Facebook Denmark ApS
Ny Carlsberg Vej 80, 1799 Copenhagen, Denmark

CVR nr. 39 17 44 99
Annual report for the year ended 31 December 2021

This Annual Report was presented and adopted at the company's Annual General Meeting on 28 June 2022.

Chairperson

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EXECUTIVE BOARD'S REPORT

The Executive Board have today considered and adopted the annual report of Facebook Denmark ApS (the 'Company') for the financial year 1 January 2021 - 31 December 2021.

The annual report is prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and additional requirements in the Danish Financial Statements Act. The company has prepared the annual report under the provisions applying to reporting class B with reference to section 78a(1).

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.

We recommend that the annual report be adopted at the Annual General Meeting.

Copenhagen, 27 June 2022.

Executive Board
Susan Jennifer Simone Taylor
Director

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Facebook Denmark ApS

Opinion

We have audited the financial statements of Facebook Denmark ApS for the financial year 1 January – 31 December 2021, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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.

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

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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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.

INDEPENDENT AUDITOR'S REPORT

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.

- 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.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report

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.

Kolding, 27 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus E. Andreasen
State Authorised
Public Accountant
mne16652

Sussi Toft
State Authorised
Public Accountant
mne35830

FINANCIAL HIGHLIGHTS
For the year ended 31 December 2021

The Company	Facebook Denmark ApS Ny Carlsberg Vej 80 1799 Copenhagen, Denmark. Company registration Number: 39 17 44 99 Financial year: 1 January 2021 to 31 December 2021 Incorporated: 19 December 2017 Municipality of registered office: Copenhagen
Executive Board	Susan Jennifer Simone Taylor David William Kling (resigned on 1 June 2021)
Auditors	EY Godkendt Revisionspartnerselskab Trindholmsgade 4, 2. 6000 Kolding.

Financial Highlights for the year are disclosed below:

	2021	**2020**	**2019**	**2018**
	DKK'000	DKK'000	DKK'000	DKK'000
Profit				
Revenue	80,844	69,377	51,611	22,183
Operating profit	24,785	29,191	18,040	5,540
Net financial income/(expenses)	977	(6,214)	(623)	(253)
Profit for the period	19,192	17,243	13,199	3,875
Balance sheet				
Balance sheet total	488,868	398,621	292,987	229,858
Total equity	70,066	46,775	26,530	11,771
Average number of employees	20	14	10	5
Ratios				
Gross margin	98 %	98 %	100 %	89 %
Profit margin	31 %	42 %	35 %	25 %
Return on assets	5 %	7 %	6 %	2 %
Solvency ratio	14 %	12 %	9 %	5 %

MANAGEMENT REVIEW

Key activity
The principal activity of Facebook Denmark ApS is the provision of sales support and marketing services to the Meta group and to act as a reseller of advertising services to designated Danish customers.

Principal risks and uncertainties
The principal risks and uncertainties which the company are confronted with are limited by the arrangements it has in place with group companies. Such arrangements could be impacted in the event of an emergence of competitive products or services, security and privacy breaches, reductions in user engagement and difficulties attracting talent.

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

Other risks considered by management are outlined in note 23.

Developments in the year
The statement of profit or loss and other comprehensive income of the company for 2021 shows a profit of DKK19 million and at 31 December 2021 the statement of financial position of the company shows equity of DKK70 million.

At 31 December 2021, current liabilities amounted to DKK416 million and current assets DKK488 million.

The directors have evaluated the relevant conditions and events that are known and reasonably knowable at the date that the financial statements are approved, including any ongoing impacts of coronavirus (COVID-19) which has continued to spread and cause disruption to businesses. The 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
The company has signed a renewal agreement to an existing office lease in Copenhagen in April 2022.

There have been no significant events affecting the company since year end requiring adjustment to or disclosure in the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes	2021 DKK'000	2020 DKK'000
Continuing operations			
Revenue	3	80,844	69,377
Cost of sales		(1,977)	(1,654)
Gross profit		**78,867**	**67,723**
Administration expenses	5	(54,082)	(38,532)
Operating profit		**24,785**	**29,191**
Finance income	7	5,767	5,038
Finance expenses	8	(4,790)	(11,252)
Profit before tax		**25,762**	**22,977**
Income tax expense	9	(6,570)	(5,734)
Profit for the year		**19,192**	**17,243**
Total comprehensive income from continuing operations for the year:			
- attributable to owners of the parent		**19,192**	**17,243**

There is no comprehensive income or expenses other than those in the statement of profit or loss above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 12 to 37 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Notes	2021 DKK'000	2020 DKK'000
ASSETS			
Non-current assets			
Tangible assets	10	861	916
Total non-current assets		**861**	**916**
Current assets			
Trade and other receivables	12	451,569	360,663
Deferred tax assets	15	407	80
Cash and cash equivalents	13	36,031	36,962
Total current assets		488,007	397,705
Total assets		**488,868**	**398,621**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	18	50	50
Retained earnings	18	70,016	46,725
Total equity		**70,066**	**46,775**
LIABILITIES			
Non-current liabilities			
Trade and other payables	17	2,433	2,012
Current liabilities			
Trade and other payables	17	407,394	309,655
Borrowings	16	2,078	34,482
Current income tax liability		6,897	5,697
Total current liabilities		416,369	349,834
Total liabilities		**418,802**	**351,846**
Total equity and liabilities		**488,868**	**398,621**

