

**Mastercard Payment Services  
Denmark A/S**

Annual report 2021

Adopted at the Annual General  
Meeting on

Chair of the AGM:

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**Peter Klein**

## Mastercard Payment Services Denmark A/S Contents

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**Mastercard Payment Services Denmark A/S**  
**Company data**

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<b>The Company</b>	Mastercard Payment Services Denmark A/S CVR No.: 40 69 58 69 Established: 5 August 2019 Domicile: Copenhagen S Financial period: 1 January - 31 December
<b>Board of Directors</b>	Peter Klein (chairman) Erik Anders Gutwasser Erik Jozef Stessens Frode Åsheim
<b>Executive Board</b>	Lars Asger Mørk Petersen
<b>Registered office</b>	Arne Jacobsens Allé 13 2300 Copenhagen S
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

**Mastercard Payment Services Denmark A/S**  
**Statement by the Board of Directors and the Executive Board**

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The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Mastercard Payment Services Denmark A/S for the financial year 1 January - 31 December 2021.

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

It is our opinion that the Financial Statements give a true and fair view of the Company's financial position as at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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.

Copenhagen, 1 April 2022

**Executive Board**

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Lars Asger Mørk Petersen  
CEO

**Board of Directors**

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Peter Klein  
Chairman

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Erik Anders Gutwasser  
Board member

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Erik Jozef Stessens  
Board member

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Frode Åsheim  
Board member

## Mastercard Payment Services Denmark A/S Independent Auditor's Report

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To the Shareholder of Mastercard Payment Services Denmark A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Mastercard Payment Services Denmark A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 skepticism 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, 1 April 2022

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

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Rasmus Friis Jørgensen  
State Authorised Public Accountant  
mne28705

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Henrik Kyhnav  
State Authorised Public Accountant  
mne40028

**Mastercard Payment Services Denmark A/S**  
**Key figures**  
 (Expressed in Danish kroner in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Income statement</b>			
Revenue	1,605,291	1,474,534	0
Result before financial income and expenses	335,353	459,818	-20
Financial postings, netto	-9,296	46	0
Results before tax	326,057	459,864	-20
Results for the year	-737,707	2,985,878	-20
<b>Balance</b>			
Total assets	2,864,145	3,496,350	1,195
Equity	2,586,118	3,323,825	1,180
<b>Key figures (%)</b>			
Profit margin	21	31	0
Solvency ratio	90	95	99
Return on equity	-25	180	-2

Financial ratios are calculated in accordance with "Recommendations and Ratios" from CFA Society Denmark.

Profit margin	$\frac{\text{Result before financial income and expenses} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

## Mastercard Payment Services Denmark A/S Management's review

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On 5 March 2021, Mastercard completed the acquisition of the majority of Nets' Corporate Services business upon receipt of all regulatory approvals and fulfilment of all closing conditions.

The acquisition of the Corporate Services business, now named Mastercard Payment Services, added account-to-account capabilities, clearing and settlement, instant payment infrastructure, bill payment and e-invoicing applications and over 300 highly skilled employees in Denmark and Norway with the technology and business acumen to deploy real-time payments infrastructure and bill payment solutions.

### **We design, build, operate, and develop payment solutions**

We operate several proven payment solutions in both Denmark and Norway. We are also an experienced Instant Payments solution provider and deliver real-time clearing services not only in the Nordics but also in several other European countries. We are committed to continuing to provide competitive services to customers and consumers.

We are proud of delivering high quality services and understand the importance of the role and responsibility we have in providing critical financial infrastructure. Business as usual has been a key priority for us from the time of the acquisition and throughout 2021. We are dedicated to building on the legacy and the proven track-record of delivering trusted and reliable payment solutions and we are committed to improving further to the benefit of all.

- Mastercard Payment Services Denmark A/S provides critical infrastructure services in respect of DKK clearing systems and provides bill payment services to clients.
- Mastercard Payment Services (Norway) AS provides bill payment services to clients in the Norwegian banking sector.
- Mastercard Payment Services Infrastructure (Norway) AS provides infrastructure services in respect of critical Norwegian clearing systems to its client, Bits AS, the operator of the Norwegian Interbank Clearing Systems (NICS) under authorisation by the Norwegian Central Bank.

### **Reaching for the full potential**

The skills and expertise of Mastercard Payment Services, along with the technology, complement Mastercard's already strong real-time and bill payments capabilities. We want to help our customers adapt to future payment needs and habits of both consumers, companies, and the public sector. Mastercard Payment Services adds:

- Highly experienced employees with hard-to-find expertise in designing, delivering and managing real-time and bill payment systems, thus enhancing our ability to maximize on real-time payments infrastructure and applications opportunities.
- Services and technology that will enable us to further expand our presence in real-time payments across the globe and providing us with greater flexibility in how we capitalize on new infrastructure and applications opportunities.
- A well-established business model providing payment services and technology solutions across Denmark, Norway and several other European markets.
- Ability to scale new products and services in the Nordics and beyond, offering greater choice and flexibility to stakeholders right across the payment ecosystem.

### **We take more steps towards integration and migration**

Integration of systems, tools and technology has been a key task in 2021 and will continue to have high attention. We are migrating back-office services, processes and product offerings to Mastercard environments and data centres. This migration will continue until fully completed.

Mastercard has a tried and tested Change Management programme in place to introduce employees to the Mastercard culture and support a more seamless employee integration. This has been adapted to meet challenges during a global pandemic and restrictions requiring remote working. We continue to introduce the employees to the full scale of opportunities and to The Mastercard Way, our brand, our purpose etc.



