

**COMPASS GROUP FINANCE NETHERLANDS B.V.**

Registered office: Laarderhoogtweg 11, 1101 DZ Amsterdam

Registration number: 71916970

**ANNUAL REPORT 2020**

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## DIRECTORS' REPORT

The Board of Directors of Compass Group Finance Netherlands B.V. (the "Company") hereby presents its financial statements for the year ended 30 September 2020 (the "financial year").

### GENERAL INFORMATION

The Company's business objectives are providing financial support to other companies within a group of companies referred to as the "Compass Group". Compass Group PLC, a company incorporated in England and Wales and listed on the London Stock Exchange, is the ultimate parent company of the Compass Group. When making decisions, management of the Company takes into account the outcome of the decision for the Company as well as the outcome for Compass Group as a whole. The Company is a wholly owned subsidiary of Compass Group International B.V., a company incorporated in the Netherlands.

### FINANCIAL INFORMATION

In the year ended 30 September 2020 the Company continued to be an issuer under the Euro Medium Term Note programme (the "programme") maintained by Compass Group PLC and the Company. The Company has previously issued notes under the programme. The proceeds received by the Company from noteholders under the programme have been lent to Compass Group PLC under inter-company loans with the intention that any interest received from such loans is used by the Company to fund interest payments due to noteholders.

On 25 August 2020, the Company participated in the annual update of the programme to maintain the listing of the programme on the regulated market of the London Stock Exchange and to take account of the latest legal and regulatory developments which are relevant to the programme. In this update, the primary substantive change in the programme was an increase in the total programme amount from £4 billion to £6 billion. No new bonds were issued during the year ended 30 September 2020.

Under the terms of the programme, Compass Group PLC unconditionally and irrevocably guarantees any amounts due by the Company in respect of notes issued by it under the programme. Following the inclusion of the Company in the programme and the subsequent issuance of notes thereunder by the Company, the Company is an issuer of debt securities admitted to the Official List of the UK Financial Conduct Authority and to trading on the regulated market of the London Stock Exchange. In relation to the programme notes, the Company is therefore required to comply with, among others, certain obligations imposed by the Market Abuse Regulation (2014/596/EU) (or, after 31 December 2020, the UK equivalent of such regulation) and the UK Listing Rules and Disclosure Guidance and Transparency Rules made under section 73A of the UK Financial Services and Markets Act 2000 to the extent applicable to the issuers of debt securities.

#### *Impact of COVID-19*

The global COVID-19 pandemic has had no impact on the financing structure of the Company thus far. The duration of the pandemic and the uncertainty of the outlook for the future will have an impact on the financial performance of Compass Group PLC, the main debtor of the Company. The Board of Directors has reviewed the financial performance of Compass Group PLC and principal risks and uncertainties facing the business of Compass Group PLC as described in the annual report of Compass Group PLC for the year ended 30 September 2020, which can be obtained on [www.compass-group.com](http://www.compass-group.com).

The operations of Compass Group PLC have been significantly disrupted as a result of the rapid development and global impact of the COVID-19 pandemic. The Compass Group has moved quickly to mitigate the disruption and adjusted the operations to adjust to the changed environment, implementing a wide range of actions to mitigate a risk to the business which continues to evolve.

The Compass Group has implemented action plans to mitigate a significant proportion of the cost base in order to preserve the profitability and liquidity of the Group and continues to review the cost base for additional savings. All non-business critical capital expenditure and M&A activity has been significantly reduced or paused. Compass Group PLC reduced the cost base by taking a wide range of actions. In addition, the Board of Compass Group PLC decided not to recommend an interim or a final dividend for the year ended 30 September 2020 to preserve capital to ensure that the medium to long term interests of Compass Group PLC are protected for the benefit of investors and other stakeholders. Compass Group PLC proactively managed its working capital, applying for government support packages such as temporary wage subsidy schemes and tax payment deadline extensions where possible.

2020 results of Compass Group PLC reflect the dramatic impact COVID-19 has had on the business. The revenue in FY 2020 declined by 18,8% on an organic basis as a result of the pandemic. Operating profit for the year decreased by 81,9% due to lower underlying operating profit, resizing costs, the cost action programme and negative impact of foreign currency translation.

As a response to the Covid-19 crisis, Compass Group PLC executed the following mitigations:

- Monthly cost savings of around GBP 500 million
- Capex reduced
- Acquisitions paused
- Dividend suspended
- Committed credit facilities increase
- Covenant waivers secured for US Private Placement
- Equity raise
- Credit rating of the Compass Group PLC remains investment grade

## DIRECTORS' REPORT CONTINUED

### FINANCIAL INFORMATION (CONTINUED)

Together, these measures will ensure that the Compass Group remains resilient in the event of further negative developments in the pandemic. The Board of Directors of the Company will continue to monitor the situation of Compass Group PLC and Compass Group PLC's capital and liquidity strategy to deal with the situation as it evolves.

Following its review of the annual report of Compass Group PLC and the possible impact which the risks and uncertainties described in this report for Compass Group PLC could have on the financial results of the Company, the Board of Directors is confident that Compass Group PLC will continue to be able to comply with all its obligations to the Company and therefore the Company will continue to be able to comply with all obligations of the Company to the bondholders in respect of notes issued by it under the programme.