The notes on pages 12 to 37 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

Equity attributable to owners of the parent	Share capital DKK'000	Retained earnings DKK'000	Total equity DKK'000
Balance at 1 January 2020	**50**	**26,480**	**26,530**
Profit for the year	—	17,243	17,243
Total comprehensive income for the year	—	17,243	17,243
Share-based payment transactions (note 20)	—	3,002	3,002
Balance at 31 December 2020 and 1 January 2021	**50**	**46,725**	**46,775**
Profit for the year	—	19,192	19,192
Total comprehensive income for the year	—	19,192	19,192
Share-based payment transactions (note 20)	—	4,099	4,099
Balance at 31 December 2021	**50**	**70,016**	**70,066**

The notes on pages 12 to 37 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Notes	2021 DKK'000	2020 DKK'000
Cash flows from operating activities			
Profit before tax		25,762	22,977
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation	10	2,625	2,712
Share-based payment expense	20	4,099	3,002
Finance income	7	(5,767)	(5,038)
Finance expenses	8	4,790	11,252
Operating cash flows before changes in working capital		31,509	34,905
Changes in working capital:			
Increase in trade and other receivables		(90,906)	(84,785)
Increase in trade and other payables		98,160	77,119
Income tax paid		(5,697)	(4,120)
Net cash flows from operating activities		**33,066**	**23,119**
Cash flows from financing activities			
Finance income	7	5,767	5,038
Finance expenses	8	(4,790)	(11,252)
Repayment of borrowings		(34,974)	—
Proceeds of borrowings		—	3,064
Net cash used in financing activities		**(33,997)**	**(3,150)**
Net increase/(decrease) in cash and cash equivalents		(931)	19,969
Cash and cash equivalents at the beginning of the year		36,962	16,993
Cash and cash equivalents at the end of the year	13	**36,031**	**36,962**

The notes on pages 12 to 37 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. General information

The principal activity of Facebook Denmark ApS (the Company) is the provision of sales support and marketing services to the Meta group and to act as a reseller of advertising services to Danish customers.

The Company is a limited company incorporated and domiciled in Denmark. The Company's registered number is 39 17 44 99 and the registered office is located at Ny Carlsberg Vej 80, 1799 Copenhagen, Denmark.

The Ultimate Holding Company and Ultimate Controlling Party is Meta Platforms, Inc. (formerly Facebook, Inc.), a company incorporated in Wilmington, Delaware, United States of America. The Ultimate Holding Company and controlling party of the smallest and largest group of which the Company is a member, and for which consolidated financial statements are drawn up, is Meta Platforms, Inc. The immediate parent company of the Company is Facebook Global Holdings II LLC, a company established under the laws of the state of Delaware, United States of America.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements are presented in Danish Krone ('DKK'). This is also the functional currency of the entity. Unless otherwise stated, the financial statements have been presented in thousands ('000').

The financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board and the Danish Financial Statements Act.

The financial statements are prepared under the historical cost convention, unless otherwise stated.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires the use of certain assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.16.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

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, including any ongoing impacts of coronavirus (COVID-19) which has continued to spread and cause disruption to businesses. 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 December 2021

2. Significant accounting policies - continued

2.1 Basis of preparation - continued

Recent accounting pronouncements
The following new standards and amendments are effective for the first time for periods beginning on or after 1 January 2021:

- Amendments to the Covid-19-Related Rent Concessions (Amendments to IFRS 16) Standards
- Amendments related to Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16))

The adoption of these amendments has resulted in no impact for the Company.

New and amended standards and interpretations issued but not yet effective or early adopted:

Title	Effective for annual periods beginning on or after
• Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)	1 April 2021
• Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
• Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
• Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
• Annual Improvements to IFRS Standards 2018-2020	1 January 2022
• IFRS 17 Insurance Contracts	1 January 2023
• Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2023
• Disclosure of Accounting Estimates (Amendments to IAS 1)	1 January 2023
• Disclosure of Accounting Policies (Amendments to IAS 8)	1 January 2023
• Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS)	1 January 2023

The Company expects that the adoption of the standards and/ or amendments above will have no material impact on the financial statements in the period of initial application.

2.2 Revenue

The Company recognises revenue when control of the promised goods or services are transferred to the customer for an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

Revenue is recognised for the major business activities outlined below.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 December 2021

2. Significant accounting policies - continued

2.2 Revenue - continued

Advertiser reseller revenue
The Company acts as a reseller of advertising services to designated Danish customers through a reseller agreement with another group company and generates revenues primarily through resale of advertising inventory on Facebook. These revenues consist primarily of advertising revenues generated by displaying ad products on Facebook, Instagram, Messenger, and third-party affiliated websites or mobile applications. The Company reports advertising reseller revenue net of associated direct cost of sales.