### **Our differences enable us to be a better team**

More than half of Mastercard's employees globally are part of a Business Resource Group (BRG) - self-governed groups that are comprised of individuals who come together based on similar interests or experiences. Members of our BRGs invest their time and resources into cultivating an inclusive culture that, not only drives business results, but also helps every employee feel a sense of belonging at Mastercard. In Mastercard Payment Services we have already established two Business Resource Groups: Women Leadership Network and YoPros (Young Professionals).

Global Inclusion and Diversity means more to us than bringing together people with different backgrounds. It is a belief that our differences enable us to be a better team - one that makes better decisions, drives innovation and delivers better business results. We strive to create meaningful connections, inspire acceptance and cultivate a culture where we all belong.

We invite our employees to bring their hearts, minds and whole selves to work every day to push boundaries, imagine new possibilities and be a force for good. At Mastercard, we encourage our employees to connect their skills and passions with community volunteerism.

### **Denmark and the Nordics as a key location for Mastercard**

The Nordic region is one of the most technology advanced payments markets in the world, a place where we first see emerging technologies, new consumer behaviour and habits, and where we now have the skills and experience to develop and pursue new opportunities. We are investing in Denmark and the Nordics as a key area for future technology and innovation and we expect to create new exciting Nordic job opportunities on the cutting edge of payments and tech.

### **The future of payments**

Over the past few years, Mastercard has continued to expand its reach beyond card payments, executing on its multi-rail strategy. The proven real-time and pioneering bill payment solutions in Denmark and Norway complement Mastercard's growing suite of payment capabilities.

Mastercard is a global pioneer in payment innovation and technology connecting billions of consumers, issuers, merchants, governments and businesses. With Mastercard Payment Services we will maintain and strengthen our position to continue to serve the region, while using our global scale and presence to grow the services we offer in other markets.

Leveraging the whole of Mastercard, we are uniquely equipped to help deliver the frictionless digital experiences that people and organisations want and increasingly expect.

### **Financial Review**

The revenue arising from contracts with its customers in the financial year ended 31 December 2021 was DKK 1,605m (2020: DKK 1,475m). The increase in revenue was primarily driven by an increase in volumes in Mastercard Payment Services billpay and infrastructure businesses.

The decrease in profit before tax by DKK 124m to DKK 335m (2020: DKK 459m) arises from an increase in:

- external costs relating to the Transitional Services Agreement (TSA). TSA costs relate to services Nets will continue to provide transition services until March 2024 to enable Mastercard Payment Services to continue to operate the Corporate Services business and to deliver services to the market; and
- staff costs relating to build up of local group functions to support the business and integration related activities; and
- amortization relating to capitalisation of assets in 2021; and
- finance expenses, mainly driven by negative interest rates.

While satisfactory to Mastercard Payment Services management, revenue and operating profits came slightly below expectation as a result of the Covid-19 pandemic and uncertainty around the closing of the sales of Mastercard Payments Services to Mastercard.

## Mastercard Payment Services Denmark A/S Management's review (continued)

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In 2021, despite the resilience of Mastercard Payment Services billpay portfolio, the Covid-19 pandemic negatively impacted financial performance in a few industries when restrictions and lockdowns were implemented in Denmark. Assuming no further lockdowns in 2022, Mastercard Payment Services expects higher revenue driven by growing volumes in both its billpay and infrastructure businesses. Profit before tax is expected to remain stable as Mastercard Payment Services is committed to continue investing in innovative solutions to generate value for its customers and shareholders while also providing stable and secure operation while integrating into Mastercard.

As an approved Payment institution under the Danish Payment Services Act, Mastercard Payment Services Denmark A/S continuously monitor and report its capital requirement in accordance with the rules set by the Danish Financial Supervisory Authority.

### **Events after the balance sheet date**

There were no events with a significant effect on the financial position and results of operations after the end of the fiscal year.

### **Principal risks and uncertainties**

The Mastercard Payment Services Board of Directors is responsible for the overall governance, overseeing the risk profile and approving strategies and policies.

#### **The “Three Lines of Defence” model**

Mastercard Payment Services adopts a “Three Lines of Defence” model as the basis for corporate governance. The model is implemented across Mastercard Payment Services entities and is used to structure roles, responsibilities and accountability relating to risk and internal controls.

#### **First Line - Identify, assess and manage risks**

The Business, Operations and Technology teams within Mastercard Payment Services form the first line of defence. They own and are accountable for the identification, measurement, management and reporting of all risks relevant to their functions.

#### **Second Line - Oversight, control and compliance**

The Risk Management, Technology Risk Management, Enterprise Resilience and Corporate Security Officer functions at Mastercard Payment Services constitute the second line of defence and act independently, away from the activities they are required to control. They provide objective challenge, setting minimum requirements via policies which they support the implementation and monitoring thereof through frameworks, tools, processes, and control activities.

#### **Third Line - Independent assurance**

Internal Audit forms the Third Line of Defence, providing independent assurance of risk and control functions performed by the first and second lines of defence.

**Internal Audit** coordinates and performs all audits related to the scope of Mastercard Payment Services including general IT controls, IT-based user systems and applications and IT systems which support the exchange of data between connected data centres and associated financial enterprises. Additionally, core business processes and projects, of internal and external importance, are audited. Audit completion requires conclusions to be reported to the managers of audited activities, Management and the Board of Directors at Mastercard Payment Services.

