

Coface Norden Services A/S

Jens Ravns Vej 11C

7100 Vejle

Central Business Registration No 25796527

Annual report for 2020

Adopted at the Annual General Meeting of the Company on 30.06.2021

Chairman

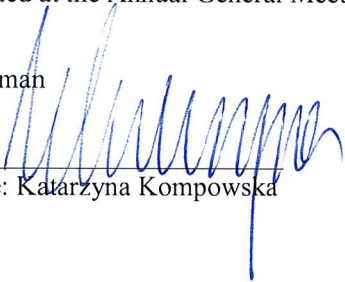

Name: Katarzyna Kompowska

Table of content

	<u>Page</u>
Company details	1
Statement by the Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Accounting policies	7
Income statement 1 January – 31 December 2020	11
Balance sheet 31 December 2020	12
Statement of changes in equity 2020	14
Notes	15

Company details

The Company

Coface Norden Services A/S

Jens Ravns Vej 11C

7100 Vejle

Central Business Registration No: 25796527

Registered in: Vejle

Financial year: 01.01.2020 – 31.12.2020

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Internet: www.coface.dk

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Board of Directors

Katarzyna Kompowska, Chairman

Morten Evershed Knudsen

Helle Nøhr Damsgaard

Executive Board

Helle Nøhr Damsgaard

Company auditors

Mazars Statsautoriseret Revisionspartnerselskab

Midtermolen 1, 2. tv.

2100 København Ø

Statement by the Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Coface Norden Services A/S for the financial year 1 January to 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2020 and of its financial performance for the financial year 1 January to 31 December 2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

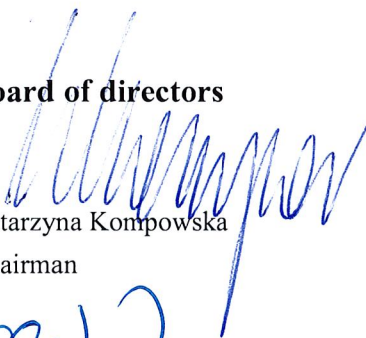
We recommend the annual report for adoption at the Annual General Meeting.

Vejle, the 30.06.2021


Executive Board

Helle Nøhr Damsgaard

Board of directors


Katarzyna Kompowska
Chairman


Morten Evershed Knudsen


Helle Nøhr Damsgaard

Independent auditor's report

To the shareholders of Coface Norden Services A/S

Opinion

We have audited the financial statements of Coface Norden Services A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet and notes, including a summary of significant 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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

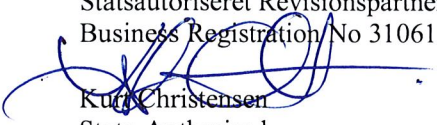
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

København, the 30.06.2021

Mazars

Statsautoriseret Revisionspartnerselskab
Business Registration No 31061741



Kurt Christensen
State-Authorised
Public Accountant
Mne-nr. Mne26824

Management commentary

Primary activity

The object of the company is to collect, process and sell information and debt collection. The customers are Danish companies and other Coface entities.

Development in the year

The income statement of the Company for 2020 shows a profit of DKK 5.443k, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 7.807k.

Change of comparative figures:

We draw attention to that some comparative figures are corrected due to wrong classification. The corrections have not affected the result. The effect is illustrated in the accounting policies.

Unusual events

The financial position at 31 December 2020 of the Company and the results of the activities and cash flows of the Company for the financial year 2020 have not been affected by any unusual events.

Events after the balance sheet date

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

Accounting policies

Basis of Preparation

The Annual Report of Coface Norden Services A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the adaption of individual regulations of reporting class C.

The Annual Report for 2020 is presented in DKK.

Correction of comparative figures due to significant errors

We draw attention to that the corrections have not affected the result.

Income statement

The comparative figures have been corrected due to wrong classification regarding gross profit/loss and staff costs.

