



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	822 988 822
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	MASTERCARD PAYMENT SERVICES NORWAY AS
Forretningsadresse:	Haavard Martinsens vei 54 0978 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jonas Odland
Dato for fastsettelse av årsregnskapet:	19.05.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 01.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		863 246 000	824 108 000
Sum inntekter		863 246 000	824 108 000
Kostnader			
Lønnskostnad		189 382 000	144 003 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		47 332 000	16 178 000
Annen driftskostnad		299 291 000	233 878 000
Porto og kommunikasjon		16 877 000	20 465 000
Sum kostnader		552 882 000	414 524 000
Driftsresultat		310 364 000	409 584 000
Finansinntekter og finanskostnader			
Annen finansinntekt		47 514 000	970 000
Sum finansinntekter		47 514 000	970 000
Annen finanskostnad		48 606 000	972 000
Sum finanskostnader		48 606 000	972 000
Netto finans		-1 092 000	-2 000
Ordinært resultat før skattekostnad		309 272 000	409 582 000
Skattekostnad på ordinært resultat		77 386 000	102 435 000
Ordinært resultat etter skattekostnad		231 886 000	307 147 000
Årsresultat		231 886 000	307 147 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		231 886 000	307 147 000
Sum overføringer og disponeringer		231 886 000	307 147 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Fullførte utviklingsprosjekter		169 146 000	134 652 000
Ikke-fullførte utviklingsprosjekter		80 153 000	67 487 000
Programvare		2 070 000	3 450 000
Utsatt skattefordel		0	1 000
Sum immaterielle eiendeler		251 369 000	205 590 000
Varige driftsmidler			
Maskiner og anlegg		24 777 000	
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende			0
Sum varige driftsmidler		24 777 000	0
Sum anleggsmidler		276 146 000	205 590 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		2 564 000	7 675 000
Andre fordringer		6 475 000	7 159 000
Konsernfordringer		340 552 000	337 417 000
Sum fordringer		349 591 000	352 251 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		248 093 000	6 680 000
Sum bankinnskudd, kontanter og lignende		248 093 000	6 680 000
Sum omløpsmidler		597 684 000	358 931 000
SUM EIENDELER		873 830 000	564 521 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Selskapskapital		26 445 000	26 445 000
Sum innskutt egenkapital		26 445 000	26 445 000
Opptjent egenkapital			
Annen egenkapital		554 844 000	322 958 000
Sum opptjent egenkapital		554 844 000	322 958 000
Sum egenkapital		581 289 000	349 403 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt		28 000	0
Sum avsetninger for forpliktelser		28 000	0
Annen langsiktig gjeld			
Sum langsiktig gjeld		28 000	0
Kortsiktig gjeld			
Leverandørgjeld		35 577 000	54 257 000
Betalbar skatt		77 357 000	102 436 000
Skyldige offentlige avgifter		36 926 000	14 372 000
Kortsiktig konserngjeld		118 797 000	16 247 000
Annen kortsiktig gjeld		23 856 000	27 806 000
Sum kortsiktig gjeld		292 513 000	215 118 000
Sum gjeld		292 541 000	215 118 000
SUM EGENKAPITAL OG GJELD		873 830 000	564 521 000



Skatteetaten

Vår dato
11.12.2020

Din/Deres dato

Saksbehandler
Robin Ingebrigtsen

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
99778267

Org.nr
974761076

Vår referanse
2020/6191403

Postadresse
Postboks 9200 Grønland
0134 OSLO

CENTURION NO AS
Haavard Martinsens vei 54
0978 OSLO

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for CENTURION NO AS, org. nr: 822 988 822

Vi viser til CENTURION NO AS, org. nr: 822 988 822, sin søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden siteres:

Som dere ser inngår selskapet i et internasjonalt konsern der forretningspråket er engelsk. Alle Årsrapporter skrives på engelsk eller på begge språk. Vi har tidligere fått innvilget engelsk på selskapet Nets Holdco 5 AS og det er samme begrunnelse - så jeg håper på tilsvarende for dette selskapet. Ultimate eiere er i toppselskapet Nets Topco 1 S.a.r.l. og eiere er private equity selskapet Hellman & Friedman fra USA. Centurion NO AS er altså et norsk datterselskap av et dansk selskap som igjen er eid av selskap i Luxembourg.

