company monitors its risk to shortage of funds on a regular basis, its objective being to ensure sufficient funds are available to meet its obligations as they fall due.

Targets and expectations for the year ahead

Turnover increased from 2,365 DKK million in 2020 to 2,923 DKK million in 2021, an increase of 558 DKK million. This increase was attributable to the growth in intercompany activity for data hosting services.

Activity and results for 2022 are expected to be at the same level as the 2021 figures.

The directors do not anticipate any future changes in the principal activity of the Company.

Management's Review

Statement of corporate social responsibility, cf. §99a

Sec.99a statement of business model

Cassin Networks ApS as part of the Meta group 'Meta' participates in Corporate Social Responsibility ('CSR') actions and initiatives of the group following the appropriate group policies. Meta's mission is to give people the power to build community and bring the world closer together. Cassin Networks ApS carries on the business of and activities associated with data hosting services as part of the group mission.

Sec.99a human rights

Impact on Human Rights

Meta is committed to respecting human rights and monitoring and controlling major risk exposures in its business operations, product development, policies, and programming. In 2021, Meta adopted a corporate human rights policy, available at <https://about.fb.com/wp-content/uploads/2021/03/Facebooks-Corporate-Human-Rights-Policy.pdf>, that, among other elements, commits Meta to human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights, and sets out the human rights standards that Meta will strive to respect as defined in international law, as well as how Meta intends to apply these standards to its business. Meta is also a member of the Reform Government Surveillance Coalition and in 2021 joined the United Nations Global Compact. In addition, Meta intends to release a public report annually on how the group are addressing human rights concerns that stem from its products, policies, or business practices, and recently published the findings of an independent human rights impact assessment Meta conducted in the Philippines. Further, Meta created a fund that will give offline assistance to human rights defenders facing critical threats in Asia-Pacific, and supports other digital security efforts. In addition, Meta has been a member of the multi-stakeholder Global Network Initiative (GNI) since 2013 and, like other GNI members, are regularly, and independently, assessed against GNI commitments to uphold freedom of expression and privacy. There are no specific results to report for Cassin for 2021.

Sec.99a environmental issues and climate

Impact on Environment and Climate

Cassin Networks ApS is part of Meta, who has developed a sustainability program and annual reporting that covers the entire group.

At Meta, sustainability is about more than operating responsibly; it's an opportunity to support local communities and have a positive impact on the world. Meta is committed to fighting climate change, and embraces the responsibility and opportunity to impact the world beyond our operations. Meta believes sustainability is about minimizing the impact of its energy, emissions, and water usage, protecting workers and the environment in its supply chain, and partnering with others around it to develop and share solutions for a more sustainable world.

Net Zero Greenhouse Gas Emissions: Since 2020, Meta has achieved net zero greenhouse gas emissions and been 100% supported by renewable energy in its global operations, and it engages a third-party reviewer annually to validate its performance. In addition, Meta has set a goal to reach net zero

Management's Review

greenhouse gas emissions across our value chain in 2030. Meta works to align its climate program with the latest science on what is necessary to transition to a zero carbon future.

Climate Science Information: Meta launched the Climate Science Center on Facebook in 150 countries to connect people with science-based news, authoritative information, and actionable resources from more than 250 partners around the world. In 2021, Meta added a section that features facts that debunk common climate myths from climate communication experts from Monash University Climate Change Community Research Hub, the Yale Program on Climate Change Communication, and the University of Cambridge Social Decision-Making Laboratory.

Sustainable Facilities: Meta designs, builds and operates some of the most water and energy efficient facilities. Meta prioritizes water stewardship, and as a result, its data centers are over 80% more water efficient than the average data center. In 2021, Meta set a goal for its global operations to be water positive (restoring more water than it consumes) by 2030. Meta also leverages rigorous sustainable design standards so that its facilities are constructed with responsible materials, utilize natural daylight, and are energy and water conscious. Many of Meta's buildings, including all data centers, have achieved sustainable design certifications.

