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# ***Cassin Networks ApS***

c/o Plesner Advokatpartnerselskab ,  
Amerika Plads 37 , DK-2100  
København Ø

## Annual Report for 1 January - 31 December 2022

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CVR No 36 96 75 52

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company  
on 29 June 2023

Chairman of the General  
Meeting

Henrik Laursen

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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 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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.

Copenhagen, 23 June 2023

### **Executive Board**

Nisarg Pankaj Jariwala

Raj Paul Singh

# 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 2022, 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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 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 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.

## Independent Auditor's Report

- 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 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, 29 June 2023

**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 Plesner Advokatpartnerselskab  
Amerika Plads 37  
DK-2100 København Ø

CVR No: 36 96 75 52  
Financial period: 1 January - 31 December 2022  
Municipality of reg. office: København

## **Executive Board**

Nisarg Pankaj Jariwala  
Raj Paul Singh

## **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:

|  | 2022       | 2021       | 2020       | 2019       | 2018      |
|--|------------|------------|------------|------------|-----------|
|  | TDKK       | TDKK       | TDKK       | TDKK       | TDKK      |
| <b>Key figures</b>                               |            |            |            |            |           |
| <b>Profit/loss</b>                               |            |            |            |            |           |
| Revenue  | 3.062.103  | 2.923.306  | 2.364.527  | 987.203    | —         |
| Operating profit/loss                            | 224.632    | 232.912    | 228.724    | 8.210      | -110.967  |
| Profit/loss before financial income and expenses | 222.490    | 226.788    | 168.360    | 7.845      | -111.025  |
| Net financials                                   | 4.375      | -9.891     | 17.986     | -21.070    | -6.080    |
| Net profit/loss for the year                     | 173.209    | 169.164    | 145.171    | -10.453    | -80.217   |
| <b>Balance sheet</b>                             |            |            |            |            |           |
| Balance sheet total                              | 16.869.618 | 13.223.663 | 12.619.532 | 11.339.930 | 7.685.653 |
| Equity   | 14.526.681 | 12.490.299 | 12.321.135 | 11.003.964 | 6.149.417 |
| Investment in property, plant and equipment      | 5.106.889  | 2.629.967  | 3.153.030  | 4.168.475  | 4.787.322 |
| Number of employees                              | 81         | 73         | 63         | 54         | 32        |
| <b>Ratios</b>                                    |            |            |            |            |           |
| Gross margin                                     | 125,7%     | 79,2%      | 85,7%      | 76,7%      | 0,0%      |
| Profit margin                                    | 7,3%       | 7,8%       | 7,1%       | 0,8%       | 0,0%      |
| Return on assets                                 | 1,3%       | 1,7%       | 1,3%       | 0,1%       | -1,4%     |
| Solvency ratio                                   | 86,1%      | 94,5%      | 97,6%      | 97,0%      | 80,0%     |
| Return on equity                                 | 1,2%       | 1,4%       | 1,2%       | -0,1%      | -1,9%     |

# 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 2022 shows a profit of TDKK 173.209, and at 31 December 2022 the balance sheet of the Company shows equity of TDKK 14.526.681.

Turnover increased from DKK 2.923 million in 2021 to DKK 3.062 million in 2022, an increase of DKK 139 million. This increase was attributable to the growth in intercompany activity for data hosting services.

The Company has constructed a data centre in a commercial park close to Odense, Denmark.

The developments in the year are in line with 2022's expected developments which is acceptable to management.

In 2022, it was decided to cancel future development of the data center project. The decision impacts the financial statements as the carrying amounts of investments related to developing property, plant and equipment has been impaired. The cost of cancelling future development of the data center amounts to a write-off of DKK 1.9Bn in construction related costs incurred, which is reimbursed by way of indemnification by Cassin's Ultimate Parent Company (also see note 4 of the disclosure).

## Expected Developments

The Company plans to continue to operate 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.

### *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.



# Management's Review

## ***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**

Revenue and results for 2023 are expected to be at the same level as the 2022 figures.