Advertiser reseller revenue comprises revenue from the display of impression-based ads in the contracted period in which the impressions are delivered. Impressions are considered delivered when an ad is displayed to a user. The Company recognises revenue from the delivery of action-based ads in the period in which a user takes the action the marketer contracted for.

Services
The Company generates revenue through service agreements with another group company for the provision of contract sales support and marketing services to the Meta group. The Company applies an output method, based on underlying financial results as agreed between parties, which is considered to faithfully depict the transfer of control to the customer.

The service fee charged is based on the level of expenses incurred by the Company in the performance of services. Where the transaction price contains variable consideration, the Company uses the most likely amount method in estimating revenue. These estimates are not constrained, as the Company assesses that it is highly probable that a significant reversal of revenue will not occur.

The Company has elected to use the practical expedient under IFRS 15, and does not adjust the amount of promised consideration for the effects of a significant financing component, as the Company expects that the period between the transfer of the service and receipt of payment will be one year or less. The Company recognises revenue when control of services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

2.3 Employee benefits

Short-term employee benefits
Short-term employee benefits, including wages and salaries, are recognised as an expense in the financial year in which the employees render the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pensions
The Company operates a defined contribution plan for certain employees. Contributions by the Company to a defined contribution pension scheme are recognised as an employee benefit expense as service is received from employees. Once contributions have been paid, the Company has no further obligations.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. Significant accounting policies - continued

2.4 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected to apply the recognition exemptions for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. The Company has also elected to apply the practical expedient to combine its lease and related non-lease components on an ongoing basis to all of its underlying classes of assets, to the extent those non-lease components are fixed and service the underlying leased asset. In addition, the Company has elected the practical expedient to apply a portfolio approach to certain equipment leases with similar characteristics where it is reasonably expected the effects on the financial statements would not differ materially from application to the individual leases within that portfolio.

Right-of-use assets and lease liabilities are recognised at the lease commencement date. At commencement date, the lease liability is equal to the present value of the lease payments not yet paid, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. At commencement date, the right-of-use asset is equal to the amount of the initial lease liability and the total amount of initial direct costs or lease payments made at or prior to commencement, less any lease incentives received.

Lease payments include fixed payments. including in-substance fixed payments, less any:

- lease incentives received;
- variable lease payments that depend on an index or rate;
- amounts expected to be paid or payable under residual value guarantees;
- the exercise price of a purchase option when the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate.

Lease payments will also include estimates of the following costs if, as a sole result of the lease agreement commencing, the Company is required to dismantle or remove an underlying asset, restore the site on which it is located on, or restore the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Other costs incurred as a result of improvements made or installation of assets performed by the Company that are subject to restoration obligations in the lease, will be accounted for as part of the cost of those assets in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'.

The lease liability is measured at amortised cost using the effective interest method. Right-of-use assets are depreciated over the lesser of the end of the useful life of the asset or the lease term, applying the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option, and includes periods covered by an option to terminate if the Company is reasonably certain not to exercise that option. When determining the probability of exercising such options, contract-based, asset-based, entity-based, and market-based factors are considered.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. Significant accounting policies - continued

2.4 Leases - continued

The carrying amount of the lease liability is remeasured to reflect reassessment or lease modification if there is a change to the future lease payments, a change to the lease term, or a change to the assessment of an option to purchase the underlying asset, extend a lease, or terminate a lease. A corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Incremental borrowing rate is defined as the rate of interest that lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. To determine the incremental borrowing rate, the Company considers its parent company's centralised treasury function, guarantees, credit risk profile, lack of publicly issued debt, and positive cash flow, in combination with the specific currency and interest rate environment of the Company.

The Company's lease agreements may contain variable costs such as common area maintenance, insurance, real estate taxes, and other. Variable lease costs are expensed as incurred in the statement of comprehensive income. The Company's lease agreements do not contain any residual value guarantees or restrictive covenants.

2.5 Foreign currencies

Transactions and balances

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.

2.6 Income tax

Income tax on the statement of comprehensive income for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax
Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. Significant accounting policies - continued

2.6 Income tax - continued

The Company shall offset current tax assets and current tax liabilities if the Company has a legally enforceable right to settle the current tax assets and liabilities, the current tax assets and liabilities relate to income taxes levied by the same taxation authority, and the Company intends to either settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Current tax is measured according to the tax rates and regulations enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and for the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced when it is probable that sufficient taxable profit will not be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company shall offset deferred tax assets and deferred tax liabilities if the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current or deferred tax assets and liabilities are not discounted.

2.7 Cash and cash equivalents

Cash and cash equivalents are short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents include cash balances on hand, held for the purpose of meeting short-term cash commitments, and bank deposits. Cash at bank and bank deposits earn interest at floating rates based on daily deposit bank rates. Bank deposits are made for varying periods depending on the immediate cash requirements of the Company and earn interest at the respective deposit interest rates.