Supply Chain: Meta works to ensure safe, healthy, and fair working conditions in its supply chain. The Responsible Supply Chain Program provides suppliers with a framework of standards and expectations that guides and supports the partnership.

Sustainability Report: Meta publishes a group sustainability report, third-party validated data sheets, and other related information on sustainability efforts at <https://sustainability.fb.com>.

Sec.99a social and employee conditions

Social and staff matters

Meta is proud of its unique company culture where ideas, innovation, and impact win. Diversity, equity and inclusion are core to everything at Meta. Meta works to build a diverse and inclusive workplace where it can leverage collective cognitive diversity to build the best products and support the global community we serve. Meta publishes its pay equity, global gender diversity, and U.S. ethnic diversity workforce data annually, and works to support group goals of diversifying its workforce through recruiting, retention, people development, and inclusion. Meta offers competitive compensation to attract and retain the best people, and helps care for people through a holistic approach to benefits so they can focus on the group mission. Meta believes in the impact people can have when they come together and are committed to building tools and initiatives to help people make an impact in their neighborhoods and in communities around the world. Meta has ongoing efforts in a number of areas to help people in times of need, including charitable giving, crisis response, and access to health and civic information. If the company does not succeed in attracting, hiring, and integrating excellent personnel, or retaining and motivating existing personnel, it may be unable to grow effectively. Cassin average headcount grew from 63 to 73 during 2021.

Meta is committed to building a workforce that reflects the diversity of the people it serves. Since 2014, the group has publicly reported Meta's diversity metrics and shared plans to better support communities

Management's Review

of color, women, members of the LGBTQ+ community and others.

More information about the group's social efforts can be found at <https://about.fb.com/news/2021/07/facebook-diversity-report-2021/>

Sec.99a anti-corruption

Anti-corruption

Meta's Code of Conduct prohibits Meta personnel from engaging in bribery or corruption and requires Meta personnel to comply with the letter and spirit of anti-corruption, anti-bribery and anti-kickback laws wherever Meta does business. The infrastructure expansion Meta is undertaking is complex and involves projects in multiple locations around the world, including in emerging markets that expose Meta to increased risks relating to anti-corruption compliance and political challenges, among others. There are no specific results to report for Cassin for 2021.

Sec.99a COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. During the period since and up to the date of this report, the company has continued business operations with limited disruption and has remained engaged in performing its principal activities. The company will continue to monitor and assess the situation but does not expect a material adverse impact on its operations.

Sec.99b Statement on gender composition

The Company's Board of Directors consists of 1 female member. In 2021, our other management consisted of 3 people, of whom 2 were male and 1 were female. Meta has the following group policy which is applicable to Cassin Networks ApS: Our ability to serve our communities well begins with the community we build right here at Meta. We believe in openly sharing what is working—and what isn't—to increase diverse representation on our teams. And we are dedicated to building a team that reflects the diversity of the people, all around the globe, who use Meta's products and services. We continuously seek to promote positive leadership stories for our underrepresented gender, with the goal of generating greater awareness and interest in the area. Further details can be found in the 2021 Meta diversity report: <https://about.fb.com/news/2021/07/facebook-diversity-report-2021/>

Sec.99d Data ethics

The Company adheres to the data policy that covers the entire Meta group. Meta's data policy resources are available at: <https://www.facebook.com/policy.php>

Uncertainty relating to recognition and measurement

There are no uncertainties or special assumptions in relation to the recognition or measurement of amounts recorded in the financial statements.

Management's Review

Unusual events

The director has evaluated the relevant conditions and events that are known and reasonably knowable at the date that the financial statements are approved, including any ongoing impacts of coronavirus (COVID-19) which has continued to spread and cause disruption to businesses. The director has a reasonable expectation, based on their review of the projected business operations, that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements

Subsequent events

There have been no events subsequent to year ended 31 December 2021 that require disclosure.