Mastercard Payment Services adopts an enterprise-wide risk management approach to identify, assess, measure, manage and report across a wide range of business and operational risks. An annual programme of independent key controls testing is performed to ensure the design and operation of key controls remains effective.

Significant opportunities continue to arise in the payments market and Mastercard Payment Services continues to monitor and focus on the risks presented in the following areas:

- Business Resilience and Recovery
- Cyber Security;
- Regulatory;
- Reputation;
- Integration; and
- Payment landscape transformation

### **Business Resilience and Recovery Risk**

Mastercard Payment Services operates a number of critical payment platforms in Denmark and throughout Europe, such as direct debit solutions, clearing systems and payment processing platforms, which require a high level of dependability and continuous service availability.

**Nets TSA:** As part of the agreed terms of the acquisition of Centurion, Nets will continue to provide transition services until March 2024 to enable Mastercard Payment Services to continue to operate the Corporate Services business and to deliver services to the market. In order to maintain a high level of dependability and continuous service availability, Mastercard Payment Services has established an exhaustive vendor governance, including reporting and governance forums via TSA with Nets.

Successive waves of Covid-19 during 2021 have required Mastercard Payment Services deploying business continuity plans to protect staff and maintain the stability of its operations across the business.

**Main Mitigants:** Mastercard Payment Services adopts a resilience by design strategy, supported by robust service management procedures. Regular business impact analyses (BIA) to ensure service maturity and resilience. Resilience and the ability to recover is continuously assured through a Three Lines of Defence model which includes external certifications and standards assessment, and thorough Disaster Recovery testing, as well as recovery simulations. Investment in technology, tools and people enable Mastercard Payment Services to meet contractual performance commitments.

**Nets TSA:** Following implementation of a TSA, Mastercard Payment Services is able to fully understand the dependencies, functionalities and corresponding risks within its supply chain, and is able to demonstrate the controls around supplier management on an ongoing basis.

**Covid-19:** Working practices have been adapted in line with national Government guidelines in order to ensure the continued delivery of live services whilst offering heightened level of staff welfare and support engagement throughout the duration of the pandemic.

### **Cyber Security Risk**

Cyber Security remains a prevalent, fast evolving threat across many industries and particularly within financial and payment services. Global inter-connectivity and technological advancement is adding to the complexity of Cyber Security Risk and enabling more advanced methods to be employed by perpetrators.

Mastercard Payment Services continues to work closely with customers, government and the wider payment industry to understand and evaluate the nature of these threats, enabling the business to steer strategic and tactical risk decisions in line with the constantly evolving threat landscape. Mastercard Payment Services is committed to the continued delivery of cyber resilience and will ensure it has the capability to resist and counter such threats through mature and robust layered defences; system monitoring and traffic analysis; and close alignment with Industry and International security standards.

Continual security monitoring and security testing is central to the safe provision and operation of payment services.

**Main mitigations:** Mastercard Payment Services will seek to become members of the Nordic Financial CERT (NFCERT) community to further strengthen the collaboration with key actors across the sector, and to ensure timely access to threat intelligence and expert support in the event of cyber threats materializing. Mastercard Payment Services will continue to improve the security governance across the organisation, with emphasis on evolving the Mastercard Payment Services Information Security Management System (ISMS), executing cyber security culture, training and awareness activities for all personnel, and strengthen the monitoring and management of vendors providing security capabilities and services to Mastercard Payment Services.

### **Integration**

The integration of Mastercard Payment Services into Mastercard remains a key risk for Mastercard Payment Services.

To support the separation process and provide a controlled migration a comprehensive TSA is in place between Nets and Mastercard. Over the TSA period, Mastercard Payment Services will replicate, clone, and stand-up infrastructure to enable separation from Nets. The completion of migration activities will conclude Mastercard Payment Services' transitional services with Nets, after which point, Service Operations, Infrastructure and Security Operations will transition to local and global Mastercard teams and trusted partners, providing comprehensive 24/7 support to assure the highest quality for the delivery of services.

In this process, successful delivery of the Data Center Relocation strategy is crucial to the overall contractual services agreed by Mastercard Payment Services to its customers and regulators.

Other focus areas of integration are managing the internal and external complexity of the carve out from Nets. This includes managing the internal technical requirements and interdependencies and, externally, ensuring ongoing careful management of customer contractual commitments and minimizing customer and sector change disruption throughout the transition, while maintaining secure and stable operations.

**Main mitigants:** The Data Center Relocation and TSA Exit Process program comprises workstreams and participants from all impacted workstreams. It is led by a Mastercard Steering Committee which ensures strong internal governance. In addition, well defined governance is in place between Mastercard and Nets to cover all separation activities.

Dedicated Move Groups have been created at the application level for planning purposes. Move Groups represent a logical group of applications in the Mastercard Payment Services Application Catalogue that need to be moved from a Nets data center to a Mastercard data center. Creating dedicated Move Groups enables a phased approach to the migration, with the lowest possible impact to customers and minimal dependency on other applications, whilst maintaining secure and stable operations.

### **Regulatory Risk**

Mastercard Payment Services Denmark A/S is authorised as a payment institution under the Danish Payments Act and under the supervision of the Danish Financial Services Authority (DFSA). Further, due to its role as provider of critical infrastructure services in respect of DKK clearing systems, Mastercard Payment Services Denmark A/S is subject to the regulation on shared data centers (fælles datacentraler) under the Danish Financial Services Act and it also under the supervision of the DFSA in that capacity. Finally, Betalingsservice, the direct debit scheme provided by Mastercard Payment Services Denmark A/S is subject to oversight by the Danish Central Bank due to its designation as critical financial infrastructure.