#### Income statement review

Net finance income was €1,104 thousand (the financial period ended 30 September 2019: €1,255 thousand). The Company's net finance income primarily derives from the positive difference between interest income on its inter-company loans to Compass Group PLC in an amount of €14,075 thousand (the financial period ended 30 September 2019: €15,694 thousand) and the interest expense to the noteholders in the amount of €12,971 thousand (the financial period ended 30 September 2019: €14,439 thousand).

Profit before tax was €951 thousand (the financial period ended 30 September 2019: €1,108 thousand). The decrease mainly results from the decrease in amortisation of transaction costs.

#### Balance sheet review

On 19 July 2018, the Company was added as an issuer to the programme. On 5 September 2018 the Company issued €500m 1.5% guaranteed notes due 2028 ("2028 Notes") under the programme. The proceeds received by the Company from noteholders under the programme were lent to Compass Group PLC under an inter-company loan with the intention that any interest received from such loan is used by the Company to fund payments due to noteholders. Under the terms of the programme, Compass Group PLC unconditionally and irrevocably guarantees any amounts due by the Company in respect of notes issued by it under the programme.

On 6 September 2018, the Company assumed the obligations of Compass Group International B.V. as the issuer of €750m 0.625% guaranteed notes due 2024 ("2024 Notes") under the programme, which were originally issued by Compass Group International B.V. on 3 July 2017. In connection with this substitution, Compass Group International B.V. also assigned to the Company the inter-company loan to Compass Group PLC which was made with proceeds of the 2024 Notes.

During the year ended 30 September 2020 and the year ended 30 September 2019, there were no significant balance sheet movements.

The Company finances its assets by equity from its shareholders and funds from external bondholders. The Company has the option to match the maturity of its financial assets to the maturity of its financial liabilities. The Euro inter-company receivables have a maturity date of 2047-2048. In accordance with the loan agreement, the inter-company loans can be repaid earlier in line with the repayment date of the related notes issued under the programme. The Company has an intention to request the repayment of loans receivable from Compass Group PLC in line with the callable option when the bonds will be repaid. For further details on the demand feature please refer to Note 4 of these financial statements.

#### Cash flow review

During the year ended 30 September 2020, the Company has paid interest on the notes issued under the programme in cash in a net amount of €12,188 thousand (30 September 2019: €12,188 thousand) and received interest from Compass Group PLC on the inter-company loan receivable in the amount of €13,438 thousand (30 September 2019: €13,404 thousand).

### SIGNIFICANT RISKS AND UNCERTAINTIES

The Company has processes and procedures in place which ensure that the substantial risks of the Company are mitigated. The Board of Directors manages the Company's risks in line with the policies and procedures of Compass Group PLC, the ultimate controlling entity of the Company. As the Company is a financing company, the main risks for the Company relate to financial risks as discussed in a separate section of this report. In managing these risks the Company works closely with management of Compass Group PLC.

As part of the annual business cycle, the Board of Directors participates in a formal risk assessment process on key financial controls. As part of this process, the Board of Directors identifies and documents major risks and appropriate mitigating activities and controls and monitors and reports to Compass Group PLC the effectiveness of these controls. The Board of Directors also signs biannual confirmations of compliance with key procedures and reports any breakdowns in, or exceptions to, these procedures.

The Compass Group also has formal procedures in place, with clearly designated levels of authority, for approving financial investments to which the Company adheres.

The principal risks and uncertainties facing the Company at the date of this report and the systems and processes the Company has in place to manage and mitigate these risks are as follows:

- Financial risks: The Company is subject to a counterparty credit risk because it is reliant on the receipt of payments under inter-company loans to Compass Group PLC in order to satisfy any payment obligations under the programme notes, as described above. The principal risks and uncertainties facing the business of Compass Group PLC are described in the annual report of Compass Group PLC for the year ended 30 September 2020, which can be obtained on [www.compass-group.com](http://www.compass-group.com).
- Regulatory and political environment: The Company currently operates in the Netherlands and the United Kingdom. Together with the management of Compass Group PLC the Company's management monitors the developments in these countries and regions and consults with Compass Group PLC's management on appropriate actions where possible. These countries are considered to have a stable regulatory and political environment. The Board of Directors considers the risk level from the exposure in these countries to be acceptable.

## DIRECTORS' REPORT CONTINUED

### SIGNIFICANT RISKS AND UNCERTAINTIES (CONTINUED)

- Information technology and infrastructure: The Company relies on a variety of IT systems in order to maintain the Company's financial and legal records. The Company has appropriate disaster recovery plans in place. The Company uses dedicated IT personnel from other Group companies to maintain and implement these IT processes and procedures. According to the Board of Directors, this use of dedicated IT personnel assists in mitigating the Company's exposure to IT system and programming risks. As a result, the Board of Directors considers the Company's exposure to information technology and infrastructure risks to be acceptable.
- Capital Risk Management: The Company manages its capital structure to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of cash and cash equivalents as disclosed in note 6; debt, which includes the borrowings disclosed in note 9; and equity attributable to equity shareholders of the Company, comprising issued share capital, share premium and other reserves as disclosed in the statement of changes in equity.
- Tax risk: In an increasingly complex international tax environment, a degree of uncertainty is inevitable in estimating our tax liabilities. The Company is part of a fiscal unity for corporate income tax purposes in which Compass Group International B.V. acts as the head of the fiscal unity. The Company mitigates its exposure to tax risks through the activities of a dedicated tax team whose responsibilities include monitoring changes and risks to the fiscal unity. The corporate income tax for all entities included in the fiscal unity is accounted for by the head of the fiscal unity and is not charged to the entities included in the fiscal unity. The Company is jointly and severally liable for all income tax debts of the fiscal unity. The risks to the fiscal unity are reported and assessed by the Board of Directors on a timely basis and the Board of Directors considers the Company's exposure to the current identified tax risks to be acceptable.
- COVID-19 pandemic risk: The duration of the pandemic and the uncertainty of the outlook for the future will have an impact on the financial performance of Compass Group PLC, the main debtor of the Company. The Board of Directors of the Company will continue to monitor the situation of Compass Group PLC and Compass Group PLC's capital and liquidity strategy to deal with the situation as it evolves.
- BREXIT risk: The UK has left the EU and remains in a period of transition until 31 December 2020. The Board will continue to monitor the potential impact of the Brexit and the Company will take necessary mitigating actions as appropriate.

