

---

# ***Notitia Networks ApS***

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

## **Annual Report for 1 January - 31 December 2022**

---

CVR No 39 38 44 85

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the Company  
on 29 May 2023

Henrik Laursen Chairman of  
the General Meeting

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Practitioner's Statement on Compilation of Financial Statements	2
<b>Company Information</b>	
Company Information	3
<b>Financial Statements</b>	
Income Statement 1 January - 31 December 2022	4
Balance Sheet 31 December 2022	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7

# **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 2022.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company's operations for 2022.

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

København, 26 May 2023

## **Executive Board**

Nisarg Pankaj Jariwala

Raj Paul Singh

# Practitioner's Statement on Compilation of Financial Statements

To the Management of Notitia Networks ApS

We have compiled the Financial Statements of Notitia Networks ApS for the financial year 1 January - 31 December 2022 on the basis of the Enterprise's accounting records and other information you have provided.

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

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

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including the principles of integrity, objectivity, professional competence and due care.

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

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

Hillerød, 26 May 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Michael Krath  
State Authorised Public  
Accountant  
mne34155

# 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 2022

Municipality of reg. office: København

## **Executive Board**

Nisarg Pankaj Jariwala  
Raj Paul Singh

## **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Milnersvej 43  
DK-3400 Hillerød

## Income Statement 1 January - 31 December 2022

	Note	2022 DKK	2021 DKK
<b>Gross loss</b>		<b>(17.917.510)</b>	<b>(5.041.964)</b>
Impairment losses property, plant and equipment	3	(72.683.107)	—
<b>Profit before financial income and expenses</b>		<b>(90.600.617)</b>	<b>(5.041.964)</b>
Financial income		145.537	21
Financial expenses		(472.695)	(394.860)
<b>Loss before tax</b>		<b>(90.927.775)</b>	<b>(5.436.803)</b>
Tax on loss for the year	2	4.014.387	1.196.097
<b>Net loss for the year</b>		<b>(86.913.388)</b>	<b>(4.240.706)</b>
<b>Distribution of loss</b>			
<b>Proposed distribution of loss</b>			
Retained earnings		(86.913.388)	(4.240.706)
		<b>(86.913.388)</b>	<b>(4.240.706)</b>

## Balance Sheet 31 December 2022

	Note	2022 DKK	2021 DKK
<b>Assets</b>			
Land and buildings		223.499.151	223.333.750
Property, plant and equipment in progress		79.084.522	3.577.652
<b>Property, plant and equipment</b>	3	<b>302.583.673</b>	<b>226.911.402</b>
<b>Fixed assets</b>		<b>302.583.673</b>	<b>226.911.402</b>
Receivables from group enterprises		91.901	81.202
Other receivables		15.369.478	55.653.267
Deferred tax asset		5.381.072	1.366.685
Prepayments		—	200.000
<b>Receivables</b>		<b>20.842.451</b>	<b>57.301.154</b>
<b>Cash at bank and in hand</b>	4	<b>39.812.335</b>	<b>162.645.795</b>
<b>Currents assets</b>		<b>60.654.786</b>	<b>219.946.949</b>
<b>Assets</b>		<b>363.238.459</b>	<b>446.858.351</b>
<b>Liabilities and equity</b>			
Share capital		50.000	50.000
Retained earnings		351.939.488	438.852.876
<b>Equity</b>		<b>351.989.488</b>	<b>438.902.876</b>
Trade payables		11.248.971	7.955.475
<b>Short-term debt</b>		<b>11.248.971</b>	<b>7.955.475</b>
<b>Liabilities</b>		<b>11.248.971</b>	<b>7.955.475</b>
<b>Liabilities and equity</b>		<b>363.238.459</b>	<b>446.858.351</b>
Key activities	1		
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
Accounting Policies	7		

## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2022	50.000	438.852.876	438.902.876
Net loss for the year	—	(86.913.388)	(86.913.388)
<b>Equity at 31 December 2022</b>	<b>50.000</b>	<b>351.939.488</b>	<b>351.989.488</b>



# Notes to the Financial Statements

## 1 Key activities

The Company was founded with the intention to carry on the business of and activities associated with data hosting services. In 2021, the Company purchased land in Esbjerg, Denmark and in 2022, the Company continued to incur significant Data Center design, exploration and development costs which have been capitalized in Property, plant and equipment in progress.

	2022	2021
	DKK	DKK
<b>2 Tax on loss for the year</b>		
Current tax for the year	—	—
Deferred tax for the year	(4.014.387)	(1.196.097)
	<b>(4.014.387)</b>	<b>(1.196.097)</b>

## 3 Property, plant and equipment

	Land and buildings	Property, plant and equipment in progress	Total
	DKK	DKK	DKK
Cost at 1 January 2022	223.333.750	3.577.652	226.911.402
Additions	165.401	151.767.629	151.933.030
Retirements	—	(3.577.652)	(3.577.652)
Cost at 31 December 2022	223.499.151	151.767.629	375.266.780
Impairment losses and depreciation at 1 January 2022	—	—	—
Impairment	—	(72.683.107)	(72.683.107)
Impairment losses and depreciation at 31 December 2022	—	(72.683.107)	(72.683.107)
<b>Carrying amount at 31 December 2022</b>	<b>223.499.151</b>	<b>79.084.522</b>	<b>302.583.673</b>

In December 2022, the Company reevaluated its data center investment strategy to improve business efficiency and further advance efforts around artificial intelligence. As a result, the Company decided to pivot the data center to a next generation design, resulting in impairment of DKK 72,683,107 (2021: Nil) from abandonment of data center design costs.

# Notes to the Financial Statements

	2022	2021
	DKK	DKK
<b>4 Cash and cash equivalents</b>		
Cash pool	—	125.704.243
Bank deposit	39.812.335	36.941.552
	<b>39.812.335</b>	<b>162.645.795</b>

Cash and Cash equivalents balance include bank deposits and cash held under a cash pooling arrangement.

The company together with other legal entities in the Meta group was a member of a multi-currency notional cash pooling arrangement (the arrangement) with a third-party bank provider. Actual cash balances were not physically converted and were not commingled between participating legal entities. As part of the notional cash pool agreement, the bank extended 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 was at least zero.

On 2 December 2022, the notional cash pool agreement was terminated by the Meta group. As part of the arrangement, cash and cash equivalents amounting to nil (2021: DKK 125.704.243) which represented cash held under the cash pooling arrangement had been pledged as security against obligations of other Meta legal entities party to the notional cash pooling arrangement. This security could only be called upon if recovery from the customer holding the obligation and recovery under the guarantee with Meta Platforms, Inc. was not successful.

The company was a beneficiary of a guarantee given by Meta Platforms, Inc. under the Cash Pool Agreement 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 had pledged cash held under the arrangement as security in respect of the obligations of the company. As the notional cash pool agreement was terminated by the Meta group on 2 December 2022, the parental guarantee by Meta Platforms, Inc. was no longer required as of 31 December 2022.

## 5 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.

## 6 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

# Notes to the Financial Statements

## 7 Accounting Policies

The Annual Report of Notitia Networks ApS for 2022 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 2022 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

## 7 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

## 7 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.