The Regulatory Affairs team takes an active role in understanding the applicable regulatory framework and associated risks and reports to the Risk Committee and Board of Directors within the areas of payments regulation (PSD2), competition law and related subject matters. Similar functions are performed by Privacy in respect of GDPR and Legal Compliance in the relation to Anti Money Laundry / Combating the Financing of Terrorism (AML/CFT).

To comply with applicable regulation, the business of Mastercard Payment Services Denmark A/S is conducted in accordance with a governance framework of policies and procedures which inter alia sets out appropriate reporting and escalation processes in accordance with the Three Lines of Defence model (see above).

In terms of new regulatory obligations, Mastercard Payment Services Denmark A/S is in the process of preparing an application for authorisation as an IT-operator of retail payment systems which will be required to continue its operations as provider of critical infrastructure services to DKK payment systems.

### **Brand and Reputation**

The reputation of Mastercard Payment Services as well as perceptions of our brand and our services are key assets of our business. The ability to attract consumers to our products and retain them depends upon the external perception of us and our industry. Negative brand perception as well as lack of visibility may materially and adversely affect our overall business.

Operating critical payments infrastructure and applications can subject us to heightened reputational risks, including extensive scrutiny and publicity. Our business may be affected by actions taken by our customers or other organizations that impact the perception of our brands or the payments industry in general. Other types of risks such as failure to comply with laws and regulations, information security incidents etc. could have an impact on our brand and reputation.

**Main mitigations:** Mastercard Payment Services is cognisant of the criticality of maintaining positive industry perceptions regarding its operations. Mastercard Payment Services places specific attention upon the prevention of events which could result in any negative publicity or litigation that could affect its existing or new business opportunities. We build strong stakeholder relationships to financial institutions, our customers and other key stakeholders in the payments industry that could impact our payment products and services.

### **Competition and Technology**

Substantial and intense competition and transformation in the global payments industry may materially and adversely affect our overall business and results of operations.

The payments industry is highly competitive. Payment industry players, customers, fintechs, technology companies, governments and other industry participants may, individually or through merger, joint ventures or other business combinations, develop products and services that could require us to adapt to new market dynamics. Our ability to meet or drive developments in the market may be also affected by changes in the legal and regulatory landscape.

Technological changes, including continuing developments of technologies in the areas of real-time payments, mobile payments, e-commerce, cryptocurrency and block chain technology, machine learning and AI, could result in new technologies that may be superior to, or render obsolete, the technologies we currently use in our programs and services. Moreover, these changes could result in new and innovative payment methods and products that could place us at a competitive disadvantage and that could reduce the use of our products.

**Main mitigations:** We maintain a strong focus on customers, understanding their payment needs. Mastercard Payment Services focusses on modernising and developing existing services while we also adopt and develop new services. We put an effort in attracting and retaining technology experts and other key experts and we are leveraging Mastercard expertise in the Nordics, across Europe and globally to extend and expand our current offerings.

### **Covid-19**

2021 was also a year in which the COVID-19 pandemic made significant impacts on the payments industry in midst of cancellations, restrictions, and lockdowns.

While causing a temporary drop in the number of payment transactions, the COVID-19 pandemic also sparked a positive acceleration of the digitalisation trend throughout the regions where the company is active, with substitution effects from cash to digital payments and in particular contactless and remote payments.

Nevertheless, as European Governments introduced new restrictions towards the end of 2021, we will most likely need for restrictions to be lifted and a return to normal circumstances before these effects start driving up transaction volumes.

### **Corporate social responsibilities**

This statutory statement on corporate social responsibility (CSR) - cf. sections 99a, 99b and 99d of the Danish Financial Statements Act - covers the financial period from 1 January to 31 December 2021.

Being a member of the global Mastercard network, we are obliged to comply with a large number of Mastercard policies and procedures. As Mastercard payment Services was incorporated under Mastercard in 2021, no previous targets were set. We continue to develop and enhance the activities and expectations going forward where not stated.

The Code of Conduct (Code) is the cornerstone of Mastercard's ethics and compliance system and sets forth the principles of behaviors and business ethics. We are proud of Mastercard's culture of compliance that is grounded in honesty, decency, trust and personal accountability and hope that this Code serves as a guide for acting with integrity. Everyone at Mastercard is required to comply with the Code and to confirm compliance with the Code when joining the firm and on an annual basis thereafter.

The Code is available at <https://investor.mastercard.com/corporate-governance/policies-and-reports>

Our impact stems from increasing digital payments, running services related to digital identities, digitalising paper-based processes, and ensuring that modern societies function in a safe and efficient manner within the broader area of digital payments, for the benefit of citizens and businesses alike.

Our business model has generic risks associated with digital payments in relation to environment, social matters and employee matters, human rights, anti-corruption and bribery, mentioned below. The operational risk facing our business are set out in the principal risks and uncertainties.

### **Reporting on Environmental sustainability cf. sections 99a of the Danish Financial Statements Act**

Mastercard is committed to ensuring people, communities, businesses, and the planet can thrive. Recognising that no company can succeed in a failing world, we've set bold targets to address critical global issues such as economic inclusion, cultural diversity, and the security of the global payments ecosystem - all with the goal of helping our partners engage and serve customers in relevant ways. We have created a Priceless Planet Coalition to mobilise our network of partners to achieve ambitious aims.