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

## **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 as set out in the United Nations Guiding Principles on Business and Human Rights (UNGPs), and have made significant progress on our human rights journey. 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 respecting human rights as set out in the UNGPs, and other human rights standards. The Policy guides teams to build rights-respecting products, respond to emerging crises, and work to embed human rights at scale. .

In 2022, Meta published its first annual human rights report, the first in a series of steps focused on addressing potential human rights concerns that stem from our products, policies or business practices.

Meta launched an ongoing enterprise-wide training for employees to learn about Meta's commitment to human rights and to recognize how to respect human rights when building products, policies and programs. This training supports Meta's goals to innovate and build responsibly and fulfils commitments we made when we launched our human rights policy.

# Management's Review

## **Sec.99a human rights (cont'd)**

### *Impact on Human Rights (cont'd)*

Meta conducts human rights due diligence to identify human rights risks and to help the company avoid, prevent and mitigate them and has published a number of human rights impact assessments including on the Philippines, End-to-end encryption and Israel-Palestine. Based on due diligence efforts to date, the categories of salient risks for Meta include: right to freedom of opinion and expression; privacy; right to life, liberty, and security of person; rights to equality and non-discrimination; best interests of the child; and rights to public participation, to vote, be elected. The company is undertaking an enterprise-wide salient risk assessment, which is a foundational analytical project intended to help Meta appropriately identify its most salient risks as per the UNGP criteria of scope, scale, remediability, and likelihood. Our approach to human rights, our corporate policy, reports, and relevant insights arising from human rights due diligence can be found at [humanrights.fb.com/](https://humanrights.fb.com/).

There are no specific results to report for Cassin for 2022.

## **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 the communities it is a part of 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. Meta's portfolio of more than 10,000 megawatts (MW) of renewable energy makes Meta one of the largest corporate buyers of renewable energy globally, and the corporation with the largest operating portfolio in the U.S. with more than 5,500MW online. In addition, Meta have set a goal to reach net zero greenhouse gas emissions across our value chain in 2030. Meta is committed to setting a science-based reduction target that is aligned to the Science Based Targets initiative (SBTi) and have roadmapped a decarbonization strategy to systematically transform the way we do business.

**Sustainable Facilities and Communities:** 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 announced an ambitious goal to be water positive in 2030 and in 2022, joined the Water Resilience Coalition of the UN CEO Water Mandate, a cross-sector initiative to raise the ambition of corporate water stewardship and foster collective impact in priority basins. 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. Transitional risks can occur as businesses recalibrate to a cleaner, green economy. To assess our transitional climate risks, we consider potential changes to climate policies as well as technological, market and reputational risks.

# Management's Review

## **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 and inclusion are core to work at Meta. Meta seeks to build a diverse and inclusive workplace where it can leverage collective cognitive diversity to build the best products and support the global community. 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 neighbourhoods 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's average headcount grew from 73 to 81 during 2022.

Meta strives to build diverse teams across our company to further our mission. Meta is also committed to promoting diversity among the companies that do business with Meta. More information on the progress of Meta's commitment to grow and keep a workforce that is diverse, inclusive and equitable, is available at [about.fb.com/news/2022/07/metasp-diversity-report-2022/](https://about.fb.com/news/2022/07/metasp-diversity-report-2022/).

## **Sec.99a anti-corruption**

### *Anti-corruption*

Meta's Code of Conduct and Anti-Corruption Policy prohibit Meta personnel from engaging in bribery or corruption and requires Meta personnel to comply with the letter and spirit of applicable anti-corruption, anti-bribery and anti-kickback laws. 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.

Training is essential to ensure that the Code and Meta policies referenced in it are top-of-mind in daily work. Thus, all Meta personnel must continue to complete mandatory training, including training on the Code and Meta policies as required, and failure to do so could result in disciplinary action or termination of business.

There are no specific results to report for Cassin for 2022.