2. Significant accounting policies - continued

2.8 Tangible assets

Tangible assets, which include right-of-use assets, are initially recognised at cost and subsequently stated at cost less depreciation and any accumulated impairment losses (if any). Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful life, less their estimated residual value. The cost of tangible assets include expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost of servicing of tangible fixed assets is charged to the statement of comprehensive income during the financial period in which they are incurred.

Each part of an item of tangible assets with a cost that is significant in relation to the total cost of the item, and which have different useful lives, are depreciated separately.

Depreciation on assets is charged using the straight-line method so as to allocate the cost of assets less their residual value over their estimated useful lives, or as it relates to right-of-use assets, the remaining lease term if shorter. Assets under construction are not depreciated until such time as the assets are ready for their intended use. The estimated useful lives are as follows:

	Estimated useful life
Buildings - right-of-use asset	Over the lease term

Depreciation is charged to administration expenses in the statement of comprehensive income.

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.

An item of tangible assets is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of tangible assets, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in the statement of comprehensive income when the item is derecognised.

Some items of tangible assets that are considered immaterial are expensed in full in the month of acquisition.

2.9 Impairment of non-financial assets

Non-financial assets are reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of to sell and value in use. Fair value less costs of disposal is determined by the amount that would be received to sell an asset in an orderly transaction between market participants. For the purposes of determining value in use, cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. Significant accounting policies - continued

2.9 Impairment of non-financial assets - continued

An assessment is made at each reporting date as to whether there is any indication that an impairment recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment was recognised. An impairment in value is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of any depreciation/amortisation, if no impairment in value had been recognised. Reversals of impairment in value are recognised in profit or loss. After such a reversal, the depreciation/amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Any impairment loss is recognised in the statement of comprehensive income.

The Company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.10 Called up share capital and reserves

Called up shares are classified as equity and recognised at fair value of the consideration received. Incremental costs directly attributable to the issuance of new shares are shown in equity as a reduction from consideration received.

2.11 Financial instruments

(a) Financial assets

Recognition, measurement and derecognition
Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ('FVTPL'), directly attributable transaction costs. A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset in its entirety, except for those subsequently measured at fair value through other comprehensive income ('FVTOCI'), the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

For derecognition of financial assets measured at FVTOCI, any cumulative gain or loss is recognised in other comprehensive income. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. Significant accounting policies - continued

2.11 Financial instruments - continued

Classification
The Company classifies its financial assets in the following measurement categories:
- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- Those to be measured at amortised cost such as debt instruments.

The classification depends on the entity's business model for managing the financial instrument and the characteristics of the contractual cash flows.

In order for a financial asset to be classified and measured at amortised cost its contractual cash flows should be 'solely payments of principal and interest' ('SPPI') on the principal amount outstanding and the financial assets should be held under a business model where cash flows result from collecting contractual cash flows. Financial assets which are debt instruments are measured at fair value through other comprehensive income where the contractual cash flows are SPPI and the assets are managed under a business model where cash flows result from both collecting contractual cash flows and selling the financial assets.

For instruments measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

The Company reclassifies debt instruments when, and only when, its business model for managing those assets changes.

Debt instruments
Subsequent measurement of debt instruments depends on the entity's business model for managing the asset and the cash flow characteristics of the asset. All the Company's debt instruments are measured at amortised cost as the assets are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest.
The Company's debt instruments consist of the following:
- Loans and receivables owed from related parties
- Trade and other receivables
- Cash and cash equivalents

Impairment
For trade receivables, including intercompany trade receivables, the entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The Company uses judgement in making assumptions around the risk of default and expected loss rates, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

For loans owed from related parties, the Company applies the general approach to providing for expected credit losses, as prescribed by IFRS 9. The general expected credit loss model under IFRS 9 requires the calculation of '12 month expected credit losses' (losses based on defaults which are possible within 12 months of the reporting date) for financial assets, unless the asset at the reporting date is not considered to be 'low credit risk' and is deemed to have had a 'significant increase in credit risk' since initial recognition, in which case lifetime expected credit losses should be recorded.

2. Significant accounting policies - continued

2.11 Financial instruments - continued

Management consider amounts due from related parties to have 'low credit risk' when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the short term.

(b) Financial liabilities
Financial liabilities at amortised cost include borrowings and trade and other payables. These financial instruments are initially measured at fair value, net of any transaction costs in the case of borrowings, and subsequently measured at amortised cost using the effective interest rate.

Borrowings are classified as current liabilities (payables due within one year), unless the Company has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

Financial liabilities are derecognised when the Company's obligations specified in the contract expire, are discharged or cancelled. Interest expense is recognised using the effective interest method.

(c) Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.12 Trade and other receivables

Amounts owed by parent and fellow subsidiary undertakings, trade receivables and other receivables are measured initially at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as amounts due after more than one year, within current assets.

The carrying amount of all trade and other receivables at the statement of financial position date approximate their fair values.

2.13 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables also comprise accrued expenses, deferred income and various taxes payables. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as payables - amounts falling due after more than one year.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

The carrying amount of all trade and other payables at the statement of financial position date approximate their fair values.

2. Significant accounting policies - continued

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation, unless the impact of discounting is immaterial. The increase in the provision due to passage of time is recognised as interest expense.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed.

