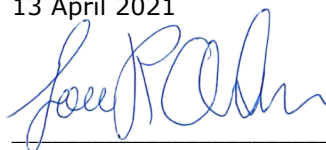


Nets Holdco 1 ApS

Annual Report 2020

The Annual Report was submitted and
approved by the General Meeting on
13 April 2021



Louise Rubæk Andersen
Chair of the meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Nets Holdco 1 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 of the Company at 31 December 2020 and of the results of the Company's operations for the year 1 January – 31 December 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.

Ballerup, 13 April 2021

Executive Board



Dorthe Rosenkilde Saunders
CEO

Board of Directors



Bo Nilsson
Chairman



Dorthe Rosenkilde
Saunders



Klaus Pedersen

Independent Auditor's Report

To the Shareholder of Nets Holdco 1 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 Nets Holdco 1 ApS for the financial period 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 ("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 Financial 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.

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 judgment 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 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, 13 April 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705



Michael Groth Hansen
State Authorised Public Accountant
mne33228

Company data

The Company

Nets Holdco 1 ApS

c/o Nets A/S
Klausdalsbrovej 601
2750 Ballerup

Company reg. no.: 38 88 77 42
Established: 29 August 2017
Domicile: Ballerup
Financial year: 1 January – 31 December

Board of Directors

Bo Nilsson
Dorthe Rosenkilde Saunders
Klaus Pedersen

Executive Board

Dorthe Rosenkilde Saunders

Auditors

PwC
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management's review

Business foundation

The Company's key activities comprise the holding of the equity investments in Nets Holdco 2 ApS, which is 100% owned.

Financial performance for 2020

Net result for the year was negative by DKK 59.6 million mainly related to a reassessed measurement of the uncertain tax position initially recognised in 2019. No expectations for 2020 were disclosed in the Annual Report for 2019.

Equity amounted to DKK 8,855 million at 31 December 2020. Increase in equity is, besides the net result for the year, driven by a debt-to-equity conversion of DKK 8,029 million.

There are no employees in Nets Holdco 1 ApS.

Outlook for 2021

Management expects a result before tax for 2021 similar to 2020.

Events subsequent to the financial year

No events materially affecting the assessments of the Annual Report have occurred after the balance sheet date. For further information refer to note 9.

Accounting policies

The Annual Report has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The financial information is presented in Danish kroner thousands (DKK '000).

Management has for 2020 reassessed the measurement of the uncertain tax position resulting in a current tax expense of DKK 56.8 million and a corresponding negative impact on income tax payables.

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared for Nets Holdco 1 ApS and subsidiaries as the companies are included in the consolidated financial statements of Nets Topco 2 S.à r.l., Luxembourg.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the Annual Report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as Financial income or Financial expense.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as Financial income or Financial expense.

External costs

External costs incurred in generating the revenue for the year comprise administration costs.

Financial income and Financial expenses

Financial income and Financial expenses comprise interest income and expense and realised and unrealised gains and dividends and losses on transactions denominated in foreign currencies.

Tax

Nets Holdco 1 ApS and Danish group enterprises are jointly taxed. The current Danish corporation tax allocated between the jointly taxed companies in proportion to their taxable income is recognised in the income statement. The tax saving as a result of losses is also refunded proportionately.

Tax assets are recognised if they can be set off against deferred tax in other consolidated enterprises or if it is probable that it can be utilised in future earnings.

Current and deferred tax is computed at the tax rates applicable.

The companies in the Group are taxed under the on-account tax scheme. Interest/refund relating to the tax payment is included in interest income and expense and similar items.

Investments in subsidiaries

Subsidiaries are valued at cost in the Company accounts. The investment is valued at acquisition cost of the shares unless write down for impairment has been necessary. Group contributions to subsidiaries, less tax, are recognized as increased cost of the shares. Dividends / group contributions are recognized in the same year as appropriated in the subsidiary. When dividends / group contributions exceed the share of retained profit subsequent to the acquisition, the excess part are considered repayment of invested capital and is deducted from the carrying value in the balance.

Cash at banks

Cash and cash equivalents comprise cash and bank deposits.

Equity

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date when they are adopted at the Annual General Meeting.

Liabilities

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

Income Statement

DKK'000	Notes	2020	2019
External costs		-977	-451
Operating result (EBIT)		-977	-451
Financial income	1	1,174	-
Financial expenses	2	-3,216	-2,667
Result before tax		-3,019	-3,118
Income tax	3	-56,532	-120,803
Net result for the year		-59,551	-123,921
Distribution of net result			
Retained earnings		-59,551	-123,921
		-59,551	-123,921

Balance Sheet

DKK'000	Notes	2020	2019
ASSETS			
Non-current assets			
Investments in subsidiaries	4	20,365,949	20,365,949
Total non-current assets		20,365,949	20,365,949
Current assets			
Receivables from Group enterprises		70,154	143,068
Income tax receivables	3	0	210
Cash and cash equivalent		7,207	4,816
Total current assets		77,361	148,094
TOTAL ASSETS		20,443,310	20,514,043