## **Sec.99b Executive Board**

At 31 December 2022, the Company's Executive Board consisted of 1 member in total, which means that the Company is not subject to the obligation to set a target figure for the underrepresented gender at the Executive Board pursuant to section 99b of the Danish Financial Statements Act and section 139c of the Danish Companies Act, as this obligation requires as a minimum 3 members in total.

## **Sec.99b Other managerial positions**

At the balance date (31 December 2022), the other management levels of the Company consisted of 4 people with employee responsibilities, of whom 3 were male and 1 was female. This means that the share of women and men at the other management levels is deemed equal in the sense of the Danish Financial Statements Act section 99b and the Danish Companies Act section 139 c. An equal gender balance is interpreted as a 40/60 % split or the percentage closest to 40 % without exceeding 40 % based on the total number of members. Due to the already equal gender balance, the Company is not subject to the obligations to (i) set a target figure for the underrepresented gender nor to (ii) prepare a policy to increase the number of the underrepresented gender at the other management levels of the Company.

## **Management's Review**

### ***Sec.99d Data ethics***

The Company makes use of the exemption rule in Sec. 99d number 3 of the Danish financial Statements Act.

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.

### **Going concern**

The directors have evaluated the relevant conditions and events that are known and reasonably knowable at the date that the financial statements are approved. The directors have 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 2022 that require disclosure.

## Income Statement 1 January - 31 December 2022

|  | Note | 2022<br>TDKK     | 2021<br>TDKK     |
|--|------|------------------|------------------|
| <b>Revenue</b>   | 3    | <b>3.062.103</b> | <b>2.923.306</b> |
| Other operating income                                       | 4    | 1.974.534        | —                |
| Cost of sales  |      | -1.157.881       | -593.180         |
| Other external expenses                                      |      | -28.463          | -15.177          |
| <b>Gross profit/loss</b>                                     |      | <b>3.850.293</b> | <b>2.314.949</b> |
| Staff expenses   | 5    | -97.903          | -97.014          |
| Depreciation and impairment of property, plant and equipment | 6    | -3.527.758       | -1.985.023       |
| Other operating income/expenses                              |      | -2.142           | -6.124           |
| <b>Profit before financial income and expenses</b>           |      | <b>222.490</b>   | <b>226.788</b>   |
| Financial income   | 7    | 26.573           | 3.165            |
| Financial expenses   | 8    | -22.198          | -13.056          |
| <b>Profit/loss before tax</b>                                |      | <b>226.865</b>   | <b>216.897</b>   |
| Tax on profit/loss   | 9    | -53.656          | -47.733          |
| <b>Net profit/loss for the year</b>                          |      | <b>173.209</b>   | <b>169.164</b>   |

## Balance Sheet at 31 December 2022

### Assets

|  | Note | 2022              | 2021              |
|--|------|-------------------|-------------------|
|  |      | TDKK              | TDKK              |
| Land and buildings                               |      | 6.808.338         | 6.950.546         |
| Plant and machinery                              |      | 181               | 592               |
| Other fixtures and fittings, tools and equipment |      | 2.630.200         | 3.246.320         |
| Property, plant and equipment in progress        |      | 4.732.961         | 2.464.661         |
| <b>Property, plant and equipment</b>             | 10   | <b>14.171.680</b> | <b>12.662.119</b> |
| Deposits   |      | 467               | 467               |
| <b>Fixed asset investments</b>                   | 11   | <b>467</b>        | <b>467</b>        |
| <b>Fixed assets</b>                              |      | <b>14.172.147</b> | <b>12.662.586</b> |
| Receivables from group enterprises               |      | 2.129.718         | 302.417           |
| Other receivables                                |      | 298.948           | 206.663           |
| Corporation tax                                  |      | 13.466            | 18.030            |
| <b>Receivables</b>                               |      | <b>2.442.132</b>  | <b>527.110</b>    |
| <b>Cash at bank and in hand</b>                  | 12   | <b>255.339</b>    | <b>33.967</b>     |
| <b>Currents assets</b>                           |      | <b>2.697.471</b>  | <b>561.077</b>    |
| <b>Assets</b>                                    |      | <b>16.869.618</b> | <b>13.223.663</b> |