### CORPORATE RESPONSIBILITY

As the Company is a financing company, the effect of any actions of the Company with regards to corporate responsibility is limited.

### PERSONNEL-RELATED INFORMATION

The Board of Directors consists of one male and one female director, which results in a male/female ratio above 30%. The Company had no employees during the financial year. The activities of the Company are performed by Dutch resident employees employed by the direct parent company of the Company. The Company is being recharged for these services.

### RESEARCH AND DEVELOPMENT

As the Company is a financing company, there were no research and development activities by the Company during the financial year.

### INFORMATION REGARDING FINANCIAL INSTRUMENTS

The Company continues to manage its interest rate and foreign currency exposure in accordance with the policies set out below. The Company's financial instruments comprise cash, borrowings from external counterparties and Company undertakings, receivables and payables that are used to finance the Company's operations. The Company does not hold or trade in derivative instruments.

#### *Liquidity risk*

The Company finances its operations through borrowings from a number of sources including the public markets as well as borrowing from the Company's related parties and share capital and share premium from its parent company. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 60 days except for the interest payments for which the cash outflow is matched by a cash inflow on the same day.

The Company has the option to match the maturity of its financial assets to the maturity of its financial liabilities.

## DIRECTORS' REPORT CONTINUED

### INFORMATION REGARDING FINANCIAL INSTRUMENTS (CONTINUED)

#### *Foreign currency risk*

The Company's policy is to match as far as possible its principal projected cash flows by currency to actual or effective borrowings in the same currency. Currently the Company only has euro-denominated assets and liabilities. Notes 4 and 10 of the Financial Statements disclose information on the currencies of receivables and borrowings.

#### *Interest rate risk*

The Company's policy is to ensure that, in the short term, it is not materially exposed to fluctuations in interest rates in its principal currency. The Company implements this policy by matching interest rates on borrowings to the interest rate on receivables where possible, allowing for a net positive margin, and by borrowing at fixed rates where it is beneficial to do so.

The Company does not enter into derivative and/or hedge contracts and does not apply hedge accounting.

#### *Credit risk*

The Company's maximum exposure to credit risk resulting from financial activities is equal to the carrying value of the Company's financial assets. The Company's financial assets mainly consist of the inter-company loans to Compass Group PLC. The principal risks and uncertainties facing the business of Compass Group PLC are described in the annual report of Compass Group PLC, which can be obtained on [www.compass-group.com](http://www.compass-group.com).

Further information on the risks of the Company is included in note 10 of the Financial Statements.

### CONTROL FRAMEWORK FOR FINANCIAL REPORTING

The Company uses standard financial reporting software for preparing its financial statements. All fair value valuations in the financial reports are prepared by the Compass Group valuation team and reviewed by the Company's management.

### CORPORATE GOVERNANCE

Based on EU law the Company is considered to be a Public Interest Entity (in Dutch "Organisatie van Openbaar Belang" or "OOB") as it has issued financial instruments which are admitted to trading on the London Stock Exchange.

Based on article 2 of the EC directive 2006/43/EC Implementation Decree of 26 July 2008 (the "Royal Decree") concerning audit of annual accounts, the Company has to comply with certain parts of the Dutch Corporate Governance Code related to audit committees. However, the Company is not required to set up an audit committee. The Company benefits from the exception granted in Article 3a of this Royal Decree, which stipulates that the Royal Decree is not applicable for consolidated companies in cases where the parent company has instituted an audit committee.

As at 30 September 2020, the parent company of the Company, being Compass Group PLC, had an audit committee in place. Therefore, the board of Compass Group PLC is ultimately responsible for the oversight of the Company in respect of, and to monitor compliance by the Company with, the Dutch Corporate Governance Code. Accordingly, the tasks of the board include the monitoring of the process of financial reporting, the internal control system and the monitoring of the audit of the Financial Statements.

#### *Compliance with the Dutch Corporate Governance Code*

As per article 2 of the Royal Decree, the Company has to comply with articles III 5.4 subs a, b, c, f, article III 5.7 and principles V.2 and V.4 of the Dutch Corporate Governance Code. Article III 5.4 describes the duties of the "audit committee". Article III 5.7 determines that at least one of the members should be a financial expert as described in article III 3.2. The principles V2 and V4 concern the relation between the audit committee and the external auditor. The Directors confirmed that the Company is in compliance with all mentioned articles and no issues have been noted during the reporting year.