Balance Sheet

DKK'000	Notes	2020	2019
EQUITY AND LIABILITIES			
Equity			
Share capital	5	50	50
Retained earnings		8,854,758	884,939
Total equity		8,854,808	884,989
Current liabilities			
Trade payables		187	20
Income tax payables	3	177,458	120,931
Payables to Group enterprises		11,410,856	19,508,103
Total liabilities		11,588,503	19,629,054
TOTAL EQUITY AND LIABILITIES		20,443,310	20,514,043
Securities	6		
Contingent liabilities	7		
Related parties	8		
Events after the balance sheet date	9		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2020	50	884,939	884,989
Net result for the year	-	-59,551	-59,551
Settlement of convertible instrument	-	8,029,370	8,029,370
Equity at 31 December 2020	50	8,854,758	8,854,808

Notes

	DKK '000	<u>2020</u>	<u>2019</u>
1 Financial income			
Interest income from Group enterprises	720	0	
Foreign exchange gain, net	307	0	
Other financial income	147	0	
	<u>1,174</u>	<u>0</u>	
2 Financial expenses			
Interest expense	-23	-36	
Interest expense from Group enterprises	-3,193	-2,566	
Net Foreign exchange loss, net	0	-62	
Other financial expenses	0	-3	
	<u>-3,216</u>	<u>-2,667</u>	
3 Income tax			
Current tax on uncertain tax position	-56,814	-120,931	
Current tax for the year	287	210	
Adj. for current tax of prior periods	-5	-82	
	<u>-56,532</u>	<u>-120,803</u>	
4 Investments in subsidiaries			
Accumulated cost at 1 January	20,365,949	20,365,949	
Accumulated cost at 31 December	<u>20,365,949</u>	<u>20,365,949</u>	
Carrying amount at 31 December	<u>20,365,949</u>	<u>20,365,949</u>	

5 Equity

The Company was formed on 29 August 2017, with a share capital of DKK 50 thousand. All shares issued by the Company was fully paid, and no shares carry any special rights.

6 Securities

The Leveraged Buy Out facilities are mixed first and second lien secured debt, and benefit cross-guarantees and security provided by Nets Topco 3 S.à r.l., Nets Topco 4 S.à r.l., Nets Holdco 1 ApS, Nets Holdco 2 ApS, Nets Holdco 3 ApS, Nets Holdco 4 ApS, Nets Holdco 5 AS, Evergood Germany 1 GmbH and Evergood Germany 2 GmbH.

They consist of a combination of four seven-year first lien term loans (EUR 1,640 million, EUR 595 million, EUR 300 million and NOK 2,795 million) and three eight-year second lien term loans (EUR 190 million, EUR 100 million and NOK 3,844 million) as well as a six and a half-year, multi-currency, revolving credit facility ('RCF') terminating in August 2024, a seventeen month, multi-currency, additional revolving credit facility ("RCF II") terminating in February 2021 and a twelve month, multi-currency, revolving facility ("RCF III")

terminating in April 2021. Subject to certain conditions, the RCF II may will convert into a first lien term loan with similar maturity as the existing first lien term loans if not repaid by February 2021. The RCF commitment is EUR 240 million, of which EUR 24 million are carved out in an overdraft facility ('Overdraft Facility') and EUR 2 million are committed as a bank guarantee. The RCF II commitment is EUR 300 million and the RCF III commitment is EUR 300 million.

Further, the Group has EUR 220 million Senior Notes outstanding, with cross-guarantees and security provided by Nets Topco 3 S.à r.l., Nets Topco 4 S.à r.l., Nets Holdco 1 ApS, Nets Holdco 2 ApS, Nets Holdco 3 ApS, Nets Holdco 4 ApS, Nets Holdco 5 AS, Nassa Topco AS, Nassa A/S, Nets A/S, Nets Holding A/S, Nets Denmark A/S, Evergood Germany 1 GmbH and Evergood Germany 2 GmbH. The Senior Notes (EUR 220 million) are issued by Nassa Topco AS an indirect subsidiary of Nets Topco 1 S.à.r.l. The future payments of the Senior Notes have been swapped to DKK (DKK 1,204 million) and NOK (NOK 530 million) with fixed interest rates until maturity and final exchange of notional at maturity.

7 Contingent liabilities

The Company is jointly taxed with other Danish companies in the Nets Group. Together with the other companies included in the joint taxation, the Company has joint and several unlimited liabilities for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

The Company is comprised by a joint registration with other Danish companies owned by Nets Holdco 1 ApS. Together with the other companies included in the joint registration, the Company has joint and several unlimited liabilities for Danish VAT, payroll tax and interest within the joint registration.

8 Related parties

Consolidated financial statements

The Company is part of the consolidated financial statements of Nets Topco 2 S.à r.l., 15 Boulevard F.W. Raiffeisen, LU-2411, Luxembourg.

9 Events after the balance sheet date

In March 2021, the sale of Nets' account-to-account payment business to Mastercard for EUR 2.85 billion was completed upon receipt of all regulatory approvals and fulfilment of all customary closing conditions.