

DAPSI INTERNATIONAL APS

Prinsessens Kvarter 10, DK-7000 Fredericia,

ANNUAL REPORT FOR 1 JANUARY 2021 - 31 DECEMBER 2021

CVR No 37.24.64.33

The annual report was presented and adopted at the Annual General Meeting of the Company on *27 June 2022*



Chairman of the General Meeting

FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

TABLE OF CONTENTS	PAGE
MANAGEMENT'S STATEMENT AND AUDITOR'S REPORT	
MANAGEMENT'S STATEMENT	2
INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT'S REVIEW	
COMPANY INFORMATION	6
FINANCIAL HIGHLIGHTS	7
MANAGEMENT'S REVIEW	8
FINANCIAL STATEMENTS	
INCOME STATEMENT 1 JANUARY - 31 DECEMBER	9
BALANCE SHEET 31 DECEMBER	10 - 11
STATEMENT OF CHANGES IN EQUITY	12
NOTES TO THE FINANCIAL STATEMENTS	13 -20

**MANAGEMENT'S STATEMENT
For the Year Ended 31 December 2021**

The Executive Board has today considered and adopted the annual report of Dapsi International ApS for the financial year 1 January - 31 December 2021.

The annual report is 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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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.

Fredericia, 22 June 2022

Executive Board

Nancy Mable Walker Buurma
Nancy Mable Walker Buurma

Valentine Bohan
Valentine Anthony Bohan

Independent auditor's report

To the shareholders of Dapsi International ApS

Opinion

We have audited the financial statements of Dapsi International 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 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.

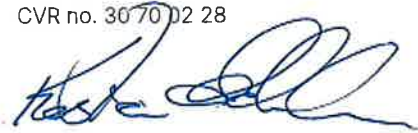
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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.

Herning, 24 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30700228



Karsten Mehlsen
State Authorised
Public Accountant
mne18473

COMPANY INFORMATION
For the Year Ended 31 December 2021

The Company

Dapsi International ApS
Prinsessens Kvarter 10
DK-7000 Fredericia

CVR No: 37.24.64.33
Financial period: 1 January- 31 December
Municipality of reg. office: Fredericia

Executive Board

Nancy Mable Walker Buurma
Valentine Anthony Bohan

Auditors

EY Godkendt Revisionspartnerselskab
Dalgasgade 27, 3
DK-7400 Herning

FINANCIAL HIGHLIGHTS

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	563,036	167,803	79,370	59,340	5,811
Operating profit/loss	44,918	51	615	385	269
Net financials	-578	-5,443	-1,453	-169	-90
Profit/(loss) for the year	34,290	-4,306	10,929	-11,033	-476
Balance sheet					
Balance sheet total	5,281,397	4,748,050	2,870,153	429,972	173,017
Equity	4,346,565	4,312,275	116,580	105,652	116,685
Investment in property, plant and equipment	4,925,347	1,928,995	2,264,087	220,912	92,262
Number of employees	32	25	8	1	0
Ratios					
Profit margin	7.8 %	(3.2)%	(1.1)%	0.4 %	3.1 %
Return on assets	0.8 %	(0.1)%	0.0 %	0.1 %	0.1 %
Solvency ratio	82.3 %	90.8 %	4.1 %	24.6 %	67.4 %
Return on equity	0.8 %	(1.4)%	9.8 %	(10.1)%	(0.5)%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

MANAGEMENT'S REVIEW
For the Year Ended 31 December 2021

Key activities

Dapsi International ApS is engaged in the provision of hosting services to other group companies.

The past year and follow up on development expectations from last year

The income statement of the Company for 2021 shows a profit of TDKK 34,290, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 4,346,565.

The Company recorded a profit before tax of TDKK 43,969 for 2021 which is an increase of TDKK 49,361 compared with 2020 and is in line with expectations.

The Company has no plans or intention to restructure, reorganize or dispose of any assets other than those reflected in these financial statements, which could materially affect the book value or the classification of assets and liabilities, presentation of the income statement or which should be disclosed in these accounts. There are no future changes anticipated in the business of the Company at this time.

Outlook

The Company expects to continue its growth in 2022 and as such revenue and profits are expected to grow by a factor of 5 - 20% in 2022.