...

Kunder: Selskapets omsetning er knyttet til konto-til konto baserte tjenester, som inkluderer clearing, realtidsbetalinger og regningsbetalinger. Primært andre selskaper.

Bransje: Det er vår posisjon at selskapets virksomhet er i en bransje som går over landegrensene, og derfor må engelsk betraktes som mer fordelaktig.

Andre brukere av regnskap: Det er først og fremst utenlandske selskaper og bransjen som kan betraktes som andre brukere av kontoene..



Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at kommunikasjon med de fleste av kunder og leverandører skjer på engelsk. Selskapets eiere er engelskspråklige og det vil derfor gi et mer informativt regnskap hvis engelsk språk benyttes i årsregnskap og årsberetning. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Magrit Kilen Stoebner
underdirektør
Innsats, storbedrift
Skatteetaten

Robin Ingebrigtsen



Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



**Mastercard Payment Services
Norway AS**

Company reg. no.: 822 988 822

Annual report 2021

Adopted at the Annual General
Meeting on

Chair of the AGM: 19/5 - 2022

Peter Klein



Mastercard Payment Services Norway AS
Financial statements for the year ended 31 December 2021

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Mastercard Payment Services Norway AS
Company data as at 31 December 2021

The Company	Mastercard Payment Services Norway AS Company reg. no.: 822 988 822 Established: 11 June 2019 Domicile: Oslo, Norway Financial period: 1 January - 31 December
Board of Directors	Peter Klein (chairman) Erik Anders Gutwasser Erik Jozef Stessens Frode Åsheim
Registered office	Haavard Martinsens vei 54 0978 Oslo
Auditors	PricewaterhouseCoopers AS Dronning Eufemias gate 71 Postboks 748 Sentrum NO-0106 Oslo



To the General Meeting of Mastercard Payment Services Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Mastercard Payment Services Norway AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.



Independent Auditor's Report - Mastercard Payment Services Norway AS



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 25 April 2022
PricewaterhouseCoopers AS

Jone Bauge
State Authorised Public Accountant

(This document is signed electronically)

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap*



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Bauge, Jone	BANKID_MOBILE	2022-04-27 14:53

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



Mastercard Payment Services Norway AS Report of Board of Directors

The Board of Directors have today considered and adopted the Annual Report of Mastercard Payment Services Norway AS for the financial year 1 January 2021 to 31 December 2021.

The Annual Report is prepared in accordance with the Norwegian Accounting Act. It is based on Norwegian accounting standards and guidelines for good accounting practice for larger entities.

The Board of Directors confirms that the year-end financial statements have been prepared on the basis that the Company is a going concern. This assessment rests on the Company's results, financial position and budgets.

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 2021 to 31 December 2021.

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 entity 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 Norway and Denmark 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 Norway and Denmark. 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 during 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 (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.
- Mastercard Payment Services Denmark A/S provides critical infrastructure services in respect of DKK clearing systems and operates a local direct debit solution.

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.



Mastercard Payment Services Norway AS Report of Board of Directors (continued)

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.

Target figures for the share of the under-represented gender

The Company is committed to continuously working to improve gender equality at all levels in accordance with the Mastercard Code of Conduct policy. Gender equality will therefore be of high priority when appointing directors to the Board. When appointing directors to the Board, the Company will aim to achieve the following distribution of male and female directors:

- 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.

Norway 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 Norway 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 Norway and Denmark 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.