#### *Brexit impact*

Following the UK's decision to exit the European Union (Brexit), Corporate Governance regulations are expected to change. Till 31 December 2020, the UK and the EU will remain in a period of transition. The Board will continue to monitor the potential impact of the Brexit on the Corporate Governance regulations and the Company will take necessary actions as appropriate.

### INFORMATION REGARDING SOCIAL ASPECTS OF OPERATING THE BUSINESS

As the Company is a financing company, the Company has only limited impact on social aspects.

### REMUNERATION OF MANAGING AND SUPERVISORY DIRECTORS

The members of the Board of Directors receive no remuneration from the Company.

### INFORMATION CONCERNING APPLICATION OF CODE OF CONDUCT

The Company remains committed to the highest standards of business conduct and expects all of its board members to act accordingly. The Compass Group Speak Up policy (which is an extension of the Code of Ethics, now incorporated within the Compass Group's Code of Business Conduct and available on the Compass Group PLC website: [www.compass-group.com](http://www.compass-group.com)) sets out arrangements for the receipt, in confidence, of complaints on accounting issues, risk issues, internal controls, auditing issues and related matters which would, as appropriate, be reported to the Compass Group PLC Audit Committee. This process is managed centrally by the Group headquarters. No incidents have been reported through, or as a result of, this process to the Company's management team.

The Compass Group's anti-fraud policies are a subset of the Code of Business Conduct, which has a "no tolerance" approach to any activity involving fraud, dishonesty or deception.

## DIRECTORS' REPORT CONTINUED

### MANAGEMENT STATEMENT

The financial statements give a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Company. The directors' report provides a true and fair view and the material risks and uncertainties which are relevant to the Company have been described.

### FUTURE DEVELOPMENTS

The Board of Directors of the Company does not expect any changes in the Board's members.

As the Company is a financing company within the Compass Group, the Company's assets consist principally of the Company's loans to related parties. The ability to satisfy any liabilities is dependent upon the Company's receipt of interest payments from those related parties. Following the review of the annual report of Compass Group PLC, as the main debtor of the Company, and the possible impact which the risks and uncertainties described in this report for Compass Group PLC could have on the financial results of the Company, the Board of Directors is confident that Compass Group PLC will continue to be able to comply with all its obligations to the Company and therefore the Company will continue to be able to comply with all obligations of the Company to the bondholders in respect of notes issued by it under the programme. Furthermore, the Company's obligations under the programme have been guaranteed, as noted in the financial information paragraph above, as a result of which the Company is able to comply with all obligations of the Company to the bondholders in respect of notes issued by it under the programme. The Board of Directors believes that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing the financial statements.

#### *COVID-19 pandemic risk*

Due to the unpredictable nature of the virus and the complexity of factors involved, the COVID-19 pandemic (or any other future pandemic) represents a principal risk to the Compass Group. The duration of the pandemic and the uncertainty of the outlook for the future will have an impact on the financial performance of Compass Group PLC, the main debtor of the Company. The Board of Directors of the Company will continue to monitor the situation of Compass Group PLC and Compass Group PLC's capital and liquidity strategy to deal with the situation as it evolves.

Additional risks and uncertainties not presently known to management, or deemed to be less material at the date of the report, may also have an adverse effect on the Company.

Our expectations for the fiscal year ending 30 September 2021 are positive and management expects to maintain an efficient balance sheet. There are at present no plans to change the current financing structure.

### OTHER INFORMATION

We confirm that the Board of Directors have permitted the auditor to undertake whatever inspections it considers to be appropriate for the purpose of enabling the auditor to give its audit opinion.

Amsterdam, 23 December 2020

The Board of Directors:

P.N. Frans

H.A.M. Troost-Bosboom

**FINANCIAL STATEMENTS****STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020***(BEFORE PROFIT APPROPRIATION)*

<b>COMPASS GROUP FINANCE NETHERLANDS B.V.</b>	NOTES	2020 €'000	2019 €'000
<b>NON-CURRENT ASSETS</b>			
Receivables from Group undertakings	4	1,242,015	1,241,377
Non-current assets		1,242,015	1,241,377
<b>CURRENT ASSETS</b>			
Receivables from Group undertakings	4	1,911	1,911
Other receivables		120	145
Cash and cash equivalents	6	3,991	2,890
Current assets		6,022	4,946
<b>Total assets</b>		<b>1,248,037</b>	<b>1,246,323</b>
<b>CURRENT LIABILITIES</b>			
Bond note interest payable		(1,690)	(1,690)
Trade and other payables		(53)	(47)
Current liabilities		(1,743)	(1,737)
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	(1,242,022)	(1,241,265)
Non-current liabilities		(1,242,022)	(1,241,265)
<b>Total liabilities</b>		<b>(1,243,765)</b>	<b>(1,243,002)</b>
<b>Net assets</b>		<b>4,272</b>	<b>3,321</b>
<b>EQUITY</b>			
Share capital	7	2,000	2,000
Share premium account		117	117
Other reserves		1,204	96
Unappropriated result		951	1,108
<b>Total equity</b>		<b>4,272</b>	<b>3,321</b>



