
Inga Finans ApS

c/o Collectia A/S, Abildager 11, DK-2605 Brøndby

Annual Report for 1 January - 31 December 2020

CVR No 38 27 21 52

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/6 2021

Christian la Cour Valentin
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Inga Finans ApS for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Brøndby, 30 June 2021

Executive Board

Christian la Cour Valentin
CEO

Board of Directors

Jesper Gunni Winther

Martin Høy

Christian la Cour Valentin

Independent Auditor's Report

To the Shareholder of Inga Finans ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Inga Finans ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 are independent of the Company in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Independent Auditor's Report

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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- 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 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.

Hellerup, 30 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Mads Haugegaard Albrechtsen
State Authorised Public Accountant
mne45846

Company Information

The Company

Inga Finans ApS
c/o Collectia A/S
Abildager 11
DK-2605 Brøndby

CVR No: 38 27 21 52
Financial period: 1 January - 31 December
Incorporated: 19 December 2016
Financial year: 4th financial year
Municipality of reg. office: Brøndby

Board of Directors

Jesper Gunni Winther
Martin Høy
Christian la Cour Valentin

Executive Board

Christian la Cour Valentin

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Lawyers

Advokatfirmaet Burmeister I/S
Strandvejen 126
2900 Hellerup

Bankers

Danske Bank A/S
Holmens Kanal 2
1092 København K

Sydbank A/S
Kongens Nytorv
1050 København K

Management's Review

Key activities

The Company's purpose is debt purchase and debt collection and any other related business.

Development in the year

The income statement of the Company for 2020 shows a profit of DKK 10,033,537, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 15,167,338.

Subsequent events

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

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Gross profit/loss		17.495.515	2.648.133
Financial expenses	1	<u>-4.632.006</u>	<u>-501.583</u>
Profit/loss before tax		12.863.509	2.146.550
Tax on profit/loss for the year	2	<u>-2.829.972</u>	<u>-472.220</u>
Net profit/loss for the year		<u>10.033.537</u>	<u>1.674.330</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>10.033.537</u>	<u>1.674.330</u>
		<u>10.033.537</u>	<u>1.674.330</u>

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Other receivables		91.455.439	97.766.480
Fixed asset investments	3	91.455.439	97.766.480
Fixed assets		91.455.439	97.766.480
Trade receivables		69.447	51.995
Deferred tax asset		2.149.523	842.082
Receivables		2.218.970	894.077
Cash at bank and in hand		219.038	786.650
Currents assets		2.438.008	1.680.727
Assets		93.893.447	99.447.207

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		50.000	50.000
Retained earnings		15.117.338	5.083.799
Equity		15.167.338	5.133.799
Other provisions		0	600.000
Provisions		0	600.000
Payables to group enterprises		72.156.687	90.621.116
Long-term debt	4	72.156.687	90.621.116
Credit institutions		1.033	0
Trade payables		115.499	776.814
Payables to group enterprises	4	2.315.478	1.133.176
Payables to group enterprises relating to corporation tax		4.137.412	1.182.302
Short-term debt		6.569.422	3.092.292
Debt		78.726.109	93.713.408
Liabilities and equity		93.893.447	99.447.207
Contingent assets, liabilities and other financial obligations	5		
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	50.000	7.601.364	7.651.364
Net effect from change of accounting policy	0	-2.517.563	-2.517.563
Adjusted equity at 1 January	50.000	5.083.801	5.133.801
Net profit/loss for the year	0	10.033.537	10.033.537
Equity at 31 December	50.000	15.117.338	15.167.338

Notes to the Financial Statements

	2020 DKK	2019 DKK
1 Financial expenses		
Interest paid to group enterprises	4.628.157	496.412
Other financial expenses	3.849	5.171
	<u>4.632.006</u>	<u>501.583</u>
2 Tax on profit/loss for the year		
Current tax for the year	4.847.495	1.182.302
Deferred tax for the year	-2.017.523	-710.082
	<u>2.829.972</u>	<u>472.220</u>
3 Fixed asset investments		Other receiv- ables DKK
Cost at 1 January		97.292.647
Additions for the year		11.821.872
Disposals for the year		<u>-16.522.042</u>
Cost at 31 December		<u>92.592.477</u>
Impairment losses at 1 January		<u>1.137.038</u>
Impairment losses at 31 December		<u>1.137.038</u>
Carrying amount at 31 December		<u>91.455.439</u>

Other receivables under fixed assets comprise portfolios of credit impaired receivables purchased at a discount reflecting an expectation of significant credit losses.

Upon acquisition of a debt portfolio, a credit adjusted effective interest rate is determined, based on expected cash inflows on the portfolio. The expected cash flows are re-assessed on a regular basis, and the carrying amount is adjusted to the present value of the re-assessed expected cash flows, discounted at the credit adjusted effective interest rate. The effect of the reassessment is recognised in the income statement as a revaluation gain or loss.