2.15 Share-based payments

Meta Platforms, Inc. operates a share-based compensation plan. Employees of the Company receive remuneration in the form of equity instruments (restricted stock units "RSUs") of its Ultimate Holding Company as consideration for services rendered.

The fair value of the employee services received in exchange for the grant of the RSUs is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the RSUs granted.

Non-market performance and service conditions are included in assumptions about the number of RSUs that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Ultimate Holding Company revises its estimates of the number of RSUs that are expected to vest based on the non-market vesting conditions. The Company recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income.

When the RSUs are exercised, the Ultimate Holding Company issues new shares. The grant of equity instruments by the Ultimate Holding Company to the employees of the Company is treated as equity-settled, with a corresponding increase in equity as a contribution from the Ultimate Holding Company.

2.16 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. Significant accounting policies - continued

2.16 Critical accounting estimates and assumptions - continued

Taxation
Determining income tax provisions involves judgements on the tax treatment of certain transactions. Deferred tax is recognised on deductible temporary differences where it is probable that there will be taxable income against which these can be offset. See note 9 for further details.

2.17 Related party transactions

The Company enters into transactions with related parties in the normal course of business. The significant transactions and balances as year-end are presented in note 19.

2.18 Financial highlights

Explanation of financial ratios:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Operating profit x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Total equity x 100}}{\text{Total assets}}$

3. Revenue

Revenue is the value of the principal services supplied by the Company, net of value added tax. The principal services are disclosed in note 2.2.

All revenue recognised relates to revenue from contracts with customers.

	2021 DKK'000	2020 DKK'000
Advertising reseller revenue	53,596	51,884
Sales support and marketing services revenue	27,248	17,493
Total revenue	80,844	69,377

As detailed in note 2.2, the Company reports advertising reseller revenue and associated direct cost of sales for reseller activity on a net basis. The table below provides a reconciliation between gross amounts from advertisers and others with the advertising reseller revenue reported:

	2021 DKK'000	2020 DKK'000
Gross amounts from advertisers and others	1,178,590	936,314
Cost of sales - reseller expense	(1,097,746)	(866,937)
Advertising reseller and other revenue	80,844	69,377

4. Employees and directors

	2021 DKK'000	2020 DKK'000
Employee benefits:		
Wages and salaries	33,516	22,690
Pension costs	1,993	1,414
Other benefits	112	—
Other social security costs	11	11
Share-based payment (note 20)	4,099	3,002
Total employee benefits expenses	39,731	27,117

	2021	2020
The average number of employees of the company (including directors) during the year was as follows:		
Sales	20	14

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

5. Operating profit

	2021	2020
	DKK'000	DKK'000
Expenses by nature		
The profit on ordinary activities before taxation is arrived at after charging:		
Employee benefits (note 4)	39,731	27,117
Depreciation of tangible assets	2,625	2,712
Rental expense	6	283
Donations	630	561
Auditor's remuneration (note 6)	171	219
Bad debt	1,746	19
Professional fees	5,065	4,388
Marketing costs	1,342	939
Travelling, accommodation and entertainment	3	809
Other administration expenses	2,763	1,485
Total	54,082	38,532

6. Auditor's remuneration

	2021	2020
	DKK'000	DKK'000
During the year the company obtained the following services from its auditor:		
Audit of entity financial statements	171	219

Fees paid to the Company's statutory auditors, EY, in respect of the financial year, relate to statutory audit and other assurance services provided to the Company.

7. Finance income

	2021	2020
	DKK'000	DKK'000
Foreign exchange gains	5,767	5,038

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

8. Finance expenses

	2021 DKK'000	2020 DKK'000
Bank interest expense	442	541
Interest expense relating to lease liabilities (note 11)	—	6
Foreign exchange loss	4,348	10,705
Total finance expenses	4,790	11,252

9. Income tax expense

	2021 DKK'000	2020 DKK'000
Tax expense included in profit or loss		
Current tax:		
Corporation tax on profit on ordinary activities	6,897	5,697
Current tax charge for the financial year	6,897	5,697
Deferred tax		
Deferred tax (credit)/charge	(327)	37
Total income tax expense	6,570	5,734

Reconciliation of the expected tax charge at the statutory tax rate to the actual tax charge at the effective rate	2021 DKK'000	2020 DKK'000
The assessed tax charge for the year is different to the rate of corporation tax in Denmark (22.00%).The differences are explained below:		
Profit on ordinary activities before tax	25,762	22,977
Profit on ordinary activities multiplied by rate of corporation tax in Denmark	5,668	5,055
Effects of:		
Expenses not deductible for tax purposes	902	679
Income tax expense recognised in profit or loss	6,570	5,734

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

10. Tangible assets

	Buildings	Total
At 31 December 2021	DKK'000	DKK'000
Cost		
At 1 January 2021	3,628	3,628
Additions	2,570	2,570
At 31 December 2021	6,198	6,198
Depreciation		
At 1 January 2021	2,712	2,712
Charge for the year	2,625	2,625
At 31 December 2021	5,337	5,337
Net book values		
At 31 December 2021	861	861
At 31 December 2020	916	916

Right-of-use assets amounting to DKK0.86 million (2020: 0.92 million) are included within tangible assets. See note 11 for further detail.