**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020**

<b>COMPASS GROUP FINANCE NETHERLANDS B.V.</b>	NOTES	TOTAL 2020 €'000	TOTAL 2019 €'000
Finance income	4	14,075	15,694
Finance costs	5	(12,971)	(14,439)
<b>Net finance income</b>		<b>1,104</b>	1,255
Operating costs		(153)	(147)
<b>Operating result</b>		<b>951</b>	1,108
Other costs		-	-
<b>Profit before tax</b>		<b>951</b>	1,108
Income tax expense	3	-	-
<b>Profit for the year</b>		<b>951</b>	1,108
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>951</b>	1,108
<b>ATTRIBUTABLE TO</b>			
Equity shareholders of the Company		951	1,108

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30  
SEPTEMBER 2020**

**ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE  
COMPANY**

NOTES	SHARE CAPITAL €'000	SHARE PREMIUM ACCOUNT €'000	OTHER RESERVES €'000	UNAPPROPRIATED RESULT €'000	TOTAL €'000
At 1 October 2019	2,000	117	96	1,108	3,321
Allocation of unappropriated result to other reserves	-	-	1,108	(1,108)	-
Profit for the year	-	-	-	951	951
Total comprehensive income for the year	-	-	-	951	951
At 30 September 2020	2,000	117	1,204	951	4,272

**ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE  
COMPANY**

NOTES	SHARE CAPITAL €'000	SHARE PREMIUM ACCOUNT €'000	OTHER RESERVES €'000	UNAPPROPRIATED RESULT €'000	TOTAL €'000
At 1 October 2018	2,000	117	-	96	2,213
Allocation of unappropriated result to other reserves	-	-	96	(96)	-
Profit for the year	-	-	-	1,108	1,108
Total comprehensive income for the year	-	-	-	1,108	1,108
At 30 September 2019	2,000	117	96	1,108	3,321

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2020

<b>COMPASS GROUP FINANCE NETHERLANDS B.V.</b>	NOTES	2020 €'000	2019 €'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit		951	1,108
Adjustment for:			
Finance income		(14,075)	(15,694)
Finance costs		12,971	14,439
Interest received		13,438	13,404
Interest paid to bond note holders		(12,188)	(12,188)
Change in trade and other payables/receivables		4	(179)
<b>Net cash from operating activities</b>		<b>1,101</b>	<b>890</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Net cash used in investing activities</b>		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase in borrowings – related parties		-	230
Decrease in borrowings – related parties		-	(235)
<b>Net cash used in financing activities</b>		-	(5)
<b>CASH AND CASH EQUIVALENTS</b>			
Net increase in cash and cash equivalents		1,101	885
Cash and cash equivalents at beginning of the year		2,890	2,005
<b>Cash and cash equivalents at end of the year</b>	6	<b>3,991</b>	<b>2,890</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

### INTRODUCTION

Compass Group Finance Netherlands B.V. (the ‘Company’) is a company domiciled in the Netherlands. The address of the Company’s registered office is Laarderhoogtweg 11, 1101 DZ Amsterdam. The Company is registered at the Chamber of Commerce in Amsterdam under registration number 71916970. The main activities of the Company are those of a financing company involved in providing financing to members of the Compass Group (“Group undertakings”).

The Company is an issuer of debt securities admitted to the Official List of the UK Financial Conduct Authority and to trading on the regulated market of the London Stock Exchange. In relation to such debt securities, the Company is required to comply with, among others, certain obligations imposed by the Market Abuse Regulation (2014/596/EU) (or, after 31 December 2020, the UK equivalent of such regulation) and the UK Listing Rules and Disclosure Guidance and Transparency Rules made under section 73A of the UK Financial Services and Markets Act 2000 to the extent applicable to the issuers of debt securities.

These financial statements cover the year from 1 October 2019 up to and including 30 September 2020.

The most significant accounting policies adopted in the preparation of the separate financial statements of the Company are set out below:

### A ACCOUNTING CONVENTION AND BASIS OF PREPARATION

The separate financial statements (hereafter “financial statements”) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and in accordance with Article 362 sub 9 of Part 9 of Book 2 of the Netherlands Civil Code. The financial statements were authorised by the Board of Directors on 23 December 2020 for issue.

The financial statements have been prepared on a going concern basis. As the Company is a financing company within the Compass Group, the Company’s assets consist principally of the Company’s loans to related parties. The ability to satisfy any liabilities is dependent upon the Company’s receipt of interest payments from those related parties. Furthermore, Compass Group PLC unconditionally and irrevocably guarantees any amounts due by the Company in respect of notes issued by it under the Euro Medium Term Note programme (the “programme”) maintained by Compass Group PLC and the Company. Following its review of the annual report of Compass Group PLC and the possible impact which the risks and uncertainties described in this report for Compass Group PLC could have on the financial results of the Company, the Board of Directors is confident that Compass Group PLC will continue to be able to comply with all its obligations to the Company and therefore the Company will continue to be able to comply with all obligations of the Company to the bondholders in respect of notes issued by it under the programme.

Due to the unpredictable nature of the virus and the complexity of factors involved, the COVID-19 pandemic (or any other future pandemic) represents a principal risk to the Compass Group. The duration of the pandemic and the uncertainty of the outlook for the future will have an impact on the financial performance of Compass Group PLC, the main debtor of the Company. The Board of Directors of the Company will continue to monitor the situation of Compass Group PLC and Compass Group PLC’s capital and liquidity strategy to deal with the situation as it evolves.

The Board of Directors believes that the Company has adequate resources to continue in operational existence for the foreseeable future and that the COVID-19 pandemic risk is adequately addressed by its main debtor to ensure that Compass Group PLC will continue to be able to comply with all its obligations to the Company and therefore the Company continues to adopt the going concern basis in preparing the financial statements.