## Balance Sheet at 31 December 2022

### Liabilities and equity

|  | Note | 2022<br>TDKK      | 2021<br>TDKK      |
|--|------|-------------------|-------------------|
| Share capital  | 13   | 103               | 103               |
| Retained earnings  |      | 14.526.578        | 12.490.196        |
| <b>Equity</b>  |      | <b>14.526.681</b> | <b>12.490.299</b> |
| Provision for deferred tax                                     | 15   | 82.114            | 54.644            |
| <b>Provisions</b>  |      | <b>82.114</b>     | <b>54.644</b>     |
| Other payables   |      | —                 | 8.509             |
| <b>Long-term debt</b>  | 16   | <b>—</b>          | <b>8.509</b>      |
| Credit institutions  | 12   | —                 | 163.625           |
| Trade payables   |      | 1.940.694         | 407.812           |
| Payables to group enterprises                                  |      | 173.909           | —                 |
| Other payables   | 16   | 146.220           | 98.774            |
| <b>Short-term debt</b>   |      | <b>2.260.823</b>  | <b>670.211</b>    |
| <b>Debt</b>  |      | <b>2.260.823</b>  | <b>678.720</b>    |
| <b>Liabilities and equity</b>                                  |      | <b>16.869.618</b> | <b>13.223.663</b> |
| Unusual events   | 1    |                   |                   |
| Subsequent events  | 2    |                   |                   |
| Distribution of profit   | 14   |                   |                   |
| Contingent assets, liabilities and other financial obligations | 17   |                   |                   |
| Related parties  | 18   |                   |                   |
| Fee to auditors appointed at the general meeting               | 19   |                   |                   |
| Accounting Policies  | 20   |                   |                   |

## Notes to the Financial Statements

| Equity 2022                  | Share capital | Retained earnings | Total             |
|------------------------------|---------------|-------------------|-------------------|
|                              | TDKK          | TDKK              | TDKK              |
| Equity at 1 January          | 103           | 12.490.196        | 12.490.299        |
| Capital Contributions        | —             | 1.863.173         | 1.863.173         |
| Net profit/loss for the year | —             | 173.209           | 173.209           |
| <b>Equity at 31 December</b> | <b>103</b>    | <b>14.526.578</b> | <b>14.526.681</b> |

| Equity 2021                  | 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 | —             | 169.164           | 169.164           |
| <b>Equity at 31 December</b> | <b>103</b>    | <b>12.490.196</b> | <b>12.490.299</b> |



# Notes to the Financial Statements

## 1 Unusual events

In 2022, it was decided to cancel future development of the data center project. The decision impacts the financial statements as the carrying amounts of investments related to developing property, plant and equipment has been impaired. The cost of cancelling future development of the data center amounts to a write-off of DKK 1.9Bn in construction related costs incurred, which is reimbursed by way of indemnification by Cassin's Ultimate Parent Company.

## 2 Subsequent events

There have been no events subsequent to year ended 31 December 2022 that require disclosure.

## 3 Revenue

|   | 2022             | 2021             |
|---|------------------|------------------|
|   | TDKK             | TDKK             |
| <b>Geographical segments</b>                  |                  |                  |
| Data hosting services, Denmark (intercompany) | 3.062.103        | 2.923.306        |
|   | <b>3.062.103</b> | <b>2.923.306</b> |

## 4 Other income

|                                |                  |          |
|--------------------------------|------------------|----------|
| Indemnification from Meta Inc. | 1.974.534        | —        |
|                                | <b>1.974.534</b> | <b>—</b> |

## 5 Staff expenses

|                                    |               |               |
|------------------------------------|---------------|---------------|
| Wages and salaries                 | 89.245        | 89.684        |
| Pensions                           | 7.761         | 6.749         |
| Other social security expenses     | 634           | 331           |
| Other staff expenses               | 263           | 250           |
|                                    | <b>97.903</b> | <b>97.014</b> |
| <b>Average number of employees</b> | <b>81</b>     | <b>73</b>     |

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.