Our main risk relating to the environment and climate relates to our energy consumption. We operate out of office buildings which consume energy, and we depend on data warehouses that can contribute to a high energy consumption if they are not monitored and managed correctly. Mastercard is furthering its commitment to create a more sustainable and inclusive digital economy, with a pledge to reach net zero emissions by 2040. Understanding that economic growth cannot

come at the expense of the planet, the company's global action plan aims to continue to reduce greenhouse gases (GHG) by remaining focused on the decarbonization of its operations and bolstering its efforts to decarbonize its supply chains.

Mastercard's net zero goal builds upon its existing GHG commitments that align with the Business Ambition for 1.5°C pledge. The first in the payments industry to gain Science Based Targets initiative (SBTi) approval for its GHG goals, Mastercard is currently working towards its SBTi-approved goal to reduce total Scope 1 and 2 emissions.

These targets reflect a long-term commitment by the company to monitor and implement best practices to reduce emissions across the business, drive operational energy efficiency, and further engage suppliers in value chain decarbonization. Mastercard has received an "A" rating for Supplier Engagement since 2018 from CDP (formerly Carbon Disclosure Project) and joined the 1.5°C Supply Chain Leaders Initiative, supporting large and small suppliers with concrete resources and tools for measuring their emissions and developing climate strategies through the SME Climate Hub.

In 2021 the focus has been on implementing the environmental targets from Mastercard.

**Responsibly managing the environmental impact of our business**

Mastercard Payment Services Denmark recognises that the importance of serving customers and creating value for stakeholders in a manner that minimises our environmental impact. This ambition extends to the contribution of our property portfolio, business and use of services by our customers, to climate change. Our transition to a sustainable future is deeply linked to how we manage the environmental impact of our business.

Our approach to improve our environmental footprint is guided by Mastercard business philosophy of Connecting Everyone to Priceless Possibilities. To realise this, we are committed to accelerating our plan to engage our value chain, including our customers, and make a positive contribution to key environmental issues affecting our business, notably climate change.

**Reporting on social matters, staff matters and matters concerning respect for human rights: cf. sections 99a of the Danish Financial Statements Act**

We are committed to developing and retaining a diverse and inclusive workforce, around the globe to address the risk of unlawful discrimination, harassment and retaliation. We promote an inclusive work environment and employee well-being.

Employees are empowered and responsible to speak up, particularly with respect to any ethical or potential legal concerns. The Whistleblower Policy protects employees who raise concerns. The Audit Committee of the Board of Directors established this policy so reports regarding potential violations of law or other unacceptable behavior described within this document are addressed appropriately and may be made anonymously.

**Working environment**

We respect and priorities the well-being of our employees across locations and countries, and we strive to create the best possible physical and psychological working environment by providing a non-discriminatory, safe, and healthy workplace for all. We also focus on preventing work-related illness.

Our aim is to ensure that all our employees have a healthy work-life balance and can reconcile the demands of working life and family life.

In 2021, Mastercard continued to provide support to employees during the COVID-19 pandemic to enable them to work from home. This includes guidelines and tools for how to cope with the situation, as well as office equipment and IT equipment.

Going forward we will continue to provide a healthy work environment for our employees.

### Human rights

Mastercard is committed to respecting and promoting human rights. This commitment is founded in our belief that we must bring our basic human decency to everything we do. Our culture of decency is shaped and driven by our employees, who in turn use that decency to inform what they do, and more importantly, how they do it. Our Supplier Code of Conduct requires suppliers to conduct their business in a responsible and ethical manner, including not using forced labor and being committed to the protection and preservation of human rights.

The main risk in relation to human rights violations is that our suppliers do not comply with our Supplier Code of Conduct. To mitigate this risk we screen our suppliers and perform supplier audits.

In 2021 the focus has been on onboarding the suppliers that moved across from Nets. Going forward we will continue to implement initiatives to mitigate the risk of human rights violations.

### **Reporting on anti-corruption and bribery cf. sections 99a of the Danish Financial Statements Act**

We are committed to upholding the highest standards of business ethics and preventing bribery and Corruption. There is always a risk of corruption and bribery. However, we are subject to anti-corruption laws and regulations globally, which, among other things, prohibit giving or offering payments or anything of value for the purpose of improperly influencing a business decision or to gain an unfair business advantage.

We are committed to comply with all applicable laws and regulations and implement policies, procedures and programs designed to promote compliance. The Code ensures employees are responsible for understanding and following our Anti-Corruption Policy and related procedures, which describe appropriate ways to manage certain payments, third parties, business activities, conflicts of interest and record keeping.

In 2021, all Mastercard Payment Services employees signed the Code of Conduct which addresses the risk of corruption and bribery.

In 2022 we will continue to hold ourselves accountable for behaving in a way that is consistent with the Code.

### **Reporting on gender and diversity: cf. sections 99b of the Danish Financial Statements Act**

Mastercard regards diversity as an important prerequisite for operating a healthy and forward-looking company. Mastercard aspires to be an attractive workplace for all current and future employees. We aim to offer employment on an equal basis, ensuring that all our colleagues have equal opportunities to promote their careers in the company, regardless of their nationality, ethnicity, disability, age, gender, sexual orientation, religion, or belief.