Income Statement 1 January - 31 December 2021

	Note	2021 TDKK	2020 TDKK
Revenue	3	2.923.306	2.364.527
Cost of sales		-593.180	-319.364
Other external expenses		-15.177	-19.363
Gross profit/loss		2.314.949	2.025.800
Staff expenses	4	-97.014	-90.951
Depreciation and impairment of property, plant and equipment	5	-1.985.023	-1.706.125
Other operating expenses		-6.124	-60.364
Profit before financial income and expenses		226.788	168.360
Financial income	6	3.165	49.974
Financial expenses	7	-13.056	-31.988
Profit/loss before tax		216.897	186.346
Tax on profit/loss	8	-47.733	-41.175
Net profit/loss for the year		169.164	145.171

Balance Sheet at 31 December 2021

Assets

	Note	2021 TDKK	2020 TDKK
Land and buildings		6.950.546	7.123.864
Plant and machinery		592	804
Other fixtures and fittings, tools and equipment		3.246.320	4.444.716
Leasehold improvements		0	0
Property, plant and equipment in progress		2.464.661	459.871
Property, plant and equipment	9	12.662.119	12.029.255
Deposits		467	317
Fixed asset investments	10	467	317
Fixed assets		12.662.586	12.029.572
Receivables from group enterprises		302.417	320.224
Other receivables		206.663	145.908
Corporation tax		18.030	0
Receivables		527.110	466.132
Cash at bank and in hand	11	33.967	123.828
Currents assets		561.077	589.960
Assets		13.223.663	12.619.532

Balance Sheet at 31 December 2021

Liabilities and equity

	Note	2021 TDKK	2020 TDKK
Share capital	12	103	103
Retained earnings		12.490.196	12.321.032
Equity		12.490.299	12.321.135
Provision for deferred tax	14	54.644	7.239
Provisions		54.644	7.239
Other payables		8.509	8.414
Long-term debt	15	8.509	8.414
Credit institutions	11	163.625	0
Trade payables		407.812	226.823
Payables to group enterprises		0	891
Other payables	15	98.774	55.030
Short-term debt		670.211	282.744
Debt		678.720	291.158
Liabilities and equity		13.223.663	12.619.532
Unusual events	1		
Subsequent events	2		
Distribution of profit	13		
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
Fee to auditors appointed at the general meeting	18		
Accounting Policies	19		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	103	12.321.032	12.321.135
Net profit/loss for the year	0	169.164	169.164
Equity at 31 December	103	12.490.196	12.490.299

Notes to the Financial Statements

1 Unusual events

The director has evaluated the relevant conditions and events that are known and reasonably knowable at the date that the financial statements are approved, including any ongoing impacts of coronavirus (COVID-19) which has continued to spread and cause disruption to businesses. The director has a reasonable expectation, based on their review of the projected business operations, that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2 Subsequent events

There have been no events subsequent to year ended 31 December 2021 that require disclosure.

	<u>2021</u> TDKK	<u>2020</u> TDKK
3 Revenue		
Geographical segments		
Data hosting services, Denmark (intercompany)	2.923.306	2.364.527
	<u>2.923.306</u>	<u>2.364.527</u>
4 Staff expenses		
Wages and salaries	89.684	84.439
Pensions	6.749	5.521
Other social security expenses	331	794
Other staff expenses	250	197
	<u>97.014</u>	<u>90.951</u>
Average number of employees	<u>73</u>	<u>63</u>

The directors of the Company, during the current and previous year, were also senior executives of, and were remunerated by, other Meta entities and received no remuneration for services to this Company.

