
Dapsi International ApS

Prinsessens Kvarter 10, DK-7000 Fredericia

Annual Report for 1 January - 31 December 2020

CVR No 37 24 64 33

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
26/6 2021

Niels Bang
Chairman of the General
Meeting

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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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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, 23 June 2021

Executive Board

Nancy Mable Walker Burma

Valentine Anthony Bohan

Independent Auditor's Report

To the Shareholder of Dapsi International ApS

Opinion

We have audited the financial statements of Dapsi International ApS for the financial year 1 January – 31 December 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the

Independent Auditor's Report

financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Herning, 23 June 2021

EY

Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Karsten Mehlsen

State Authorised Public Accountant

mne18473

Company Information

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

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 2020 shows a loss of DKK 4,305,537, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 4,312,274,766.

Unusual events, risks and uncertainties - COVID-19

During the financial reporting period and up to the date of this report, the Company has carried out its business operations in line with its principal activities without significant disruption as a result of the Covid-19 pandemic.

As the ongoing impacts of the Covid-19 pandemic and resulting global market disruptions continue to evolve, at the date of this report the extent of the impact remains uncertain and difficult to predict. Such an operating environment has the potential to have an adverse impact on the Company's operations and future financial position.

Subsequent events

The Company fully commenced operations in January 2021, subsequent to the Data Centre's construction.

The Company is a for profit entity and the principal activity of the Company is to provide hosting services, through its Data Centre, to other group companies.

Through this activity, it is expected that the Company will generate future profits.

Income Statement 1 January - 31 December 2020

	Note	2020 DKK	2019 DKK
Other operating income		167.802.807	79.370.256
Other external expenses		<u>-125.357.230</u>	<u>-28.564.895</u>
Gross profit		42.445.577	50.805.361
Staff expenses	1	-28.554.498	-10.734.278
Depreciation and impairment of property, plant and equipment	2	<u>-13.840.162</u>	<u>-39.456.217</u>
Profit before financial income and expenses		50.917	614.866
Financial income		0	463.142
Financial expenses	3	<u>-5.443.342</u>	<u>-1.916.130</u>
Loss before tax		-5.392.425	-838.122
Tax on loss for the year	4	<u>1.086.888</u>	<u>11.766.679</u>
Net loss/profit for the year		<u>-4.305.537</u>	<u>10.928.557</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-4.305.537</u>	<u>10.928.557</u>
		<u>-4.305.537</u>	<u>10.928.557</u>

Balance Sheet 31 December 2020

Assets

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Land and buildings		146.569.442	145.390.402
Plant and machinery		160.877.006	13.901.233
Other fixtures and fittings, tools and equipment		4.644.248	128.250
Property, plant and equipment in progress		<u>4.228.437.962</u>	<u>2.465.073.775</u>
Property, plant and equipment		<u>4.540.528.658</u>	<u>2.624.493.660</u>
Fixed assets		<u>4.540.528.658</u>	<u>2.624.493.660</u>
Receivables from group enterprises		155.429.786	0
Other receivables		31.219.176	225.416.832
Deferred tax asset		20.585.094	19.498.206
Corporation tax		0	499.148
Prepayments		<u>287.124</u>	<u>245.345</u>
Receivables		<u>207.521.180</u>	<u>245.659.531</u>
Currents assets		<u>207.521.180</u>	<u>245.659.531</u>
Assets		<u>4.748.049.838</u>	<u>2.870.153.191</u>

Balance Sheet 31 December 2020

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		4.200.150.000	150.000
Share premium account		116.900.000	116.900.000
Retained earnings		-4.775.234	-469.697
Equity		4.312.274.766	116.580.303
Lease obligations		334.978	371.544
Other payables		0	503.160
Long-term debt	5	334.978	874.704
Lease obligations	5	29.341	22.116
Trade payables		380.840.992	808.777.225
Payables to group enterprises		43.757.488	1.913.708.169
Corporation tax payable to group enterprises		0	7.731.527
Other payables	5	10.812.273	3.320.863
Deferred income		0	19.138.284
Short-term debt		435.440.094	2.752.698.184
Debt		435.775.072	2.753.572.888
Liabilities and equity		4.748.049.838	2.870.153.191
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Statement of Changes in Equity

	Share capital	Share premium	Retained	Total
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity at 1 January	150.000	116.900.000	-469.697	116.580.303
Cash capital increase	4.200.000.000	0	0	4.200.000.000
Net profit/loss for the year	0	0	-4.305.537	-4.305.537
Equity at 31 December	<u>4.200.150.000</u>	<u>116.900.000</u>	<u>-4.775.234</u>	<u>4.312.274.766</u>

Notes to the Financial Statements

	2020	2019
	DKK	DKK
1 Staff expenses		
Wages and salaries	24.912.555	8.954.173
Pensions	1.728.342	639.843
Other social security expenses	56.928	0
Other staff expenses	1.856.673	1.140.262
	28.554.498	10.734.278
Average number of employees	25	8
2 Depreciation and impairment of property, plant and equipment		
Depreciation of property, plant and equipment	13.840.162	9.098.169
Impairment of property, plant and equipment	0	30.358.048
	13.840.162	39.456.217
3 Financial expenses		
Interest paid to group enterprises	5.443.342	1.275.159
Other financial expenses	0	177.830
Exchange adjustments, expenses	0	463.141
	5.443.342	1.916.130
4 Tax on loss for the year		
Current tax for the year	0	7.731.527
Deferred tax for the year	-1.184.199	-19.498.206
Adjustment of deferred tax concerning previous years	97.311	0
	-1.086.888	-11.766.679

Notes to the Financial Statements

5 Long-term debt

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

The debt falls due for payment as specified below:

	<u>2020</u> DKK	<u>2019</u> DKK
Lease obligations		
Between 1 and 5 years	334.978	371.544
Long-term part	334.978	371.544
Within 1 year	29.341	22.116
	<u>364.319</u>	<u>393.660</u>
Other payables		
Between 1 and 5 years	0	503.160
Long-term part	0	503.160
Other short-term payables	10.812.273	3.320.863
	<u>10.812.273</u>	<u>3.824.023</u>

6 Contingent assets, liabilities and other financial obligations

Rental and lease obligations under operating leases.

Total future payments:	<u>10.864.953</u>	<u>4.197.252</u>
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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

7 Related parties

Consolidated Financial Statements

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

Name	Place of registered office
Alphabet Inc.	USA

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Dapsi International ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

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.

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

Notes to the Financial Statements

8 Accounting Policies (continued)

Income Statement

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.

Other external expenses

Other external expenses comprise administrative 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.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on loss/profit 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 loss/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 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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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 buildings	2 years
Plant and machinery	16 months - 20 years
Other fixtures and fittings, tools and equipment	16 months - 5 years

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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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

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.