Mastercard Payment Services Norway AS Report of Board of Directors (continued)

Financial Review

The revenue arising from contracts with its customers in the financial year ended 31 December 2021 was NOK 863m (2020: 824m NOK). The increase in revenue since 2020 was driven by higher volume in the billpay business and as a result of a new treatment of intercompany transactions.

During the financial year, the profit amounting to NOK 232m (2020: NOK 307m) has been distributed to retained earnings.

The decrease in profit before tax by NOK 100m to NOK 309m (2020: NOK 410m) arises from an increase in:

- staff costs relating to strengthening the organization and for the integration of Mastercard Payment Services into Mastercard; and
- other operating expenses as a result of the treatment of the profit split (NOK 89m);
- amortization relating to capitalisation of assets late 2020 and early 2021.

Financial performance was satisfactory to the management as underlying revenue came above expectation while operating profit where negatively impacted by uncertainty around the closing of the sales of Mastercard Payments Services to Mastercard.

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 Norway. Assuming no further lockdowns in 2022, Mastercard Payment Services expects higher revenue driven by growing billpay volumes and the launch of new innovative solutions. Mastercard Payment Services are 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.

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.



Mastercard Payment Services Norway AS Report of Board of Directors (continued)

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 Norway 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 Norway AS Report of Board of Directors (continued)

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 Norway AS became a member of the Nordic Financial CERT (NFCERT) community in February 2022 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.



Mastercard Payment Services Norway AS Report of Board of Directors (continued)

Regulatory Risk

Mastercard Payment Services (Norway) AS (MPS NO) provides bill payment services to clients in the Norwegian banking sector. Further, in 2021 MPS NO has been registered as an agent of Mastercard Payment Services Denmark A/S in respect of payment initiation and account information services (PSD2 open banking offerings) in the Norwegian market. As agent, MPS NO is subject to certain Norwegian statutory requirements, including in respect of Anti Money Laundry / Combating the Financing of Terrorism (AML/CFT) which is under the supervision of the Norwegian Financial Services Authority.

Mastercard Payment Services Infrastructure (Norway) AS (MPSI) 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.

Due to its role in respect of critical Norwegian payments and infrastructure services, MPS NO and MPSI conducted their business 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).

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).

In terms of new regulatory obligations, MPS NO and MPSI has been notified by the Norwegian Ministry of Finance of its intention to designate them under the Norwegian Act on National Security as responsible for critical assets and infrastructure. It is therefore expected that MPSI and MPS NO will have to comply with requirements in respect of IT security and operations, processing of classified information and security vetting of key employees.

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.

Market may be also affected by changes in the legal and regulatory landscape.



Mastercard Payment Services Norway AS Report of Board of Directors (continued)

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

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.

Corporate social responsibilities

This statutory statement on corporate social responsibility (CSR), 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

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.



Mastercard Payment Services Norway AS Report of Board of Directors (continued)

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.

Responsibly managing the environmental impact of our business

Mastercard Payment Services 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

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 prioritise 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.



Mastercard Payment Services Norway AS Report of Board of Directors (continued)

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.

Reporting on anti-corruption and bribery

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.

Reporting on gender and diversity

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 Mastercard Payment Services to join the Nordic Mastercard Women Leadership Network

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 consist of 4 male members and no women members.



Mastercard Payment Services Norway AS Report of Board of Directors (continued)

The Board of Directors 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 was incorporated under Mastercard in 2021, a new Board was appointed. No previous targets were set regarding the share of the under-represented gender and for the gender composition of managers. Mastercard Payment Services 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

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.

In our opinion, Report of Board of Directors includes a true and fair account of the matters addressed in the Report.