### B CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates, judgements and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### RELATED PARTY BALANCES

An impairment loss is recognised when the carrying amount of an asset or group of assets relating to the same debtor exceeds its recoverable amount.

The Company recognises loss allowances for expected credit losses (‘ECLs’) on related parties balances measured at amortised cost. The Company measures loss allowances at an amount equal to ECLs occurring in the next twelve months, except where the credit risk of a related party balance has increased significantly since initial recognition. In this event, the Company will measure the loss allowance as an amount equal to the lifetime ECL for the related parties balances.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### C FOREIGN CURRENCY

The Company's financial statements are presented in euros, which is the Company's functional currency. All financial information presented in euro's has been rounded to the nearest thousand, except when otherwise indicated.

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items in a foreign currency that are measured based on historical cost are not translated.

### D INCOME TAX

The Company is a member of a fiscal unity for corporate income tax purposes. Its direct parent company, Compass Group International B.V. is the head of the fiscal unity. The corporate income tax for all entities included in the fiscal unity is accounted for by the head of the fiscal unity and is not charged to the entities included in the fiscal unity. The Company is jointly and severally liable for all income tax debts of the fiscal unity.

### E FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities denominated in foreign currency are translated into euro at period end exchange rates. Exchange gains and losses are dealt with through the income statement.

On initial recognition, financial assets and liabilities are classified in accordance with IFRS 9. Financial assets and liabilities are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets and liabilities, in which case all affected financial assets and liabilities are reclassified on the first day of the first reporting period following the change in the business model.

The Company initially recognises loans and receivables issued on the date that they are originated. All other financial assets and liabilities are recognised initially on the trade date. A financial asset or liability (unless a trade receivable or payable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

Currently, all financial assets and liabilities are measured at amortised cost. Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method, reduced by impairment losses. Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method.

Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to ECLs occurring in the next twelve months, except where the credit risk of a financial asset has increased significantly since initial recognition. In this event, the Company will measure the loss allowance as an amount equal to the lifetime ECL for the financial asset.

### MEASUREMENT OF FAIR VALUES

A number of the Company's disclosures require the measurement of fair values for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The Board of Directors reviews on a regular basis a fair value analysis which is supported by the Compass Group's valuation team based upon significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Compass Group valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of EU-IFRS, including the level in the fair value hierarchy in which such valuations should be classified. This additional information from the Compass Group valuation team is reviewed by the Board of Directors on a regular basis.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 10.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### F FINANCE INCOME AND FINANCE COSTS

The Company's finance income and finance costs include:

- interest income;
- interest expense.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### G ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, interpretations and amendments that are applicable to the Company have been issued by the IASB, but had either not been adopted by the European Union or were not yet effective in the European Union at 30 September 2020. The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 'Definition of a business'
- Amendments to IAS 1 and IAS 8 'Definition of material'
- Amendments to IAS 1 'Classification of liabilities as current or non-current'.

Certain new standards, amendments and interpretations of existing standards have been published that, once they have been endorsed by the European Union, will be mandatory for the Company's accounting period beginning on 1 October 2019 or for later periods. The Company has not yet adopted these pronouncements and does not currently believe that the adoption of these standards, amendments or interpretations would have a material effect on the results or financial position of the Company unless stated otherwise.

### H NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

IFRS 16 Leases was effective for the period beginning 1 January 2019 and as such the Company applied IFRS 16 for the first time in 2020 financial year, using the modified retrospective approach.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Company has analysed the impact of IFRS 16 on its financial statements and concluded that there is no impact on the 2020 financial statements. As such, the cumulative adjustment to opening balance of retained earnings at 1 October 2019 relating to the effect of adopting IFRS 16 was nil. However, the Company applies IFRS 16 and has changed its accounting policy due to application of the new standard from 1 October 2019.

### I SHARE CAPITAL

#### *Ordinary shares*

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### 1 EMTN PROGRAMME

On 19 July 2018, the Company was added as an issuer to the programme. On 5 September 2018 the Company issued €500m 1.5% guaranteed notes due 2028 (“2028 Notes”) under the programme. The proceeds received by the Company from noteholders under the programme were lent to Compass Group PLC under an inter-company loan. On 6 September 2018, the Company assumed the obligations of Compass Group International B.V. as the issuer of the €750m 0.625% guaranteed notes due 2024 (“2024 Notes”) under the programme. In connection with this substitution, Compass Group International B.V. also assigned to the Company the inter-company loan to Compass Group PLC which was made with proceeds of the 2024 Notes. It is the Company’s intention that any interest received from these inter-company loans is used by the Company to fund payments due to noteholders. Under the terms of the programme, Compass Group PLC unconditionally and irrevocably guarantees any amounts due by the Company in respect of notes issued by it under the programme.

#### 2019 update

On 4 July 2019, the Company participated in the annual update of the programme. In this update, no changes in the programme were included for the Company.

#### 2020 update

On 25 August 2020, the Company participated in the annual update of the programme to maintain the listing of the programme on the regulated market of the London Stock Exchange and to take account of the latest legal and regulatory developments which are relevant to the programme. In this update, the primary substantive change in the programme was an increase in the total programme amount from £4 billion to £6 billion. No new bonds were issued during the year ended 30 September 2020.