Diversity and inclusion underpin everything we do:

- We look at our recruitment, development, succession, and retention practices (including global attrition rates) with a focus on gender and generational mix of our employee population
- We have developed regional and functional action plans to identify priorities and actions that will help us make more progress for diversity and inclusion, including balance and inclusion in gender and racial representation
- As part of our commitment to racial justice, we have committed to our "In Solidarity" initiative, which focuses on people, market, and society to harness our culture of decency and build on our efforts to advance inclusion and equality
- One of the initiative in 2021 was for MPS to join the Nordic Mastercard Women Leadership Network



## Mastercard Payment Services Denmark A/S Management's review (continued)

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It is important for Mastercard that our executives have the right skillset, irrespective of gender. When filling management positions, Mastercard strives to broaden the field of candidates as much as possible, to give all employees equal opportunities. In addition, requirements to external recruitment agencies include gender diversity measures to promote a healthy diversity split.

The current Board of Directors of Mastercard Payment Services Denmark A/S consist of 4 male members and no women member.

The Board of Directors of Mastercard Payment Services Denmark A/S has set the following targets for the boards in questions:

- 2025 At least 33% of the members of the Board in the Company must be women.
- 2030 At least 40% of the members of the Board in the Company must be women.

As Mastercard Payment Services Denmark was incorporated under Mastercard in 2021, a new Board was appointed, all male. We will therefore work to reach the 2025 target. No previous targets were set regarding the share of the under-represented gender and for the gender composition of managers. Mastercard Payment Services Denmark follows the corporate strategy of Mastercard. We will continue to focus on improving gender equality and creating an inclusive space for all our employees.

### **Reporting on data ethics: cf. sections 99d of the Danish Financial Statements Act**

We use our data assets, infrastructure and platforms to create a range of products and services for our customers, while incorporating our data principles in how we design, implement and deliver those solutions.

Data has the potential to fuel the next century of innovation, but only if our data practices are held to the high standards we all deserve. We're committed to managing personal data safely and securely and in ways that are ethical, compliant and of benefit to individuals.

Our Privacy by Design and Data by Design processes have been developed to ensure we embed privacy, security and data controls in all of our products and services, keeping a clear focus on protecting customers' and individuals' data.

Our Data management and governance policy provides all employees with information to ensure that Mastercard's data is protected; its viability and availability is maintained for long-term business development and innovation; it is of good quality; and that it is used in an ethical, safe, and responsible manner. Mastercard regards data as an enterprise asset and therefore protects it from reputational and disintermediation risks. This policy is supported by guiding principles and binding Data Standards that, when applicable, provide additional requirements and controls.

Mastercard Payment Services Denmark A/S  
Income statement  
(Expressed in Danish kroner in thousands)

	Notes	2021	2020
Revenue	2	1,605,291	1,474,534
Operating costs		-1,024,583	-857,708
<b>Gross profit</b>		<u>580,708</u>	<u>616,826</u>
Staff costs	3	-204,334	-137,042
Depreciation, amortisation, and impairment losses	7,8	-41,021	-19,966
<b>Result before financial income and expenses</b>		<u>335,353</u>	<u>459,818</u>
Financial income	5	652	112
Financial expenses	5	-9,948	-66
<b>Results before tax</b>		<u>326,057</u>	<u>459,864</u>
Tax	6	-1,063,764	2,526,014
<b>Results for the year</b>		<u><u>-737,707</u></u>	<u><u>2,985,878</u></u>
<b>Proposed distribution of net profit for the year:</b>			
Retained earnings		-737,707	2,985,878
<b>Total transferred</b>		<u><u>-737,707</u></u>	<u><u>2,985,878</u></u>
Fee to external auditors	4		

Mastercard Payment Services Denmark A/S  
Balance sheet  
(Expressed in Danish kroner in thousands)

	Notes	31 December 2021	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Completed development projects	7	110,482	110,949
Development projects in progress	7	34,860	35,647
Total intangible assets		<u>145,342</u>	<u>146,596</u>
<i>Tangible assets</i>			
Equipment	8	7,167	0
Total tangible assets		<u>7,167</u>	<u>0</u>
<i>Other financial assets</i>			
Deferred tax asset	6	252,981	1,332,079
Total other financial assets		<u>252,981</u>	<u>1,332,079</u>
Total non-current assets		<u>405,490</u>	<u>1,478,675</u>
<b>Current assets</b>			
Trade receivables		87,427	90,750
Group receivables		2,322,935	715,599
Corporation tax		14,190	1,193,930
Other receivables		0	5
Prepayments		13,952	11,371
Cash and cash equivalents		20,151	6,020
Total current assets		<u>2,458,655</u>	<u>2,017,675</u>
<b>Total assets</b>		<u><u>2,864,145</u></u>	<u><u>3,496,350</u></u>

Mastercard Payment Services Denmark A/S  
 Balance sheet (continued)  
 (Expressed in Danish kroner in thousands)

	Notes	31 December 2021	31 December 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	2,000	2,000
Reserve for development costs		113,367	114,345
Retained earnings		2,470,751	3,207,480
Total equity		<u>2,586,118</u>	<u>3,323,825</u>
<b>Provision</b>			
Other provisions		45,509	0
Total Provisions		<u>45,509</u>	<u>0</u>
<b>Current liabilities</b>			
Trade payables		13,942	18,298
Group payables		37,121	3,181
Other liabilities		181,455	151,046
Total current liabilities and total liabilities		<u>232,518</u>	<u>172,525</u>
<b>Total equity and liabilities</b>		<u>2,864,145</u>	<u>3,496,350</u>
Transactions with related parties	10		
Contingent liabilities	11		
Events after reporting date	12		

**Mastercard Payment Services Denmark A/S**  
**Statement of changes in equity**  
**(Expressed in Danish kroner in thousands)**