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

Oslo, 25 April 2022

Board of Directors

Peter Klein

Peter Klein (Apr 25, 2022 09:00 GMT+1)

Peter Klein
Chairman

Frode Åsheim

Frode Åsheim (Apr 25, 2022 10:27 GMT+2)

Frode Åsheim

Erik Jozef Stessens

Erik Jozef Stessens

Erik Gutwässer

Erik Gutwässer (Apr 25, 2022 09:02 GMT+2)

Erik Anders Gutwässer



Mastercard Payment Services Norway AS
Income statement for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Revenue			
Revenue	2	863,246	824,108
Total revenue		<u>863,246</u>	<u>824,108</u>
Operating costs			
Staff costs	3	-189,382	-144,003
Postage and communication		-16,877	-20,465
Other operating expenses	4	-299,291	-233,878
Depreciation, amortisation, and impairment losses	9,10	-47,332	-16,178
Total operating costs		<u>-552,882</u>	<u>-414,524</u>
Result before financial income and expenses		<u>310,364</u>	<u>409,584</u>
Financial income and expenses			
Financial income	6	47,514	970
Financial expenses	6	-48,606	-972
Net financial income and expenses		<u>-1,092</u>	<u>-2</u>
Profit before tax		<u>309,272</u>	<u>409,582</u>
Tax	7	-77,386	-102,435
Net Profit for the year		<u>231,886</u>	<u>307,147</u>
Proposed distribution of net profit for the year:			
Retained earnings	13	231,886	-307,147
Total transferred		<u>231,886</u>	<u>-307,147</u>



Mastercard Payment Services Norway AS
Balance sheet as at 31 December 2021
(Expressed in Norwegian kroner in thousands)

	Notes	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax asset	7	0	1
Completed development projects	9	169,146	134,652
Development projects in progress	9	80,153	67,487
Software	9	2,070	3,450
		<u>251,369</u>	<u>205,590</u>
Tangible assets			
Equipment	10	24,777	0
		<u>24,777</u>	<u>0</u>
Total non-current assets		<u>276,146</u>	<u>205,590</u>
Current assets			
Trade receivables		2,564	7,676
Group receivables		340,552	337,417
Other receivables		6,475	7,159
Cash and cash equivalent	11	248,093	6,680
Total current assets		<u>597,684</u>	<u>358,932</u>
Total assets		<u>873,830</u>	<u>564,521</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	26,445	26,445
Retained earnings	13	554,844	322,958
Total equity		<u>581,289</u>	<u>349,403</u>
Current liabilities			
Deferred tax liability	7	28	0
Trade payables		35,577	54,257
Group payables		118,797	16,247
Tax payables		77,357	102,436
Other taxes and fees		36,926	14,372
Other payables		23,856	27,806
Total current liabilities and total liabilities		<u>292,541</u>	<u>215,118</u>
Total equity and liabilities		<u>873,830</u>	<u>564,521</u>

Oslo, 25 April 2022

Peter Klein
Peter Klein (Apr 25, 2022 09:00 GMT+1)

Peter Klein
Chairman

Frode Åsheim
Frode Åsheim (Apr 25, 2022 10:27 GMT+2)

Frode Åsheim

Erik Jozef Stessens

Erik Jozef Stessens

Erik Gutwässer
Erik Gutwässer (Apr 25, 2022 09:02 GMT+2)

Erik Anders Gutwässer



Mastercard Payment Services Norway AS
Cashflow statement for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

	Notes	Year ended 31 December 2021	Year ended 31 December 2020
Operating activities			
Profit before tax		309,272	409,582
Adjustments for:			
Depreciation, amortisation, and impairment losses	9,10	47,332	16,178
Change in working capital, net		105,134	-309,384
Tax, net		-102,436	0
Net cashflows from operating activities		<u>359,302</u>	<u>116,376</u>
Investing activities			
Investment in software and other intangible assets, net	9	-87,812	-109,696
Investments in equipment	10	-30,077	0
Net cashflows from investing activities		<u>-117,889</u>	<u>-109,696</u>
Net increase in cash and bank balances		241,413	6,680
Cash and cash equivalents, beginning of the year		6,680	0
Cash and cash equivalents, end of the year		<u>248,093</u>	<u>6,680</u>



Mastercard Payment Services Norway AS
Notes to the financial statements for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act. It is based on Norwegian accounting standards and guidelines for good accounting practice for larger entities.