Forward-looking statements are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those expressed in the forward looking statements.

Operating risks

As a provider of hosting services to other group companies, the Company's principal risks and uncertainties relate to scaling back its operations due to a reduction in demand for its services. The demand for its services would be impacted by the principal risks and uncertainties faced by Google Ireland Limited and Google LLC, namely:

- These businesses face intense competition. If they do not continue to innovate and provide products and services that are useful to users, they may not remain competitive, and their revenues and operating results could be adversely affected.
- These businesses generate their revenues almost entirely from advertising, and the reduction in spending by or loss of advertisers could seriously harm them.
- A variety of new and existing U.S. and foreign laws could subject these businesses to claims or otherwise harm them.

Subsequent events

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

INCOME STATEMENT
For the Year Ended 31 December 2021

	Note	2021	2020
		TDKK	TDKK
Revenue		563,036	167,803
Other external expenses		(138,551)	(125,357)
Gross profit		424,485	42,446
Staff expenses	2	(36,904)	(28,554)
Depreciation and impairment of property, plant and equipment	3	(342,663)	(13,840)
Other operating income		0	0
Other operating expenses		(371)	0
Profit before financial income and expenses		44,547	51
Financial income	4	355	0
Financial expenses	5	(932)	(5,443)
Profit/(Loss) before tax		43,969	(5,392)
Tax on profit/(loss) for the year	6	(9,679)	1,087
Profit/(loss) for the year		34,290	(4,306)

Dapsi International ApS**BALANCE SHEET**
As at 31 December 2021

Assets	Note	2021	2020
		TDKK	TDKK
Land and buildings		3,999,495	146,569
Plant and machinery		885,447	160,877
Other fixtures and fittings, tools and equipment		4,813	4,644
Property, plant and equipment in progress		280,298	4,228,438
Property, plant and equipment	7	5,170,052	4,540,529
Non-Current Prepayments		167	0
Fixed assets		5,170,219	4,540,529
Receivables from group enterprises		95,713	155,430
Other receivables		9,036	31,219
Deferred tax asset	8	2,669	20,585
Corporation tax receivable from group enterprises		3,665	0
Prepayments and other assets	9	93	287
Receivables		111,177	207,521
Currents assets		111,177	207,521
Assets		5,281,397	4,748,050

Dapsi International ApS**BALANCE SHEET
As at 31 December 2021**

Liabilities and equity	Note	2021	2020
		TDKK	TDKK
Share capital		4,200,150	4,200,150
Share premium account		116,900	116,900
Retained earnings	11	29,515	(4,775)
Equity		4,346,565	4,312,275
Lease obligations		0	335
Long-term debt	12	0	335
Lease obligations	12	0	29
Trade payables		4,025	380,841
Payables to group enterprises		795,158	43,757
Other payables	12	135,648	10,812
Short-term debt		934,832	435,440
Debt		934,832	435,775
Liabilities and equity		5,281,397	4,748,050
Contingent assets, liabilities and other financial obligations			13
Related parties			14
Accounting Policies			15

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2021

	Note	Share capital	Share premium account	Retained earnings	Total
		TDKK	TDKK	TDKK	TDKK
Equity at 1 January		4,200,150	116,900	(4,775)	4,312,275
Net profit for the year		0	0	34,290	34,290
Equity at 31 December	10	4,200,150	116,900	29,515	4,346,565

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021
1. Critical accounting estimates and judgements

Judgement is involved in determining the Company's income taxes. Where the final tax outcome of these matters differs from the amounts that were initially recognised, such differences will impact the income tax and deferred tax, in the period in which such determination is made.

