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# ***Dapsi International ApS***

c/o Gorrissen Federspiel, Axeltorv 2, DK-1609  
København V

## Annual Report for 1 January - 31 December 2017

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CVR No 37 24 64 33

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

29/5 2018



Chairman

Niels Bang



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## Management's Statement

The Executive Board has today considered and adopted the Annual Report of Dapsi International ApS for the financial year 1 January - 31 December 2017.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.


In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

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

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

Copenhagen, 29 May 2018

### Executive Board

  
Niall Brendan O'Sullivan

  
Nancy Mable Walker

## **Practitioner's Statement on Compilation of Financial Statements**

To the Management of Dapsi International ApS

We have compiled the Financial Statements of Dapsi International ApS for the financial year 1 January - 31 December 2017 on the basis of the Enterprise's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.


We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics, including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hellerup, 29/5-2018  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

  
Kristian Serup  
statsautoriseret revisor  
mne33371

## Company Information

### **The Company**

Dapsi International ApS  
c/o Gorrissen Federspiel  
Axeltorv 2  
DK-1609 København V

CVR No: 37 24 64 33  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

### **Executive Board**

Niall Brendan O'Sullivan  
Nancy Mable Walker

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## **Management's Review**

### **Key activities**

Dapsi International ApS is being set up to provide hosting services to other group companies.

### **Development in the year**

The income statement of the Company for 2017 shows a loss of DKK 475,678, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 116,684,647.

### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income Statement 1 January - 31 December 2017

	Note	2017 DKK	2016 DKK
Other operating income		5.810.570	0
Other external expenses		-3.800.060	-109.768
<b>Gross profit/loss</b>		<b>2.010.510</b>	<b>-109.768</b>
Depreciation and impairment of property, plant and equipment	2	-1.741.935	0
<b>Profit/loss before financial income and expenses</b>		<b>268.575</b>	<b>-109.768</b>
Financial income	3	15.526	0
Financial expenses	4	-105.600	-45.830
<b>Profit/loss before tax</b>		<b>178.501</b>	<b>-155.598</b>
Tax on profit/loss for the year	5	-654.179	265.923
<b>Net profit/loss for the year</b>		<b>-475.678</b>	<b>110.325</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-475.678	110.325
		<b>-475.678</b>	<b>110.325</b>

## Balance Sheet 31 December 2017

### Assets

	<u>Note</u>	<u>2017</u> DKK	<u>2016</u> DKK
Land and buildings		117.509.519	67.584.728
Property, plant and equipment in progress		42.761.823	11.533.396
<b>Property, plant and equipment</b>		<b>160.271.342</b>	<b>79.118.124</b>
<b>Fixed assets</b>		<b>160.271.342</b>	<b>79.118.124</b>
Receivables from group enterprises		34.232	0
Other receivables		12.034.133	238.967
Corporation tax receivable from group enterprises		0	265.923
<b>Receivables</b>		<b>12.068.365</b>	<b>504.890</b>
<b>Cash at bank and in hand</b>		<b>677.535</b>	<b>1.560.443</b>
<b>Currents assets</b>		<b>12.745.900</b>	<b>2.065.333</b>
<b>Assets</b>		<b>173.017.242</b>	<b>81.183.457</b>



## Balance Sheet 31 December 2017

### Liabilities and equity

	Note	2017 DKK	2016 DKK
Share capital		150.000	100.000
Share premium account		116.900.000	66.950.000
Retained earnings		-365.353	110.325
<b>Equity</b>	<b>6</b>	<b>116.684.647</b>	<b>67.160.325</b>
Trade payables		2.701.947	7.855.057
Payables to group enterprises		52.520.660	6.000.000
Corporation tax payable to group enterprises		422.488	0
Deferred income		687.500	168.075
<b>Short-term debt</b>		<b>56.332.595</b>	<b>14.023.132</b>
<b>Debt</b>		<b>56.332.595</b>	<b>14.023.132</b>
<b>Liabilities and equity</b>		<b>173.017.242</b>	<b>81.183.457</b>
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## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Share premium account</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	100.000	66.950.000	-2.633.432	64.416.568
Net effect of correction of material misstatements	<u>0</u>	<u>0</u>	<u>2.743.757</u>	<u>2.743.757</u>
Adjusted equity at 1 January	100.000	66.950.000	110.325	67.160.325
Cash capital increase	50.000	49.950.000	0	50.000.000
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>-475.678</u>	<u>-475.678</u>
<b>Equity at 31 December</b>	<b><u>150.000</u></b>	<b><u>116.900.000</u></b>	<b><u>-365.353</u></b>	<b><u>116.684.647</u></b>