Functional and presentational currency

Items included in the financial information the Company are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial information is presented in Norwegian kroner (NOK), which is also the functional and presentational currency of the Company.

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 interest income or expense and similar items.

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 interest income or expense and similar items.

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.

Revenue

Revenue recognition from services are recognized as income as they are provided.

External Costs

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



Mastercard Payment Services Norway AS
Notes to the financial statements for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

1 Accounting policies (continued)

Staff costs

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

Pension (Defined contribution plan)

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Financial income and expenses

Financial income, expense and similar items comprise interest income and expense and realised and unrealised gains and dividends and losses on transactions denominated in foreign currencies and securities.

Tax

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.

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.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite.



Mastercard Payment Services Norway AS
Notes to the financial statements for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

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.

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.

Receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise of 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 and other liabilities are measured at cost.



Mastercard Payment Services Norway AS
Notes to the financial statements for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

2 Revenue

	Year ended 31 December 2021	Year ended 31 December 2020
Corporate services	863,246	824,108
Total revenue for the year	<u>863,246</u>	<u>824,108</u>

During the year, the Company has generated revenues amounting to NOK 8,772 (2020: NOK 596) from outside of Norway.

3 Staff cost

	Year ended 31 December 2021	Year ended 31 December 2020
Wages and salaries and remuneration	177,930	142,834
Employer's fee/financial tax	35,218	27,521
Pension cost	13,591	13,753
Other staff costs	3,365	1,135
Capitalised staff costs	-40,722	-41,241
Total staff cost for the year	<u>189,382</u>	<u>144,003</u>

Average number of full-time employees are 157 (2020: 132).

Remuneration to the Board of Directors

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

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

4 Other operating expenses

	Year ended 31 December 2021	Year ended 31 December 2020
Cost of operation	30,241	56,988
IT expenses	2,464	62,622
Consultancy fees	115,439	101,916
Travel expenses	829	918
Marketing expenses	3,951	4,162
Facility management expenses	2,933	6,644
Other administrative expenses	143,434	628
Total operating expenses for the year	<u>299,291</u>	<u>233,878</u>



Mastercard Payment Services Norway AS
Notes to the financial statements for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

5 Fee to external auditors

	Year ended 31 December 2021	Year ended 31 December 2020
Fees relates to statutory audit	901	901
Other services	1,224	1,224
Total fee to external auditors for the year	2,125	2,125

6 Financial income and expenses

	Year ended 31 December 2021	Year ended 31 December 2020
Financial income		
Bank interest - Income	54	0
Capital gains	47,460	970
Total financial income for the year	47,514	970
Financial expenses		
Bank interest - Expense	38	0
Capital loss	46,919	697
Other financial costs	1,649	275
Total financial expenses for the year	48,606	972

7 Tax

	31 December 2021	31 December 2020
Deferred tax calculations		
Temporary differences:		
Tangible assets	-716	0
Intangible assets	0	3
Receivables	602	0
Total temporary differences	-114	3
Net temporary differences:		
Basis for deferred tax	-114	3
Deferred tax 25%	-28	1
Deferred Tax in Balance sheet 25%	-28	1



Mastercard Payment Services Norway AS
Notes to the financial statements for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

7 Tax (continued)

	31 December 2021	31 December 2020
Corporation income tax		
Profit before tax	309,272	409,582
Permanent differences	271	158
Changes in temporary differences	-117	3
Group contribution	0	0
Taxable income	309,426	409,744
Payable tax 25%	77,357	102,436
Corporate income tax in Balance Sheet	77,357	102,436
Tax expenses		
Corporate income tax for the year	77,357	102,436
Tax effect of group contribution	0	0
Changes in deferred tax	29	-1
Total tax expense for the year	77,386	102,435

8 Pension

The Company operates a collective pension scheme for Mastercard Payment Services Norway AS and Mastercard Payment Services Infrastructure (Norway) AS. The Company's defined contribution scheme is open to new members and includes total of 150 individuals as at 31 December 2021 (2020: 124 individuals). The Company contributed NOK 7m (2020: NOK 3m) to the scheme.

