
Notitia Networks ApS

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

Annual Report for 1 January - 31 December 2023

CVR No 39 38 44 85

The Annual Report was
presented and adopted
at the Annual General
Meeting of the Company
on 21 June 2024

Henrik Laursen Chairman of
the General Meeting

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Notitia Networks ApS (the "Company") for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company's operations for 2023.

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

Copenhagen, 14 June 2024

Executive Board

Eleanor Mary Daly

Petra Lindner

Adam O'Reilly

Independent Auditor's Report

To the Management of Notitia Networks ApS

Opinion

We have audited the financial statements of Notitia Networks ApS for the financial year 1 January - 31 December 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of matter regarding the audit

With effect from the current financial year, the Company is subject to statutory audit. As shown in the financial statements, the comparative figures in the financial statements have therefore not been audited.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's Review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Vejle, 14 June 2024

EY Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Claus E. Andreasen
State Authorised
Public Accountant
mne16652

Company Information

The Company

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

CVR No: 39 38 44 85
Financial period: 1 January - 31 December 2023
Municipality of reg. office: København

Executive Board

Eleanor Mary Daly
Petra Lindner
Adam O'Reilly

Auditors

EY Godkendt Revisionspartnerselskab
Lysholt Allé 10
DK-7100 Vejle

Financial Highlights

Financial highlights for the year are disclosed below:

	2023	Not audited
	DKK	2022
		DKK
Profit		
Revenue	—	—
Operating loss	(5.551.504)	(90.600.617)
Net financial expenses	860.714	(327.158)
Loss for the period	(3.758.730)	(86.913.388)
Balance sheet		
Balance sheet total	352.153.777	363.238.459
Total equity	348.230.758	351.989.488
Investment in property plant and equipment	312.121.195	302.583.673
Average number of employees	—	—
Ratios		
Gross margin	—	—
Profit margin	—	—
Return on assets	-1 %	-24 %
Solvency ratio	99 %	97 %

Management's Review

Key activity

The Company was founded with the intention to carry on the business of and activities associated with data hosting services. In 2023, the Company continued to incur data center design, exploration and development costs on the purchased land in Esbjerg which have been capitalized in Property, plant and equipment.

Principal risks and uncertainties

Financial risk management objectives and policies

The Company operates in a market which is characterised by continuous change. As a result, the Company faces risks and uncertainties which may have a significant impact on its ability to achieve continued success within its market.

Management has considered its exposure to the below risks, and does not consider the Company to have significant exposures in respect of these risks.

Market risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise a number of types of risk including interest rate risk and currency risk.

Foreign exchange risks

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The board of directors has a currency policy in place and the exposure to currency risk is monitored on an ongoing basis.

Interest rate risks

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company has no significant liabilities carrying interest rates, and as such management does not consider this to be a risk to the Company.

Credit risks

Credit risk is the risk that a counter party will not meet its objectives under a financial instrument or customer contract, leading to financial risk. The board of directors has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Developments in the year

The income statement of the Company for the year shows a loss of DKK4 million and at 31 December 2023 the balance sheet of the Company shows equity of DKK348 million.

At 31 December 2023, current liabilities amounted to DKK4 million and current assets DKK40 million.

Management's Review

Going Concern

The directors have evaluated the relevant conditions and events that are known and reasonably knowable at the date that the financial statements are approved. The directors have a reasonable expectation, that the company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Subsequent events

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

Income Statement 1 January - 31 December 2023

	Note	2023 DKK	Not audited 2022 DKK
Gross loss		(5.099.888)	(17.917.510)
Impairment losses, property, plant and equipment	2	<u>(451.616)</u>	<u>(72.683.107)</u>
Loss before financial income and expenses		(5.551.504)	(90.600.617)
Financial income		861.866	145.537
Financial expenses		<u>(1.152)</u>	<u>(472.695)</u>
Loss before tax		(4.690.790)	(90.927.775)
Tax on loss for the year	1	<u>932.060</u>	<u>4.014.387</u>
Net loss for the year		<u>(3.758.730)</u>	<u>(86.913.388)</u>
Distribution of loss			
Proposed distribution of loss			
Retained earnings		<u>(3.758.730)</u>	<u>(86.913.388)</u>
		<u>(3.758.730)</u>	<u>(86.913.388)</u>