### 2 SEGMENTAL REPORTING

The Company’s chief operating decision maker (CODM) is its Board of Directors. The Board of Directors is the group of individuals that is responsible for the allocation of resources, assessing the performance of the entity and deciding on the allocation of resources and funding to maximise dividend and interest income.

The CODM does not review financial information on an operational country specific or business sector specific basis. The Compass Group financial information overall is taken into account and this information is used to make decisions about resources to be allocated and how the Company’s operations should be conducted.

It is therefore management judgement that the Company comprises a single operating and reportable segment engaged in the investing and financing activities.

This is consistent with how the financial information is viewed for the purposes of evaluating performance, allocating resources, and planning and forecasting future periods and how the operations are managed by the CODM, being the Board of Directors.

### 3 INCOME TAXES

The Company is a member of a fiscal unity for corporate income tax purposes. Its direct parent company, Compass Group International B.V., is the head of the fiscal unity. The corporate income tax for all entities included in the fiscal unity is accounted for by the head of the fiscal unity and is not charged to the entities included in the fiscal unity. The Company is jointly and severally liable for all income tax debts of the fiscal unity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### 4 RELATED PARTY BALANCES AND TRANSACTIONS

30 SEPTEMBER 2020	RECEIVABLES		
	CURRENT	NON-CURRENT	TOTAL
	€'000	€'000	€'000
<b>GROUP UNDERTAKINGS</b>			
Loans	-	1,242,015	1,242,015
Accrued interest	1,911	-	1,911
	<b>1,911</b>	<b>1,242,015</b>	<b>1,243,926</b>

30 SEPTEMBER 2019	RECEIVABLES		
	CURRENT	NON-CURRENT	TOTAL
	€'000	€'000	€'000
<b>GROUP UNDERTAKINGS</b>			
Loans	-	1,241,377	1,241,377
Accrued interest	1,911	-	1,911
	<b>1,911</b>	<b>1,241,377</b>	<b>1,243,288</b>

RECEIVABLES FROM GROUP UNDERTAKINGS ANALYSED BY CURRENCY (EXCLUDING ACCRUED INTEREST)	REDEEMABLE	INTEREST	2020	2019
			CARRYING VALUE €'000	CARRYING VALUE €'000
<b>FIXED RATES OF INTEREST</b>				
Euro	2047-2048	0.725%-1.6%	1,242,015	1,241,377
			<b>1,242,015</b>	<b>1,241,377</b>
<b>FLOATING RATES OF INTEREST</b>				
Euro			-	-
			-	-
<b>TOTAL BY CURRENCY</b>				
Euro			1,242,015	1,241,377
			<b>1,242,015</b>	<b>1,241,377</b>

The Euro inter-company receivables have a maturity date of 2047-2048. In accordance with the loan agreement, the inter-company loans can be repaid earlier in line with the repayment date of the related notes issued under the programme. The Company may elect to demand repayment of the €750m loan in respect of the 2024 Notes (in full or in part) on 3 July 2024 and thereafter every seven years on the anniversary of this date and to demand repayment of the €500m loan in respect of the 2028 Notes (in full or in part) on 5 September 2028 and thereafter every ten years on the anniversary of this date. The Company has an intention to request the repayment of loans receivable from Compass Group PLC in line with the callable option when the bonds will be repaid.

The Company received financial income from a Group company which can be allocated as follows:

	2020 €'000	2019 €'000
Interest income from Group undertakings	13,438	13,438
Amortisation of transaction costs	637	2,256
	<b>14,075</b>	<b>15,694</b>

### 5 FINANCE COST

The Company expensed finance costs which can be allocated as follows:

	2020 €'000	2019 €'000
Interest paid to bond holders	(12,188)	(12,188)
Amortisation of transaction costs	(783)	(2,251)
	<b>(12,971)</b>	<b>(14,439)</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### 6 CASH AND CASH EQUIVALENTS

	30 SEPTEMBER 2020 €'000	30 SEPTEMBER 2019 €'000
Cash at bank and in hand	3,991	2,890
Cash and cash equivalents	<b>3,991</b>	<b>2,890</b>

All cash and cash equivalents are freely available to the Company, subject to the following. The Company is part of a Group cash pool in which the Company holds bank accounts in its own name. Its ultimate parent company, Compass Group PLC, has issued a guarantee to Bank Mendes Gans N.V. which is managing the Group cash pool under which Compass Group PLC guarantees any overdraft positions of the Company. Through this guarantee, the bank first has to recourse to Compass Group PLC for settlement of any liabilities incurred by any other Group companies which are in the Group cash pool. The Company's cash pool credit balances would only be debited for any liabilities that remain outstanding thereafter.

### 7 CAPITAL AND RETAINED EARNINGS

#### Share capital

##### Ordinary shares

The Company's authorised ordinary share capital consists of ordinary shares with a nominal value each of €1 (one euro). As at 30 September 2020 2,000,000 ordinary shares were issued and fully paid up. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

##### Share premium

On 6 September 2018, the Company assumed the obligations of Compass Group International B.V. as the issuer of the 2024 Notes under the programme, which were originally issued by Compass Group International B.V. on 3 July 2017. In connection with this substitution, Compass Group International B.V. also assigned to the Company the inter-company loan to Compass Group PLC which was made with proceeds of the 2024 Notes. The assignment of this inter-company loan and the assumption of Compass Group International B.V.'s obligations under the 2024 Notes were done with reference to their fair value amount (including accrued interest) of approximately €744,079 thousand and €743,962 thousand respectively. Both amounts were offset against each other and a contribution in kind of non-stipulated share premium without the issue of new Company shares to Compass Group International B.V. was agreed for the net difference of €117 thousand.