Notes to the Financial Statements

4 Long-term debt

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

The debt falls due for payment as specified below:

	<u>2020</u> DKK	<u>2019</u> DKK
Payables to group enterprises		
Between 1 and 5 years	<u>72.156.687</u>	<u>90.621.116</u>
Long-term part	72.156.687	90.621.116
Other short-term debt to group enterprises	<u>2.315.478</u>	<u>1.133.176</u>
	<u>74.472.165</u>	<u>91.754.292</u>

5 Contingent assets, liabilities and other financial obligations

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Inga Acquisition ApS for the period 1 January - 28 February 2020 and in Care DK BidCo ApS for the period 1 March - 31 Decemer 2020, who are the management companies of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

6 Related parties

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
Credit Services Holdings Limited	England
Care DK BidCo ApS	Denmark

The Group Annual Report of Credit Services Holdings Limited may be obtained at the following address:

1 Carter Lane
London
EC4V 5ER
England

The Group Annual Report of Care DK BidCo ApS may be obtained at the following address:

c/o Collectia A/S
Abildager 11
2605 Brøndby
Denmark

Notes to the Financial Statements

7 Accounting Policies

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

With regards to the true and fair view of the financial statements, certain reclassifications have been made in the balance sheet and notes. Comparative figures have been adjusted accordingly.

The Financial Statements for 2020 are presented in DKK.

Changes in accounting policies

Change in accounting policies

At 1 January 2020, the company has applied the recognition and measurement criteria in accordance with International Financial Reporting Standards (IFRS) 9 and 15. Comparative figures have been adjusted accordingly.

The implementation of IFRS 9 has meant a change in the recognition of debt portfolios, which was previously recognised at amortised cost. According to IFRS 9, a credit adjusted effective interest rate is determined, based on expected cash inflows on the portfolio. The expected cash flows are re-assessed on a regular basis, and the carrying amount is adjusted to the present value of the re-assessed expected cash flows, discounted at the credit adjusted effective interest rate. The effect of the reassessment is recognised in the income statement as a revaluation gain or loss. The implementation of IFRS 9 has decreased the gross profit and profit before tax in 2019 by TDKK 3,227, tax on profit for the year is positively affected by TDKK 741. Portfolios has been reduced by TDKK 3,227 and equity per. 31 December 2019 is negatively affected by TDKK 2,518.

The implementation of IFRS 15 has not had any effect on the company's income statement, equity or balance sheet in 2020 or in the comparative figures for 2019.

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

Notes to the Financial Statements

7 Accounting Policies (continued)

out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

Income Statement

Revenue

Interest revenue from investments in portfolios of overdue receivables is recognised at the credit adjusted effective interest rate. Upon acquisition of a debt portfolio, the credit adjusted effective interest rate (EIR) is determined, based on expected cash flows.

The effect of re-assessment of the expected cash flows is reported as revaluations of portfolio investments.

In addition to revenue from collection services and income from acquired debt portfolios, the Group has other revenue streams from contracts with customers such as reminder services, invoicing services, financial data in a subscription basis. These revenues are recognised when control of the services are transferred to the customer generally being at the point in time where the service is delivered.

Other external expenses

Other external expenses comprise expenses for premises as well as office expenses, etc.

Notes to the Financial Statements

7 Accounting Policies (continued)

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue 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 profit/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 other Danish companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

7 Accounting Policies (continued)

Balance Sheet

Fixed asset investments

Fixed asset investments consist of portfolios of credit impaired receivables purchased at a discount reflecting an expectation of significant credit losses. Upon acquisition of a debt portfolio, a credit adjusted effective interest rate is determined, based on expected cash inflows on the portfolio. The expected cash flows are re-assessed on a regular basis, and the carrying amount is adjusted to the present value of the re-assessed expected cash flows, discounted at the credit adjusted effective interest rate. The effect of the reassessment is recognised in the income statement as a revaluation gain or loss.

The Company has entered into arrangements under which the Company is committed to acquire portfolios of credit impaired receivables on a continuous basis at a predetermined discount. If following the commitment to acquire loan portfolios the credit quality deteriorates compared to the expectation reflected in the agreed discount, a provision for an expected additional credit loss is recognised. The expected credit loss provision if any is offset against the purchase price upon acquisition, resulting in a higher credit adjusted effective interest rate.

Cash flow projections are monitored over the course of the year and updated based on, among other things, achieved collection results, agreements reached with end-customers on instalment plans and macroeconomic information, including forecasts of economic development and unemployment in each country. Cash flow projections are made at the portfolio level.

Unidentified- and excess payments are recognised as liabilities, and are not derecognized until the obligation to repay expires. The gains are included in other revenue.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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.

Notes to the Financial Statements

7 Accounting Policies (continued)

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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