Balance Sheet 31 December 2023

	Note	2023 DKK	Not audited 2022 DKK
Assets			
Land and buildings		227.103.009	223.499.151
Property, plant and equipment in progress		85.018.186	79.084.522
Property, plant and equipment	2	312.121.195	302.583.673
Fixed assets		312.121.195	302.583.673
Receivables from group enterprises		532.648	91.901
Other receivables		1.907.077	15.369.478
Deferred tax asset		5.780.484	5.381.072
Receivables		8.220.209	20.842.451
Cash at bank and in hand	3	31.812.373	39.812.335
Currents assets		40.032.582	60.654.786
Assets		352.153.777	363.238.459
Liabilities and equity			
Share capital		50.000	50.000
Retained earnings		348.180.758	351.939.488
Equity		348.230.758	351.989.488
Trade payables		3.923.019	11.248.971
Short-term debt		3.923.019	11.248.971
Liabilities		3.923.019	11.248.971
Liabilities and equity		352.153.777	363.238.459
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2023	50.000	351.939.488	351.989.488
Net loss for the year	—	(3.758.730)	(3.758.730)
Equity at 31 December 2023	50.000	348.180.758	348.230.758

Notes to the Financial Statements

	2023	Not audited 2022
	DKK	DKK
1 Tax on loss for the year		
Current tax		
For the year	—	—
For prior year	(532.648)	—
	<u>(532.648)</u>	<u>—</u>
Deferred tax		
For the year	(932.618)	(4.014.387)
For prior year	533.206	—
	<u>(399.412)</u>	<u>(4.014.387)</u>
	<u>(932.060)</u>	<u>(4.014.387)</u>

2 Property, plant and equipment

	Land and buildings	Property, plant and equipment in progress	Total
	DKK	DKK	DKK
Cost at 1 January 2023	223.499.151	151.767.629	375.266.780
Additions	3.603.858	6.385.280	9.989.138
Disposals for the year	—	(73.134.723)	(73.134.723)
Cost at 31 December 2023	<u>227.103.009</u>	<u>85.018.186</u>	<u>312.121.195</u>
Impairment losses and depreciation at 1 January 2023	—	(72.683.107)	(72.683.107)
Impairment losses for the year	—	(451.616)	(451.616)
Reclassification of impaired assets to disposals	—	73.134.723	73.134.723
Impairment losses and depreciation at 31 December 2023	<u>—</u>	<u>—</u>	<u>—</u>
Carrying amount at 31 December 2023	<u>227.103.009</u>	<u>85.018.186</u>	<u>312.121.195</u>

In 2022, the Company reevaluated its data center investment strategy to improve business efficiency and further advance efforts around artificial intelligence that resulted in the decision to pivot the data center to a next generation design, resulting in a further impairment loss of DKK 451.616 (2022: DKK 72.683.107) from abandonment of data center design costs.

Notes to the Financial Statements

	2023	Not audited 2022
	DKK	DKK
3 Cash and cash equivalents		
Bank deposit	31.812.373	39.812.335
	31.812.373	39.812.335

Cash and cash equivalents balance include bank deposits.

4 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income. Cassin Networks ApS is the administration company of the joint taxation. The Danish group companies are also jointly and severally liable for Danish withholding tax on dividend, royalties and interest.

5 Related parties

Consolidated Financial Statements

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

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

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

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

Notes to the Financial Statements

6 Accounting Policies

The Annual Report of Notitia Networks ApS for 2023 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 2023 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.

Notes to the Financial Statements

6 Accounting Policies (continued)

Income Statement

Other external expenses

Other external expenses comprise general operating expenses such as fees for accounting, legal and corporate assistance, bank charges etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of development cost and other external expenses.

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 for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Land is not depreciated.

An asset carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets are comprised of land and property, plant and equipment in progress. Assets under construction are not depreciated until such a time as the assets are ready for their intended use.

Impairment of fixed assets

The carrying amounts of property, plant and equipment is reviewed annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Notes to the Financial Statements

6 Accounting Policies (continued)

Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is the discount rate.

Prepayments

Prepayments comprise prepaid expenses concerning fees.

Deferred tax assets and liabilities

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount for financial reporting purposes and the tax base of assets and liabilities on the basis of the intended use of the asset and settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Financial debts

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

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$