11. Leases

The Company has entered into various non-cancelable lease agreements for a certain number of our buildings. These leases have lease periods expiring in 2022. Certain leases include one or more options to renew. The Company does not include renewals in the determination of the lease term unless the renewals are deemed to be reasonably certain. Information presented below should be considered in conjunction with notes 2.4.

	Buildings	Total
	DKK'000	DKK'000
Right-of-use assets		
Depreciation - 2020 charge	(2,712)	(2,712)
At 31 December 2020	**916**	**916**
Depreciation - 2021 charge	(2,625)	(2,625)
At 31 December 2021	**861**	**861**

Right-of-use assets are included within 'Tangible assets' in the statement of financial position.

Additions to the right-of-use assets during 2021 were DKK 2.57 million (2020: DKK3.63 million).

Lease liabilities
The following is an analysis of lease liabilities as of 31 December 2021, by relevant maturity groupings based on contractual maturities.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

11. Leases - continued

Lease liabilities	2021 DKK'000	2020 DKK'000
Not later than 1 year	643	857
Total undiscounted lease liabilities	**643**	**857**
Less imputed interest	—	—
Lease liabilities as at 31 December	**643**	**857**
Of which are:		
Current	643	857

Current and non-current lease liabilities are included within 'Borrowings' in the statement of financial position.

The following amounts related to leases were recognised in the statement of comprehensive income:

	2021 DKK'000	2020 DKK'000
Interest expense	—	6
Variable lease expense	176	25

Total cash outflows in relation to leases in 2021 were DKK2.96 million (2020: DKK 2.80 million).

12. Trade and other receivables

	2021 DKK'000	2020 DKK'000
Current assets		
Trade receivables	288,936	206,758
Amounts owed by related parties	162,633	153,295
Prepayments	—	610
Total current assets - trade and other receivables	451,569	360,663
Amounts owed by group subsidiary undertakings are analysed as:		
Trade receivables	162,633	153,295

Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

Amounts owed by parent and fellow subsidiary undertakings are trade related, unsecured, interest free and are repayable on demand.

13. Cash and cash equivalents

	2021	2020
	DKK'000	DKK'000
Cash at bank and in hand	36,031	36,962

Cash and cash equivalents are held with banks and financial institution counterparties which are rated investment grade by external credit rating agencies and are considered to have low credit risk. The maximum maturity of cash and cash equivalents is three months. Cash at bank earns interest at floating rates based on daily deposit rates.

15. Deferred tax

	2021	2020
	DKK'000	DKK'000
Deferred tax assets (deductible temporary differences):		
Property, plant and equipment	17	73
Provisions	390	7
Total	407	80

Movement in deferred tax assets and liabilities during the year were as follows:

At 31 December 2020	80
Profit or loss	327
At 31 December 2021	407

The deferred tax asset of DKK0.41 million (2020: DKK0.08 million) has been recognised on the basis it is probable there will be sufficient future taxable profits against which the deductible temporary differences can be utilised.

16. Borrowings

	2021	2020
	DKK'000	DKK'000
Current		
Bank overdrafts	1,435	33,625
Lease liabilities	643	857
Total current liabilities – borrowings	2,078	34,482

Bank overdrafts

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

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

16. Borrowings - continued

The terms of the bank overdraft are as follows:

- Repayment period: Repayable on demand
- Interest rate: Determined day-to-day by the bank, based on overnight interbank/swap rates. The closing interest rate on 31 December 2021 for DKK balances was 0.0% (2020: 0.0%).

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

Lease liabilities
See note 11 for further detail relating to lease liabilities.

17. Trade and other payables

	2021	2020
	DKK'000	DKK'000
(a) Current liabilities:		
Trade payables	255	633
Amounts owed to related parties	365,582	279,205
VAT payable	32,953	26,137
Deferred revenue	157	269
Accruals	8,447	3,411
Total current liabilities – trade and other payables	407,394	309,655

Trade creditors are non-interest bearing and are usually settled on 30-60 day terms.

The carrying amounts of all trade and other creditors at the statement of financial position date approximated their fair values.

Amounts owed to parent and fellow subsidiary undertakings are trade related, unsecured, non-interest bearing and repayable on demand.

	2021	2020
	DKK'000	DKK'000
(b) Non-current liabilities:		
Other payables	2,433	2,012

Other payables relates to the accrued holiday allowance under the Danish Holiday Act, which is presented as long-term payables at 31 December 2021. All 20 persons employed by the company at year end, are expected to retire in more than 5 years and therefore expected maturity of the debt is greater than 5 years.

18. Called up share capital and reserves

	2021	2020
	DKK'000	DKK'000
Authorised equity		
50,000 ordinary shares of DKK1 each	50	50
Ordinary shares issued and fully paid		
50,000 ordinary shares of DKK1 each	50	50

Share capital
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

All shares carry equal voting rights. All shares issued are fully paid. Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Retained earnings
Retained earnings represents accumulated profit and loss for the financial period plus transfers in relation to reduction of share capital less dividends paid.