2. Staff expenses

	2021	2020
	TDKK	TDKK
Wages and salaries	32,233	24,969
Pensions	2,492	1,728
Other staff expenses	2,179	1,857
	36,904	28,554
Average number of employees	32	25

3. Depreciation and impairment of property, plant and equipment

	2021	2020
	TDKK	TDKK
Depreciation of property, plant and equipment	329,419	13,840
Impairment of property, plant and equipment	13,244	0
	342,663	13,840

4. Financial income

	2021	2020
	TDKK	TDKK
Interest received from group enterprises	7	0
Other financial income	347	0
	355	0

5. Financial expenses

	2021	2020
	TDKK	TDKK
Interest paid to group enterprises	499	5,443
Other financial expenses	7	0
Foreign exchange losses	426	0
	932	5,443

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021
6. Tax on profit/(loss) for the year

	2021	2020
	TDKK	TDKK
Current tax for the year	(3,086)	0
Deferred tax for the year	17,916	(1,185)
Adjustment of tax concerning previous years	(80)	0
Adjustment of deferred tax concerning previous years	(5,071)	97
	9,679	(1,087)

7. 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 2021	150,569	175,155	5,400	4,228,438	4,559,563
Additions for the year	4,036,981	871,266	1,491	15,608	4,925,347
Disposals for the year	0	(3,859)	0	0	(3,859)
Transfers for the year	0	0	0	(3,963,749)	(3,963,749)
Cost at 31 December 2021	4,187,551	1,042,562	6,891	280,298	5,517,302
Impairment losses and depreciation at 1 January 2021	4,000	14,278	756	0	19,034
Depreciation for the year	184,056	144,040	1,322	0	329,419
Reversal of impairment and depreciation of sold assets for the year	0	0	0	0	0
Impairment and depreciation of sold assets for the year	0	(1,203)	0	0	(1,203)
Impairment losses and depreciation at 31 December 2021	188,056	157,115	2,078	0	347,249
Carrying amount at 31 December 2021	3,999,495	885,447	4,813	280,298	5,170,052

8. Deferred tax asset/liability

	2021	2020
	TDKK	TDKK
Deferred tax asset at 1 January	20,585	19,498
Amounts recognised in the income statement for the year	(17,916)	1,087
Amounts recognised in equity for the year	0	0
Deferred tax asset at 31 December	2,669	20,585

The recognised tax asset comprises loss carry-forwards expected to be utilised within the next 5 years.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021
9. Prepayments

Prepayments consist of prepaid expenses concerning rent and deposit for same and other external expenses.

10. Equity

The share capital consists of 4,200,150,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

11. Distribution of profit

	2021	2020
	TDKK	TDKK
Retained earnings	34,290	(4,306)
	<u>34,290</u>	<u>(4,306)</u>

12. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised as long-term debt.

The debt falls due for payment as specified below:

	2021	2020
	TDKK	TDKK
Lease obligations		
Long-term part	0	335
Within 1 year	0	29
	<u>0</u>	<u>364</u>
Other payables		
Other short-term payables	135,648	10,812
	<u>135,648</u>	<u>10,812</u>

13. Contingent assets, liabilities and other financial obligations

	2021	2020
	TDKK	TDKK
Rental and lease obligations	7,748	10,865

The Company has entered into rental and lease agreements.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. 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. Google Denmark is the management company of the joint taxation group.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

14. Related parties

	<u>Basis</u>
Controlling interest	
Moonville Limited, Ireland	Parent Company
Alphabet Inc., USA	Ultimate Parent Company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

The Company has no transactions which have not been on arm's length basis.

Consolidated Financial Statements

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

Name	Place of registered office
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

15. Accounting Policies

The Annual Report of Dapsi International ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in TDKK.

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 Alphabet 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
For the Year Ended 31 December 2021

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.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise cost relating to advertising, administration, premises, operating lease expenses and similar expenses.

Staff expenses

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

Depreciation and impairment of property, plant and equipment

Depreciation and impairment losses comprise 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 fixed assets.

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/(loss) for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

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 income.

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, which are:

Other fixtures and fittings, tools and equipment	1 - 5 years
Leasehold improvements	7 years
Buildings	15 - 25 years
Plant and machinery	1 - 20 years

Depreciation period and residual value are reassessed annually.

Impairment of property, plant and equipment

The carrying amounts of property, plant and equipment are assessed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

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

Fixed asset investments

Fixed asset investments consist of deposits and long term receivables.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial reporting years.

Provisions

Provisions are recognised when

- in consequence of an event occurred before or on the balance sheet date;
- the Company has a legal or constructive obligation; and
- it is probable that economic benefits must be given up to settle the obligation.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

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.

Corporation tax payable to group enterprises

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 tax on profit/(loss) for the year.

Financial debts

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

Financial Highlights

Explanation of financial ratios

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