Notes to the Financial Statements

	<u>2021</u> TDKK	<u>2020</u> TDKK
5 Depreciation and impairment of property, plant and equipment		
Depreciation of property, plant and equipment	<u>1.985.023</u>	<u>1.706.125</u>
	<u>1.985.023</u>	<u>1.706.125</u>
6 Financial income		
Other financial income	5	0
Exchange adjustments	<u>3.160</u>	<u>49.974</u>
	<u>3.165</u>	<u>49.974</u>
7 Financial expenses		
Other financial expenses	526	1.161
Exchange adjustments, expenses	<u>12.530</u>	<u>30.827</u>
	<u>13.056</u>	<u>31.988</u>
8 Tax on profit/loss		
Current tax for the year	5.970	0
Deferred tax for the year	<u>41.763</u>	<u>41.175</u>
	<u>47.733</u>	<u>41.175</u>

Notes to the Financial Statements

9 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve- ments	Property, plant and equipment in progress	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	7.565.895	1.058	6.383.287	841	459.871	14.410.952
Additions for the year	132.345	0	101.352	0	2.396.270	2.629.967
Disposals for the year	0	0	-129.054	-841	-3.468	-133.363
Transfers for the year	0	0	388.012	0	-388.012	0
Cost at 31 December	7.698.240	1.058	6.743.597	0	2.464.661	16.907.556
Impairment losses and depreciation at 1 January	442.031	254	1.938.571	841	0	2.381.697
Depreciation for the year	305.663	212	1.679.148	0	0	1.985.023
Reversal of impairment and depreciation of sold assets	0	0	-120.442	-841	0	-121.283
Impairment losses and depreciation at 31 December	747.694	466	3.497.277	0	0	4.245.437
Carrying amount at 31 December 2021	6.950.546	592	3.246.320	0	2.464.661	12.662.119

10 Fixed asset investments

	Deposits TDKK
Cost at 1 January	317
Additions for the year	150
Cost at 31 December	467
Carrying amount at 31 December 2021	467

Notes to the Financial Statements

	<u>2021</u> TDKK	<u>2020</u> TDKK
11 Cash and cash equivalents		
Bank	33.967	73.198
Bank Overdrafts	163.625	0

The Company together with other legal entities in the Meta group is a member of a multi-currency notional cash pooling arrangement (the arrangement) with a third-party bank provider. Actual cash balances are not physically converted and are not commingled between participating legal entities. As part of the notional cash pool agreement, the bank extends overdraft credit to participating entities as needed, provided that the overall notionally pooled balance of all accounts in the pool at the end of each day is at least zero.

As at 31 December 2021, the overall notionally pooled balance of all accounts in the pool was in a surplus (2020: surplus).

As part of this arrangement, cash and cash equivalents amounting to TDKK 0 (2020: TDKK 73,198) which represents cash held under the cash pooling arrangement have been pledged as security against obligations of other Meta legal entities party to the notional cash pooling arrangement. This security can only be called upon if recovery from the customer holding the obligation and recovery under the guarantee with Meta Platforms, Inc. is not successful.

The terms of the Bank overdraft are as follows:

- Repayment period: Repayable on demand
- Interest rate: Determined day-to-day by the bank, based on interbank swap rates.

The closing interest rate on 31 December 2021 was 0%.

The Company is a beneficiary of a guarantee given by Meta Platforms, Inc. under the arrangement to guarantee the amounts owed to the third-party bank provider. In addition, as part of the arrangement, other Meta legal entities that are party to the cash pool arrangement have pledged as security cash held under the arrangement equal to the amount to the overdraft obligations of the Company.

The cash and cash equivalents of TDKK 33,967 and bank overdrafts of TDKK 163,625 under this arrangement are presented separately as they do not meet the criteria for offsetting.

12 Equity

The share capital consists of 103,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

Notes to the Financial Statements

	2021 <u>TDKK</u>	2020 <u>TDKK</u>
13 Distribution of profit		
Retained earnings	169.164	145.171
	169.164	145.171
14 Provision for deferred tax		
Provision for deferred tax at 1 January 2021	7.239	-38.037
Amounts recognised in the income statement for the year	41.763	41.175
Joint taxation recognized and settled through group receivables through the year	5.642	4.101
Provision for deferred tax at 31 December 2021	54.644	7.239
15 Long-term debt		
Other payables		
After 5 years	8.509	8.414
Between 1 and 5 years	0	0
Long-term part	8.509	8.414
Other short-term payables	98.774	55.030
	107.283	63.444

Other payables (long-term) relates to the accrued holiday allowance from 1 September 2019 to 31 August 2020 under the new Danish Holiday Act (the Frozen Holiday Funds).