19. Related party transactions

The Company has a related party relationship with its intermediate parent, Ultimate Parent Company, and other related group companies. Related party transactions entered into by the Company are contracted in the normal course of operations at an arm's length basis.

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

(a) Transactions with related parties

	2021	2020
	DKK'000	DKK'000
Sales of services	27,248	17,493

Sales of services are transacted with the Company's other related entities in accordance with sales support and marketing services agreements.

	2021	2020
	DKK'000	DKK'000
Purchases of services	1,097,746	866,937

19. Related party transactions - continued

The Company pays for advertising inventory to other related parties in accordance with an advertising reseller agreement. 'Advertising inventory' shall mean the advertising or other content inventory available for display through the Facebook Online Platform, including, but not limited to, audio spots and videos.

(b) Period end balances arising from sales/purchases of services:

	2021 DKK'000	2020 DKK'000
Amounts due from related parties (note 12)	162,633	153,295
Amounts due to related parties (note 17)	365,582	279,205

The amounts due from related parties arise mainly from sale transactions and are settled in accordance with intercompany agreements. In relation to amount due from related parties, no loss provisions have been made at the reporting date (2020: none), and no expense has been recognised during the period in respect of loss provisions (2020: none).

The payables to related parties arise mainly from purchase transactions and are settled in accordance with intercompany agreements. The payables bear no interest.

20. Share-based payment

At 31 December 2021 Meta Platforms, Inc. had one active stock-based employee compensation plans (the 2012 Equity Incentive Plan ('the Plan)) under which new awards may be granted. Awards may include incentive share options, non-statutory share options, share purchase rights or restricted ordinary shares. The Company has granted only RSUs to employees of Facebook Denmark ApS. RSUs may be settled in cash or equity. The Company intends to equity settle all RSUs. The vesting condition of the RSUs is that the employees must remain in employment until the initial vesting event.

The Plan permits the grant of RSUs over ordinary shares (class B common stock) in Meta Platforms, Inc. The per-share exercise price of RSUs granted is generally nil.

The fair value of each RSU is estimated on the date of grant as the share price at the date of grant.

RSUs are granted to employees under the Plan upon hire or based on performance criteria established by management. RSUs are subject to forfeiture if the employee terminates employment with the Company or other group companies prior to vesting conditions being satisfied. RSUs are independent of ordinary share options.

During the vesting period, ownership of the shares cannot be transferred. Once shares are issued pursuant to the terms of an RSU agreement, these shares have the same dividend and voting rights as other ordinary shares.

The weighted average share price during the year for RSUs settled was DKK2,013.75(US$321.11), (2020: DKK1,535.93 (US$234.40)).

20. Share-based payment - continued

The total charge for the year relating to employee share-based payment plans was DKK4.10 million (US$0.65 million), (2020: DKK3.00 million (US$0.45 million)).

The fair value of RSUs granted in the year was DKK1,853.87 (US$297.51) (2020: DKK1,112.24 (US$165.54).

	2021 RSUs Number	2020 RSUs Number
A reconciliation of movements in the number of RSUs outstanding are as follows:		
Outstanding at 1 January	4,377	4,631
Granted	3,661	1,684
Movements*	3,090	—
Settled	(2,823)	(1,938)
Outstanding at 31 December	8,305	4,377

**This accounts for the net change in outstanding awards due to employee transfers across territories*

21. Contingencies and commitments

Contingencies and guarantee
The Danish group (the '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 Group companies are also jointly and severally liable for Danish withholding tax on dividend, royalties and interest.

There were no material contingent liabilities requiring disclosure as at 31 December 2021.

22. Controlling parties

At 31 December 2021, the Company is a wholly-owned subsidiary of Facebook Global Holdings II LLC, a company incorporated in the state of Delaware, United States of America, its registered office being 251 Little Falls Drive, Wilmington DE 19808, United States.

The Ultimate Holding Company and Ultimate Controlling Party is Meta Platforms, Inc. (formerly Facebook, Inc.), a company incorporated in Wilmington, Delaware, United States of America. The Ultimate Holding Company and controlling party of the smallest and largest group of which the Company is a member, and for which consolidated financial statements are drawn up, is Meta Platforms, Inc. The Facebook website is located at www.facebook.com.

23. Financial risk management

The Company maintains positions in a variety of non-derivative financial instruments. The Company's activities expose it to various types of risk that are associated with the financial instruments and markets in which it operates. The most important types of financial risk to which the Company is exposed are market risk, credit risk and liquidity risk.

23. Financial risk management - continued

The following sections provide details regarding the Company's exposure to the above-mentioned financial risk and objectives, policies and processes for the management of these risks. There have been no changes to the management of these risks from prior year.

a) Market risk

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 risk includes currency risk, price risk and interest rate risk.

(i) Currency risk

Currency risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency. The Company has limited exposure to foreign exchange risk.