	2019 DKK'000
Gross profit/loss:	+1.114
Staff costs:	(1.114)

Balance sheet

The comparative figures have been corrected due to wrong classification regarding trade receivables and receivables from group entities and as well trade payables and payables to group entities.

	2019 DKK'000
Trade receivables:	(325)
Receivables from group entities:	+325
Trade payables:	(5.377)
Payables to group entities:	+5.377

Besides the corrections the accounting policies applied remain unchanged from last year.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized costs are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized 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.

Accounting policies

Liabilities are recognized 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.

Taken into consideration in connection with the inclusion and calculation are predictable risks and losses, which appear before the annual report is submitted and which confirm or disprove circumstances that existed on the balance date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement.

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 transaction date rates are recognized in financial income and expenses in the income statement.

The Company's functional currency is EUR, but DKK has been selected as presentation currency. The income statement is translated at the exchange rates at the dates of transaction (average rates), while the balance sheet is translated at the exchange rates at the balance sheet date. Any exchange rate differences are recognized directly on equity.

Income Statement

Gross profit/loss

The gross profit consists of revenue deducted other operating costs.

Revenue

Revenue from the sale of services are recognized in the income statement when delivery is made to the buyer. Revenue is recognized exclusive of VAT and net of discounts relating to sales.

Other operating costs

Other operating costs comprise expenses for administrative staff, management, office supplies, computers etc.

Staff costs

Staff costs comprise salary and wages as well as social costs, pensions etc. for the company's staff.

Financial income and expenses

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

Accounting policies

Tax on profit/loss for the year

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

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

Balance sheet

Goodwill

Goodwill is amortized straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortization period is usually seven years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortization period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are recognized in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments are measured at amortised cost which usually corresponds to nominal value less write-downs for estimated loss.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

Accounting policies

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Other debts

Other debts are measured at amortized cost, substantially corresponding to nominal value.

Income statement 1 January – 31 December 2020

	<u>Note</u>	<u>2020 DKK</u>	<u>2019 DKK'000</u>
Gross profit/loss		12.316.029	13.045
Staff costs	1	(4.368.671)	(3.678)
Depreciation and impairment	2	<u>(687.058)</u>	<u>(690)</u>
Operating profit		7.260.300	8.677
Other financial income	3	0	22
Other financial expenses	4	<u>(256.806)</u>	<u>(1)</u>
Profit/loss before tax		7.003.494	8.698
Tax on profit/loss for the year	5	<u>(1.560.246)</u>	<u>(1.915)</u>
Net profit/loss for the year		<u>5.443.248</u>	<u>6.783</u>
Proposed distribution of profit			
Dividend for the year recognized in the equity		4.850.000	
From retained earnings		<u>593.248</u>	
		<u>5.443.248</u>	

Balance sheet 31 December 2020

	<u>Note</u>	<u>2020 DKK</u>	<u>2019 DKK'000</u>
Goodwill		2.748.232	3.435
Intangible assets	6	<u>2.748.232</u>	<u>3.435</u>
Fixed assets		<u>2.748.232</u>	<u>3.435</u>
Trade receivables		802.477	1.399
Receivables from group enterprises		4.624.789	325
Tax receivables		177.064	0
Prepayments		350.483	330
Receivables		<u>5.954.813</u>	<u>2.054</u>
Cash		<u>6.502.804</u>	<u>15.941</u>
Current assets		<u>12.457.617</u>	<u>17.995</u>
Assets		<u><u>15.205.849</u></u>	<u><u>21.430</u></u>