## 6 Depreciation and impairment of property, plant and equipment

|   |                  |                  |
|---|------------------|------------------|
| Depreciation of property, plant and equipment | 1.585.770        | 1.985.023        |
| Impairment of property, plant and equipment   | 1.941.988        | —                |
|   | <b>3.527.758</b> | <b>1.985.023</b> |

## Notes to the Financial Statements

### 7 Financial income

|                        |               |              |
|------------------------|---------------|--------------|
| Other financial income | 341           | 5            |
| Exchange adjustments   | 26.232        | 3.160        |
|                        | <b>26.573</b> | <b>3.165</b> |

### 8 Financial expenses

|                                |               |               |
|--------------------------------|---------------|---------------|
| Other financial expenses       | 513           | 526           |
| Exchange adjustments, expenses | 21.685        | 12.530        |
|                                | <b>22.198</b> | <b>13.056</b> |

### 9 Tax on profit/loss

|                           |               |               |
|---------------------------|---------------|---------------|
| Current tax for the year  | 26.186        | 5.970         |
| Deferred tax for the year | 27.470        | 41.763        |
|                           | <b>53.656</b> | <b>47.733</b> |

### 10 Property, plant and equipment

|  | Land and buildings | Plant and machinery | Other fixtures and fittings, tools and equipment | Property, plant and equipment in progress | Total             |
|--|--------------------|---------------------|--|---|-------------------|
|  | TDKK               | TDKK                | TDKK   | TDKK                                      | TDKK              |
| Cost at 1 January                                      | 7.698.239          | 1.058               | 6.743.597  | 2.464.661                                 | 16.907.555        |
| Additions for the year                                 | 161.780            | —                   | 31.716   | 4.913.393                                 | 5.106.889         |
| Disposals for the year                                 | -1.975             | -332                | -124.748   | -28.992                                   | -156.047          |
| Transfers for the year                                 | —                  | —                   | 674.114  | -674.114                                  | —                 |
| Cost at 31 December                                    | 7.858.044          | 726                 | 7.324.680  | 6.674.949                                 | 21.858.399        |
| Impairment losses and depreciation at 1 January        | 747.694            | 466                 | 3.497.276  | —   | 4.245.436         |
| Depreciation for the year                              | 302.243            | 79                  | 1.283.448  | —   | 1.585.770         |
| Impairment for the year                                | —                  | —                   | —  | 1.941.988                                 | 1.941.988         |
| Reversal of impairment and depreciation of sold assets | -231               | —                   | -86.244  | —   | -86.475           |
| Impairment losses and depreciation at 31 December      | 1.049.706          | 545                 | 4.694.480  | 1.941.988                                 | 7.686.719         |
| <b>Carrying amount at 31 December 2022</b>             | <b>6.808.338</b>   | <b>181</b>          | <b>2.630.200</b>                                 | <b>4.732.961</b>                          | <b>14.171.680</b> |

# Notes to the Financial Statements

## 11 Fixed asset investments

|  | Deposits<br>TDKK  |
|--|-------------------|
| Cost at 1 January                          | 467               |
| Additions for the year                     | —                 |
| Cost at 31 December                        | <u>467</u>        |
| <b>Carrying amount at 31 December 2022</b> | <b><u>467</u></b> |

## 12 Cash and cash equivalents

|                 | 2022<br>TDKK          | 2021<br>TDKK          |
|-----------------|-----------------------|-----------------------|
| Bank            | 255.339               | 33.967                |
| Bank Overdrafts | —                     | 163.625               |
|                 | <b><u>255.339</u></b> | <b><u>197.592</u></b> |

The Company together with other legal entities in the Meta group was a member of a multi-currency notional cash pooling arrangement (the arrangement) with a third-party bank provider. Actual cash balances were not physically converted and were not commingled between participating legal entities. As part of the notional cash pool agreement, the bank extended 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 was at least zero.

