

# Nets Holdco 3 ApS

## Annual Report 2020

The Annual Report was submitted and approved by the General Meeting on 31 March 2021



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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 3 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, 31 March 2021

### **Executive Board**



Dorthe Rosenkilde Saunders  
CEO

### **Board of Directors**



Bo Nilsson  
Chairman



Dorthe Rosenkilde  
Saunders



Klaus Pedersen

## **Independent Auditor's Report**

To the Shareholders of Nets Holdco 3 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 3 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, 31 March 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 3 ApS

c/o Nets A/S  
Klausdalsbrovej 601  
2750 Ballerup

Company reg. no.: 38 88 77 77  
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 4 ApS, which is 100% owned.

### **2020 highlights**

Net result for the year was negative by DKK 26 thousand. Net result level was in line with expectations.

Equity amounted to DKK 20,365,863 thousand ultimo 2020. Decrease in equity is driven by the net result for the year.

There are no employees in Nets Holdco 3 ApS.

### **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 6.



## **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. Furthermore, the Company has chosen to include a management's review applicable for reporting class C enterprises.

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

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared for Nets Holdco 3 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.

## **Income statement**

### **External costs**

External costs incurred in the year comprise administration costs.

### **Tax**

Nets Holdco 3 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.

## **Balance sheet**

### **Investments in subsidiaries**

Subsidiaries are valued at cost in the Company's 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

### **Receivables**

Receivables are measured at amortised cost and necessary provisions are made for bad debt losses based on an assessment of the individual receivables.

### **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	<u>2020</u>	<u>2019</u>
External costs		<u>-33</u>	<u>-57</u>
<b>Result before tax</b>		<b>-33</b>	<b>-57</b>
Income tax		<u>7</u>	<u>17</u>
<b>Net result for the year</b>		<b><u>-26</u></b>	<b><u>-40</u></b>
 <b>Distribution of net result</b>			
Retained earnings		<u>-26</u>	<u>-40</u>
		<b><u>-26</u></b>	<b><u>-40</u></b>

## Balance Sheet

DKK'000	Notes	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	1	<u>20,365,949</u>	<u>20,365,949</u>
<b>Total non-current assets</b>		<u><b>20,365,949</b></u>	<u><b>20,365,949</b></u>
<b>Current assets</b>			
Income tax receivables		<u>7</u>	<u>12</u>
<b>Total current assets</b>		<u><b>7</b></u>	<u><b>12</b></u>
<b>TOTAL ASSETS</b>		<u><u><b>20,365,956</b></u></u>	<u><u><b>20,365,961</b></u></u>

## Balance Sheet

DKK'000	Notes	<u>2020</u>	<u>2019</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	2	50	50
Reserves		20,365,813	20,365,839
<b>Total equity</b>		<u><b>20,365,863</b></u>	<u><b>20,365,889</b></u>
<b>Current liabilities</b>			
Trade payables		19	20
Payables to Group enterprises		74	52
<b>Total current liabilities</b>		<u><b>93</b></u>	<u><b>72</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>20,365,956</b></u>	<u><b>20,365,961</b></u>
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## Statement of changes in equity

	Share capital	Retained earnings	Total
<b>Equity as at 1 January 2020</b>	50	20,365,839	20,365,889
Net result for the year	-	-26	-26
<b>Equity as at 31 December 2020</b>	<b>50</b>	<b>20,365,813</b>	<b>20,365,863</b>

## Notes

DKK'000	<u>2020</u>	<u>2019</u>
<b>1 Investments in subsidiaries</b>		
Accumulated cost as at 1 January	20,365,949	20,365,949
<b>Accumulated cost as at 31 December</b>	<b>20,365,949</b>	<b>20,365,949</b>
<b>Carrying amount 31 December</b>	<b>20,365,949</b>	<b>20,365,949</b>

## 2 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.

## 3 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.

## 4 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.

## **Notes (continued)**

### **5 Related parties**

#### **Consolidated Financial Statements**

The Company is included in the consolidated financial statements of Nets Topco 2 S.à r.l., 15, Boulevard F.W. Raiffeisen, LU-2411 Luxembourg (BP 2501, L-1025 Luxembourg).

### **6 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.