The Company holds no balances denominated in currencies other than the Company's functional currency as at the reporting date and has partaken in minimal foreign currency transactions during the year. Therefore, as at the reporting date, any exposure to foreign currency risk was deemed to not have a material effect on the financial statements. The carrying amounts of the Company's financial assets and liabilities are all denominated in the Company's functional currency.

(ii) Price risk

The Company holds no quoted investments and is therefore not exposed to equity securities price risk.

(iii) *Interest rate risk*

Interest rate risk is the risk that the fair value of the Company's financial instruments will fluctuate due to changes in market interest rates. Cash at bank earns interest at floating rates based on daily bank deposit rates. The Company's exposure to interest-rate risk arises from its bank overdraft. As a result, the Company does not face significant exposure to fair value or cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates therefore management does not consider this to be a risk to the Company.

b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. A credit policy is in place.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2021	2020
	DKK'000	DKK'000
Cash and cash equivalents	36,031	36,962
Amounts due from related parties	162,633	153,295
Trade receivables – external	288,936	206,758
Total	487,600	397,015

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

23. Financial risk management - continued

Cash and cash equivalents
Substantially, all of the cash of the Company is held by Citibank. Bankruptcy or insolvency by this bank may cause the Company's rights with respect to the cash held to be delayed or limited. The Company selected Citibank as a banking partner on the basis of it being a reputable financial institution with a low risk of bankruptcy and insolvency. The expected credit loss on cash and cash equivalents at 31 December 2021 was not material.

Amounts due from related parties
For amounts due from related parties, the Company applies the general approach to providing for expected credit losses prescribed by IFRS 9. The general expected credit loss model under IFRS 9 requires the calculation of '12 month expected credit losses' (losses based on defaults which are possible within 12 months of the reporting date) for financial assets, unless the asset at the reporting date is not considered to be 'low credit risk' and is deemed to have had a 'significant increase in credit risk' since initial recognition, in which case lifetime expected credit losses should be recorded. Management consider amounts due from related parties to have 'low credit risk' when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the short term.

The Company uses judgement in making assumptions around the risk of default and expected loss rates, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

As at the end of the current and prior periods, the allowance for impairment on amounts due from related parties was not deemed to be material to the financial statements, and all of the above assets were deemed to have low credit risk at the reporting date.

Trade receivables
Trade receivable are derived from revenues earned from customers. The risk with respect to accounts receivable is partially mitigated by ongoing credit evaluations. The Company performs ongoing credit evaluations of its customers to determine credit worthiness. Credit lines are granted and approved in accordance with company policy and an approved authority matrix.

IFRS 9 Financial Instruments includes the requirements for calculating provisions for impairment of financial assets. Default from trade receivables is not considered a significant risk for the Company, as the Company has historically not experienced instances of material bad debt write-offs.

The Company determines the appropriate level of provisioning required based on historical experience of receivables that subsequently default on payment during the life cycle of trade receivables. This provision is based on historical experience of the previous three months.

The Company also incorporates forward looking information into the calculation of provisions where such information indicates that further default beyond that anticipated by management could arise, due to wider macro-economic factors.

In addition to these receivables, separate provisions are created for those receivables that are subject to bankruptcy or where a specific reserve outside of the above provision process is deemed necessary.

The following table presents the age profile and the maximum credit exposure (total gross amount receivable) relating to assets included on the Company's statement of financial position at 31 December 2021:

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For the year ended 31 December 2021

23. Financial risk management - continued

	Year ended 31 December 2021		
	Gross amount receivable	Loss allowance	Net amount receivable
	DKK'000	DKK'000	DKK'000
Not past due	287,307	(1,774)	285,533
Past due < 30 days	3,431	—	3,431
Past due > 30 days	(58)	—	(58)
Past due 60 - 90 days	177	—	177
Past due > 90 days	(147)	—	(147)
Total	290,710	(1,774)	288,936

	Year ended 31 December 2020		
	Gross amount receivable	Loss allowance	Net amount receivable
	DKK'000	DKK'000	DKK'000
Not past due	119,914	(31)	119,883
Past due < 30 days	80,534	—	80,534
Past due > 30 days	6,332	—	6,332
Past due 60 - 90 days	—	—	—
Past due > 90 days	1	—	1
Total	206,781	(31)	206,750

Other receivables
As at the end of the current and prior reporting dates, the provision for impairment on other receivables was not deemed to be material to the financial statements, with the carrying amount in the statement of financial position reflecting the maximum exposure to credit risk.

The Company uses judgement in making assumptions around the risk of default and expected loss rates, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Other receivables are considered to be low risk when they have a low risk of default and the issuer has strong capacity to meet its contractual cash flow obligations in the near term.

c) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to ensure sufficient funds are available to meet its obligations as they fall due. The Company's trade and other payables as well as borrowings as at 31 December 2021 are payable in less than three months.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

24. Subsequent events

The company has signed a renewal agreement to an existing office lease in Copenhagen in April 2022.

There have been no other significant events affecting the Company since year end requiring adjustment to or disclosure in the financial statements.

25. Approval of financial statements

The financial statements were approved and authorised for issue by the directors on 27 June 2022.