On 2 December 2022, the notional cash pool agreement was terminated by the Meta group. As at 31 December 2022 therefore, the overall notionally pooled balance of all accounts in the pool was nil (2021: surplus).

The terms of the Bank overdraft were as follows:

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

The Company was 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 were party to the cash pool arrangement had pledged cash held under the arrangement as security in respect of the obligations of the Company. As the notional cash pool agreement was terminated by the Meta group on 2 December 2022, the parental guarantee by Meta Platforms, Inc. was no longer required as of 31 December 2022.

## 13 Equity

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

## Notes to the Financial Statements

### 14 Distribution of profit

|                   | 2022           | 2021           |
|-------------------|----------------|----------------|
|                   | TDKK           | TDKK           |
| Retained earnings | 173.209        | 169.164        |
|                   | <b>173.209</b> | <b>169.164</b> |

### 15 Provision for deferred tax

|  |               |               |
|--|---------------|---------------|
| Provision for deferred tax at 1 January 2022                                     | 54.644        | 7.239         |
| Amounts recognised in the income statement for the year                          | 27.470        | 41.763        |
| Joint taxation recognised and settled through group receivables through the year | —             | 5.642         |
| <b>Provision for deferred tax at 31 December 2022</b>                            | <b>82.114</b> | <b>54.644</b> |

### 16 Long-term debt

#### Other payables

|                           |                |                |
|---------------------------|----------------|----------------|
| After 5 years             | —              | 8.509          |
| Between 1 and 5 years     | —              | —              |
| Long-term part            | —              | 8.509          |
| Other short-term payables | 146.220        | 98.774         |
|                           | <b>146.220</b> | <b>107.283</b> |

### 17 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.

### 18 Related parties

#### Controlling interest

Facebook International Operations Limited, Ireland  
Meta Platforms, Inc., USA

Parent Company  
Ultimate Parent Company

# Notes to the Financial Statements

## 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 3.062.103 (TDKK 2.923.306 in FY 2021)

Other Operating income

Related party, TDKK 1.974.534 (TDKK 0 in FY 2021)

Purchases:

Related parties gain/(loss) on sale transfer of assets, TDKK 2.143 (TDKK 77 in FY 2021)

(b) Period end balances with related parties:

Amounts due from related parties, TDKK 2.129.718 (TDKK 302.417 in FY 2021)

Amounts due to related parties, TDKK 173.909 (TDKK 0 in FY 2021)

## 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  
Merrion Road, Dublin 4, Ireland

## Consolidated Financial Statements

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

| Name                 | Place of registered office |
|----------------------|----------------------------|
| Meta Platforms, Inc. | Delaware, USA              |

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

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

## 19 Fee to auditors appointed at the general meeting

|           | 2022       | 2021       |
|-----------|------------|------------|
|           | TDKK       | TDKK       |
| <b>EY</b> |            |            |
| Audit fee | 286        | 274        |
|           | <b>286</b> | <b>274</b> |

# Notes to the Financial Statements

## 20 Accounting Policies

The Annual Report of Cassin Networks ApS for 2022 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 2022 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 from 4 to 5 years in 2022. Useful lives of some connectivity assets was also revised from 4 to 5 years. This resulted in DKK 299 million less depreciation in 2022.

### 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.

### Translation policies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

Non-monetary assets and liabilities which are measured using historic cost are translated at the exchange rate at the date of the initial translation and are not subsequently retranslated. Non-monetary assets and liabilities which are measured using fair value are translated at the exchange rates at the date when the fair value was determined.

### 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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### 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.

#### Other operating income/expenses

Other operating income/expenses comprise items of a secondary nature to the main activities of the Company, including gains and 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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### 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                              | 1-3 years |
| Other fixtures and fittings, tools and equipment | 3-5 years |

Land is not depreciated.

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-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 10 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.



# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### Fixed asset investments

Fixed asset investments consist of deposits.

### 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.

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

## Notes to the Financial Statements

### 20 Accounting Policies (continued)

#### 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

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$