	Share capital	Share Primium	Reserve for development costs	Retained earnings	Total equity
Equity at 1 January 2020	1,200	0	0	-20	1,180
Capital increase	700	275,300	0	0	276,000
Capital increase through					
Non-cash contributions	100	60,667	0	0	60,767
Development costs for the year	0	0	114,345	-114,345	0
Transfers	0	-335,967	0	335,967	0
Results for the year	0	0	0	2,985,878	2,985,878
Equity at 31 December 2020	2,000	0	114,345	3,207,480	3,323,825
Development costs for the year	0	0	-978	978	0
Results for the year	0	0	0	(737,707)	(737,707)
Equity as at 31 December 2021	2,000	0	113,367	2,470,751	2,586,118

Mastercard Payment Services Denmark A/S  
Statement of cash flows  
(Expressed in Danish kroner in thousands)

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
<b>Operating activities</b>			
Profit before tax		326,057	459,864
Adjustments for:			
Depreciation, amortisation, and impairment losses	7,8	41,021	19,966
Change in working capital, net		-1,546,596	-700,756
Provisions		45,509	0
Tax, net		1,195,074	4
Net cashflows from operating activities		<u>61,065</u>	<u>-220,922</u>
<b>Investing activities</b>			
Investment in intangible assets	7	-39,767	-49,058
Investment in tangible assets	8	-7,167	0
Net cashflows from investing activities		<u>-46,934</u>	<u>-49,058</u>
<b>Financing activities</b>			
Capital increase, net		0	276,000
Net cashflows from financing activities		<u>0</u>	<u>276,000</u>
Net increase in cash and bank balances		14,131	6,020
Cash and cash equivalents, beginning of the year		6,020	0
Cash and cash equivalents, end of the year		<u><u>20,151</u></u>	<u><u>6,020</u></u>

## 1 Accounting policies

The annual report has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act. The applied accounting policies are consistent with the prior year.

The functional and presentation currency is Danish kroner (DKK).

### *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 measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of the liabilities can be measured reliably.

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

In recognising and measuring assets and liabilities, any gains and 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 losses 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 at the date of payment are recognised in the income statement as financial income or financial expenses.

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 expenses.

### *Revenue*

Revenue from transaction service charges, transaction processing and similar services is recognised as revenue when services are performed.

IFRS 15 is applied as basis for the recognition and measurement to align with the accounting policies for the Group.

Revenue is recognised as the gross amount excluding VAT, taxes and duties, interchange fees and processing fees and discounts in relation to the sale.

### *External Costs*

External costs incurred in generating the revenue for the year comprise consulting and administration costs, as well as group management fee income.

1 Accounting policies (continued)

**Staff costs**

Staff costs comprise wages and salaries and remuneration, pension contributions, social security costs and other salary-related costs.

**Financial income and expenses**

Financial income and expenses comprise interest income and expense, realised and unrealised exchange gains and losses on payables and transactions denominated in foreign currencies, etc.

**Tax**

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Mastercard Payment Services A/S is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Mastercard Payment Services A/S is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

**Development projects**

Capitalised development costs are amortised over their estimated useful lives of 3-7 years. Development costs that are directly attributable to the design and testing of identifiable and unique projects including software products controlled by the company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the asset so that it will be available for use
- Management intends to complete the asset and there is an ability to use or sell it
- The asset will generate probable future economic benefits. Expenditure attributable to the asset during its development can be reliably measured.

Costs associated with maintaining the assets are recognised as an expense as and when incurred.

Directly attributable costs that are capitalised as part of the assets include employee costs.

Development projects in progress are tested for impairment at least annually.

**Equipment**

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of equipment, commencing on the date on which the asset becomes functional and the related asset is available for use. The estimated useful life of equipment is 5 years.



1 Accounting policies (continued)

***Equipment (continued)***

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted prospectively, if appropriate indicators of impairment exist.

***Impairment losses***

The carrying amount of intangible assets is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. The carrying amount of impaired assets is reduced to the lower of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the anticipated net income from the use of the asset or group of assets.

***Provisions***

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the likelihood of an outflow of resources is less than probable, but more than remote, or a reliable estimate is not determinable, the matter is disclosed as a contingency provided that the obligation or the legal claim is material.

Provisions are measured at management's best estimate, at the end of the reporting period, of the expenditure required to settle the obligation, and are discounted to present value where the effect is material. From time to time, parts of provisions may also be reversed due to a better-than-expected outcome in the related activities in terms of cash outflow.

***Receivables***

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

Receivables from group companies primarily consists of the group cashpool, with the top company being Mastercard/Europay U.K. Ltd.

***Cash and cash equivalents***

Cash and cash equivalents is comprise 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.

***Corporate tax and deferred tax***

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

1 Accounting policies (continued)

*Corporate tax and deferred tax (continued)*

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. The change in deferred tax liabilities is also recognised in the income statement.

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. Mastercard Payment Services Denmark A/S is administrative company in the joint taxation.

*Liabilities*

Financial liabilities are measured at amortised cost. Other liabilities are measured at net realisable value.