Balance sheet 31 December 2020

	<u>Note</u>	<u>2020 DKK</u>	<u>2019 DKK'000</u>
Contributed capital		510.000	510
Retained earnings		2.446.664	1.874
Proposed dividend		4.850.000	6.500
Equity		<u>7.806.664</u>	<u>8.884</u>
Deferred tax		151.153	130
Provisions		<u>151.153</u>	<u>130</u>
Other payables	7	0	149
Non-Current liabilities other than provisions		<u>0</u>	<u>149</u>
Trade payables		665.844	786
Payables to group enterprises		892.576	6.734
Income tax payable		0	281
Income tax payable joint tax contribution		1.539.159	1.634
Other payables		2.649.001	1.422
Deferred income		1.501.452	1.410
Current liabilities other than provisions		<u>7.248.032</u>	<u>12.267</u>
Liabilities other than provisions		<u>7.248.032</u>	<u>12.416</u>
Equity and liabilities		<u><u>15.205.849</u></u>	<u><u>21.430</u></u>
Guarantees and obligations	8-9		
Contingent liabilities	10		
Other notes	11		

Statement of changes in equity 2020

	Share capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity at 1 January 2020	510.000	1.874.141	6.500.000	8.884.141
Dividend paid out	0	0	(6.500.000)	(6.500.000)
Exchange rate gain/loss	0	(20.725)	0	(20.725)
Net profit/loss for the year	0	593.248	4.850.000	5.443.248
Equity at 31 December 2020	510.000	2.446.664	4.850.000	7.806.664

The share capital consists of 510 shares of a nominal value of DKK 1,000. No shares carry any special rights.

Notes

	<u>2020</u> <u>DKK</u>	<u>2019</u> <u>DKK'000</u>
1. Staff costs		
Salaries and wages	(3.699.688)	(3.138)
Pension costs	(615.300)	(526)
Other social costs	(6.817)	(6)
Other staff costs	<u>(46.866)</u>	<u>(8)</u>
	<u>(4.368.671)</u>	<u>(3.678)</u>
Average number of employees	<u>7</u>	<u>6</u>
2. Depreciation and impairment		
Depreciation of intangible assets	<u>(687.058)</u>	<u>(690)</u>
	<u>(687.058)</u>	<u>(690)</u>
3. Financial income		
Other interest income	0	1
Exchange rate adjustments	<u>0</u>	<u>21</u>
	<u>0</u>	<u>22</u>
4. Financial expenses		
Other interest expenses	(4.279)	0
Exchange rate adjustments	(245.963)	0
Other Financial expenses	<u>(6.564)</u>	<u>(1)</u>
	<u>(256.806)</u>	<u>(1)</u>
5. Tax on profit/loss for the year		
Actual tax	(1.539.159)	(1.915)
Adjustment deferred tax	<u>(21.087)</u>	<u>0</u>
	<u>(1.560.246)</u>	<u>(1.915)</u>
6. Intangible assets	Goodwill	
Cost beginning of year	<u>4.809.405</u>	
Cost end of year	<u>4.809.405</u>	
Amortisation and impairment losses beginning of year	(1.374.115)	
Amortisation for the year	<u>(687.058)</u>	
Amortisation and impairment losses end of year	<u>(2.061.173)</u>	
Carrying amount end of year	<u>2.748.232</u>	

Notes

	<u>2020</u> <u>DKK</u>	<u>2019</u> <u>DKK'000</u>
7. Non-Current liabilities other than provisions (Due after more than 12 months)		

Other payables	<u>0</u>	<u>149</u>
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8. Non-included lease agreements

The company has an agreement for leasing of 1 company car. The leasing Period ends 01.07.2021. The obligation amounts to

<u>46.376</u>	<u>139</u>
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9. Mortgaging and guarantees

A bank guarantee has been placed to Rigspolitiet on the amount of DKK 750,000 regarding a license to operate debt collection.

10. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

11. Group relation

Name and place of residence for parent company, which prepares consolidated financial statements.

Coface S.A., France

The company's immediate parent in which the company is registered as a subsidiary is Coface Rating Holding GmbH, Isaac Fulda Alle 1, 55124 Mainz.

The consolidated financial statements of the foreign companies can be obtained at the respective addresses.