## Notes to the Financial Statements

	<u>2017</u> DKK	<u>2016</u> DKK
<b>1 Staff expenses</b>		
Average number of employees	<u>0</u>	<u>0</u>
<b>2 Depreciation and impairment of property, plant and equipment</b>		
Depreciation of property, plant and equipment	1.741.935	0
	<u><b>1.741.935</b></u>	<u><b>0</b></u>
<b>3 Financial income</b>		
Exchange gains	15.526	0
	<u><b>15.526</b></u>	<u><b>0</b></u>
<b>4 Financial expenses</b>		
Other financial expenses	90.074	4.618
Exchange adjustments, expenses	15.526	41.212
	<u><b>105.600</b></u>	<u><b>45.830</b></u>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	422.488	-265.923
Adjustment of tax concerning previous years	231.691	0
	<u><b>654.179</b></u>	<u><b>-265.923</b></u>

## Notes to the Financial Statements

### 6 Equity

The share capital consists of 150,000 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2017	2016
	DKK	DKK
Share capital at 1 January	100.000	50.000
Capital increase	50.000	50.000
Capital decrease	0	0
<b>Share capital at 31 December</b>	<b>150.000</b>	<b>100.000</b>

### 7 Contingent assets, liabilities and other financial obligations

#### Contingent liabilities

The Company is jointly and severally liable for tax on the jointly taxed incomes etc. of the company and other Danish group companies. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income.

# Notes to the Financial Statements

## 8 Related parties

### Basis

#### Controlling interest

Moonville Limited, Ireland  
Alphabet Inc., USA

Parent Company  
Ultimate Parent Company

#### 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:

Moonville Limited  
70 Sir Rogerson's Quay  
Dublin 2  
Ireland

#### Consolidated Financial Statements

The Company is included in the Group Annual Report of:

<u>Name</u>	<u>Place of registered office</u>
Alphabet Inc.	USA

The Group Annual Report of Alphabet Inc. may be obtained at the following address:

1600 Amphitheatre Parkway, Mountain View,  
California 94043,  
USA  
[Investor.google.com](http://Investor.google.com)

# Notes to the Financial Statements

## 9 Accounting Policies

The Annual Report of Dapsi International ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2017 are presented in DKK.

### Correction of material misstatements

The Company has made a restatement of fixed assets, due to a material misstatement of CAPEX expensed through the P&L. This has an impact on the fixed assets of DKK 2,743,757 and a corresponding positive impact on the result of the year for 2015/16 and the equity end of 2016. The comparative figures have been restated to reflect this.

### 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

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.

## Notes to the Financial Statements

### 9 Accounting Policies (continued)

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

### Income Statement

#### Other external expenses

Other external expenses comprise administrative expenses, etc.

#### Amortisation, depreciation and impairment losses

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

#### Other operating income and expenses

Other operating income and other operating 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 are recognised in the income statement at the amounts relating to the financial year.

#### Tax on profit/loss for the year

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

## Notes to the Financial Statements

### 9 Accounting Policies (continued)

expected useful lives of the assets, which are:

Other buildings	2 years
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Depreciation period and residual value are reassessed annually.

#### Impairment of fixed assets

The carrying amounts of fixed assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

#### Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

#### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates 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.



## **Notes to the Financial Statements**

### **9 Accounting Policies (continued)**

#### **Financial debts**

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

#### **Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.