The company's Pension Arrangements satisfy the requirements of the Act on Mandatory Occupational Pensions.



Mastercard Payment Services Norway AS
Notes to the financial statements for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

9 Intangible assets

	Completed development projects	Development projects in progress	Software	Total
Cost at 1 January 2021	150,140	67,487	4,140	221,767
Additions	75,146	12,666	0	87,812
Accumulated cost as at 31 December 2021	225,286	80,153	4,140	309,579
Accumulated amortisation and write-downs for impairment as at 1 January 2021	-15,488	0	-690	-16,178
Amortisation charge for the year	-40,652	0	-1,380	-42,032
Accumulated amortisation and write-downs for impairment as at 31 December 2021	-56,140	0	-2,070	-58,210
Carrying amount as at 31 December 2021	169,146	80,153	2,070	251,369

10 Equipment

	Equipment
Cost at 1 January 2021	0
Additions	30,077
Accumulated cost as at 31 December 2021	30,077
Accumulated depreciation and write-downs for impairment as at 1 January 2021	0
depreciation charge for the year	-5,300
Accumulated depreciation and write-downs for impairment as at 31 December 2021	-5,300
Carrying amount as at 31 December 2021	24,777

11 Cash and cash equivalents

	31 December 2021	31 December 2020
Bank deposits	240,282	0
Restricted bank deposits for tax purposes	7,811	6,680
Total cash and cash equivalents	248,093	6,680



Mastercard Payment Services Norway AS
Notes to the financial statements for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

12 Share capital

Shareholder	Office	Shares	Number	Class	Value	Balance
Mastercard UK Management Services Ltd	London	100%	264,453,101	A	0.10	26,445,310

Mastercard Payment Services Norway AS are included in the consolidated financial statements of Mastercard incorporated, 2000 Purchase Street, NY 10577 - Delaware, ID nr. 13-4172551.

13 Equity

	Share capital	Retained earnings	Total equity
Equity at 1 January 2020	30	0	30
Capital reduction	-30	0	-30
Additions through demergers	26,445	15,811	42,256
Net profit for the year	0	307,147	307,147
Equity as at 31 December 2020	26,445	322,958	349,403
Net profit for the year	0	231,886	231,886
Equity as at 31 December 2021	26,445	554,844	581,289

14 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 Payment Services Denmark A/S	Group company	-118,797
Mastercard Payment Services Infrastructure AS	Group company	332,632
Mastercard/Europay U.K. Limited	Group company	7,304

The following transaction with related parties were in the normal course of business and as follows:

	Related party relationship	Year ended 31 December 2021
Mastercard Payment Services Denmark A/S	Group company	118,797
Mastercard Payment Services Infrastructure AS	Group company	332,632
Mastercard Europe SA	Group company	3,793
Mastercard/Europay U.K. Limited	Group company	7,304



Mastercard Payment Services Norway AS
Notes to the financial statements for the year ended 31 December 2021
(Expressed in Norwegian kroner in thousands)

15 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.

16 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.

17 Comparative figures

Profit split amounting to NOK 154,000 in financial year 2020 has been reclassified to revenue from reduction in other operating expenses. This is reclassified to conform to the current year's presentation and to improve the quality of the financial statements. This regrouping does not affect the net profit, balance sheet or equity for the previous year.

List of reclassifications in profit and loss is as follows:

	Amount reclassified	Balance before reclassification	Balance after reclassification
Revenue	154,000	670,108	824,108
Other operating expenses	154,000	79,878	233,878