16 Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income. Cassin Networks ApS is the administration company of the joint taxation. The Danish group companies are also jointly and severally liable for Danish withholding tax on dividend, royalties and interest.

Notes to the Financial Statements

17 Related parties

Basis

Controlling interest

Facebook International Operations Limited, Ireland	Parent Company
Meta Platforms, Inc., USA	Ultimate Parent Company

Transactions

The following were the significant related party transactions based on terms as agreed between parties during the financial year:

(a) Transactions with related parties:

Revenue:

Related party, TDKK 2.923.306 (TDKK 2.364.527 in FY 2020)

Purchases:

Related parties gain/(loss) on sale transfer of assets, TDKK 77 (TDKK -3 in FY 2020)

(b) Period end balances with related parties:

Amounts due from related parties, TDKK 302.417 (TDKK 320.224 in FY 2020)

Amounts due to related parties, TDKK 0 (TDKK 891 in FY 2020)

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Facebook International Operations Limited
4 Grand Canal Square, Dublin 2, Ireland

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Ultimate Parent Company:

Notes to the Financial Statements

17 Related parties (continued)

<u>Name</u>	<u>Place of registered office</u>
Meta Platforms, Inc.	Delaware, USA

The Group Annual Report of Meta Platforms, Inc. may be obtained at the following address:

<http://investor.fb.com/>

18 Fee to auditors appointed at the general meeting

	<u>2021</u>	<u>2020</u>
	<u>TDKK</u>	<u>TDKK</u>
EY		
Audit fee	<u>274</u>	<u>261</u>
	<u>274</u>	<u>261</u>

Notes to the Financial Statements

19 Accounting Policies

The Annual Report of Cassin Networks ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in TDKK.

Changes in accounting estimates

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, if there is an indication of a significant change since the last end of reporting date. The useful lives of some categories of assets within other fixtures and fittings, tools and equipment was revised in FY 2021 resulting in DKK 225.301.748 less depreciation. During 2021 the useful live of some connectivity assets was also revised from 3 to 4 years.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Meta Platforms, Inc., the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Notes to the Financial Statements

19 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on geographical segments based on the Company's risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segment.

Income Statement

Revenue

In accordance with IAS 18, the Company recognises revenue when services are supplied by the Company to other group companies, net of value added tax. It is derived from the Company's principal activity of the provision of data hosting services.

Cost of sales

Cost of sales comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Notes to the Financial Statements

19 Accounting Policies (continued)

Other operating expenses

Other operating expenses comprise items of a secondary nature to the main activities of the Company, including losses on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on account taxation scheme.

Tax on profit/loss

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, other than for assets under construction which are not depreciated until such time as the assets are ready for their intended use.

The estimated useful lives are as follows:

Buildings	25	years
Plant and machinery	2-5	years
Other fixtures and fittings, tools and equipment	3-5	years

Land is not depreciated.

Leasehold improvements are depreciated on the shorter of useful life or lease term.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-

Notes to the Financial Statements

19 Accounting Policies (continued)

assessed annually. These are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the tangible assets and above for the useful economic lives for each class of asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets are comprised of property, plant and equipment in progress; equipment, fixtures and fittings; and leasehold improvements. Assets under construction are not depreciated until such a time as the assets are ready for their intended use.

Impairment of non-current assets

The carrying amount of property, plant and equipment, plant and machinery and leasehold improvements are reviewed annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Fixed asset investments

Fixed asset investments consist of deposits.

Notes to the Financial Statements

19 Accounting Policies (continued)

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Deferred tax assets and liabilities

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount for financial reporting purposes and the tax base of assets and liabilities on the basis of the intended use of the asset and settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured according to 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 due to changes in the tax rate are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Notes to the Financial Statements

19 Accounting Policies (continued)

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$