Mastercard Payment Services Denmark A/S  
Notes to the financial statements  
(Expressed in Danish kroner in thousands)

**2 Revenue**

	31 December 2021	31 December 2020
Total Revenue is specified as follows:		
Corporate Services	1,587,598	1,474,534
Other services	17,693	0
Total revenue for the year	<u>1,605,291</u>	<u>1,474,534</u>

**Geographical information**

Total Revenue is specified as follows:		
Denmark	1,488,305	1,421,842
Nordics	88,048	1,598
Europe	16,387	0
Others	12,551	51,094
Total revenue for the year	<u>1,605,291</u>	<u>1,474,534</u>

**3 Staff cost**

	31 December 2021	31 December 2020
Wages and salaries and remuneration	137,711	118,449
Pension contributions	15,257	12,590
Other staff costs	51,366	6,003
Total staff costs for the year	<u>204,334</u>	<u>137,042</u>

Average number of full-time employees are 181 (2020: 152).

**Remuneration to the Executive Board and Board of Directors**

The Executive Board member and Board of Directors and did not receive any salary, pension arrangement or other remuneration from the Company for the function in the Board.

**4 Fee to external auditors**

	31 December 2021	31 December 2020
Fees relates to statutory audit	940	940
Other services	931	931
Total fee to external auditors	<u>1,871</u>	<u>1,871</u>

Mastercard Payment Services Denmark A/S  
Notes to the financial statements  
(Expressed in Danish kroner in thousands)

5 Financial income and expenses

	31 December 2021	31 December 2020
<b>Financial income</b>		
Realised capital gains	652	112
Total financial income for the year	<u>652</u>	<u>112</u>
<b>Financial expenses</b>		
Financial expenses	5,263	0
Other financial expenses	3,840	0
Foreign exchange loss	845	66
Total financial expenses for the year	<u>9,948</u>	<u>66</u>

6 Tax

	31 December 2021	31 December 2020
<b>Deferred tax calculations</b>		
Temporary differences at balance sheet date		
Goodwill, etc.	5,743,823	6,110,644
Development projects	-145,342	-146,595
Operating equipment	66,227	90,692
Write-downs for bad debt	95	166
Accounting provisions	-181	0
Total temporary differences at balance sheet date	<u>5,664,622</u>	<u>6,054,907</u>
Deferred tax before impairment, 22%	1,246,217	1,332,079
Impairment of deferred tax asset	-993,236	0
Deferred Tax in Balance sheet 22%	<u>252,981</u>	<u>1,332,079</u>
<b>Corporation income tax</b>		
Profit/Loss before tax	326,057	459,964
Permanent differences	-272	168,086
Changes in temporary differences	-390,284	-6,054,905
Taxable income	<u>-64,499</u>	<u>-5,426,955</u>
Payable tax 22%	-14,190	-1,193,930
Corporate income tax in Balance Sheet	<u>-14,190</u>	<u>-1,193,930</u>
<b>Tax expenses</b>		
Corporate income tax for the year	14,190	1,193,930
Changes in deferred tax	-1,079,098	1,332,079
Tax related to prior years	1,144	4
Total tax expense	<u>-1,063,764</u>	<u>2,526,014</u>

Mastercard Payment Services Denmark A/S  
Notes to the financial statements  
(Expressed in Danish kroner in thousands)

**7 Intangible assets**

	Completed development projects	Development projects in progress	Total
Cost at 1 January 2021	130,915	35,647	166,562
Additions	0	39,767	39,767
Transfer	40,554	-40,554	0
Accumulated cost as at 31 December 2021	171,469	34,860	206,329
Accumulated amortisation and write-downs for impairment as at 1 January 2021	-19,966	0	-19,966
Amortisation charge for the year	-41,021	0	-41,021
Accumulated amortisation and write-downs for impairment as at 31 December 2021	-60,987	0	-60,987
Carrying amount as at 31 December 2021	110,482	34,860	145,342

**8 Tangible assets**

	Equipment
Cost at 1 January 2021	0
Additions	7,167
Accumulated cost as at 31 December 2021	7,167
Accumulated depreciation and write-downs for impairment as at 1 January 2021	0
Depreciation charge for the year	0
Accumulated depreciation and write-downs for impairment as at 31 December 2021	0
Carrying amount as at 31 December 2021	7,167

**9 Share capital**

Shareholder	Office	Shares	Number	Class	Value	Balance
Mastercard UK Management Services ltd	London	100%	2,000,000	A	1	2,000,000

Mastercard Payments Services Denmark A/S is included in the consolidated financial statements of Mastercard incorporated, 2000 Purchase Street, NY 10577 - Delaware, ID nr. 13-4172551.

## 10 Transactions with related parties

The Company's related parties are its shareholder who have significant influence over the decision-making process of the Company arising from representation on the Board of Directors.

A summary of the significant balances with related parties is as follows:

	Related party relationship	31 December 2021
Mastercard/Europay U.K. Limited	Group company	1,215,665
Mastercard Europe SA	Group company	-20,539
Mastercard Payment Services Norway AS	Group company	87,697
Mastercard Europe Services Limited	Group company	-16,582

No loans or collateral have been granted to the Board of directors or other related parties.

The following transaction with related parties were in the normal course of business and on substantially the same terms as unrelated parties. The transactions did not involve more than the normal risk of repayment or present other unfavorable features.

	Related party relationship	31 December 2021
Mastercard/Europay U.K. Limited	Group company	1,240,020
Mastercard Europe SA	Group company	20,539
Mastercard Payment Services Norway AS	Group company	87,697
Mastercard Europe Services Limited	Group company	16,582

## 11 Contingent liabilities

The Company is jointly taxed with other Danish companies in the Mastercard 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.

## 12 Events after reporting date

There were no significant events subsequent to 31 December 2021 and occurring before the date of the report that are expected to have a significant impact on these financial statements.