##### Proposal for profit appropriation

The General Meeting of Shareholders will be asked to approve the following appropriation of the profit after tax for the year ended 30 September 2020: an amount of €951 thousand to be added to other reserves.

### 8 CAPITAL MANAGEMENT

The Board of Directors' policy is to match the maturity of its financial assets to the maturity of its financial liabilities.

For capital management purposes, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. The adjusted net debt to equity ratio is evaluated by the Board of Directors. Above a certain level, net debt should be guaranteed for repayment in order to maintain an acceptable level of credit risk.

The Company's adjusted net debt to equity ratio at 30 September 2020 (30 September 2019) was as follows:

	30 SEPTEMBER 2020 €'000	30 SEPTEMBER 2019 €'000
Total liabilities	1,243,765	1,243,002
Less: cash and cash equivalents	(3,991)	(2,890)
Adjusted net debt	<b>1,239,774</b>	<b>1,240,112</b>
Equity	4,272	3,321
Adjusted net debt to equity ratio	<b>290.21</b>	<b>373.42</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### 9 LOANS AND BORROWINGS

#### NON-CURRENT LIABILITIES

	30 SEPTEMBER 2020 €'000	30 SEPTEMBER 2019 €'000
Programme notes	1,242,022	1,241,265
<b>Total</b>	<b>1,242,022</b>	<b>1,241,265</b>

TERMS AND REPAYMENT SCHEDULE	REDEEMABLE	INTEREST	30 SEPTEMBER	30 SEPTEMBER	30 SEPTEMBER	30 SEPTEMBER
			2020 CARRYING VALUE €'000	2020 FAIR VALUE €'000	2019 CARRYING VALUE €'000	2019 FAIR VALUE €'000
2024 Notes	Jul 2024	0.625%	745,535	767,604	745,190	769,585
2028 Notes	Sep 2028	1.50%	496,487	552,979	496,075	542,878
			<b>1,242,022</b>	<b>1,320,583</b>	1,241,265	1,312,463

On 19 July 2018, the Company was added as an issuer to the programme. On 5 September 2018 the Company issued €500m 1.5% guaranteed notes due 2028 ("2028 Notes") under the programme. The proceeds received by the Company from noteholders under the programme were lent to Compass Group PLC under an inter-company loan. On 6 September 2018, the Company assumed the obligations of Compass Group International B.V. as the issuer of the €750m 0.625% guaranteed notes due 2024 ("2024 Notes") under the programme. In connection with this substitution, Compass Group International B.V. also assigned to the Company the inter-company loan to Compass Group PLC which was made with proceeds of the 2024 Notes. It is the Company's intention that any interest received from these inter-company loans is used by the Company to fund payments due to noteholders. Under the terms of the programme, Compass Group PLC unconditionally and irrevocably guarantees any amounts due by the Company in respect of notes issued by it under the programme.

### 10 FINANCIAL INSTRUMENTS

#### Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value when the carrying amount is a reasonable approximation of fair value.

30 SEPTEMBER 2020	CARRYING VALUE			FAIR VALUE	
	LOANS AND RECEIVABLES	OTHER FINANCIAL LIABILITIES	TOTAL	FAIR VALUE	TOTAL
	€'000	€'000	€'000	€'000	€'000
<b>FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE</b>					
Receivables from Group undertakings at fixed rates	1,242,015	-	1,242,015	1,322,209	1,322,209
Receivables from Group undertakings	1,911	-	1,911	1,911	1,911
Other receivables	120	-	120	120	120
Cash and cash equivalents	3,991	-	3,991	3,991	3,991
	<b>1,248,037</b>	-	<b>1,248,037</b>	<b>1,328,231</b>	<b>1,328,231</b>
<b>FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE</b>					
Programme notes at fixed rate	-	(1,242,022)	(1,242,022)	(1,320,583)	(1,320,583)
Programme notes interest payable	-	(1,690)	(1,690)	(1,690)	(1,690)
Other payables	-	(53)	(53)	(53)	(53)
	-	<b>(1,243,765)</b>	<b>(1,243,765)</b>	<b>(1,322,326)</b>	<b>(1,322,326)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### 10 FINANCIAL INSTRUMENTS CONTINUED

30 SEPTEMBER 2019	CARRYING VALUE			FAIR VALUE	
	LOANS AND RECEIVABLES	OTHER FINANCIAL LIABILITIES	TOTAL	FAIR VALUE	TOTAL
	€'000	€'000	€'000	€'000	€'000
<b>FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE</b>					
Receivables from Group undertakings at fixed rates	1,241,377	-	1,241,377	1,329,059	1,329,059
Receivables from Group undertakings	1,911	-	1,911	1,911	1,911
Other receivables	145	-	145	145	145
Cash and cash equivalents	2,890	-	2,890	2,890	2,890
	1,246,323	-	1,246,323	1,334,005	1,334,005
<b>FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE</b>					
Programme notes at fixed rate	-	(1,241,265)	(1,241,265)	(1,312,463)	(1,312,463)
Programme notes interest payable	-	(1,690)	(1,690)	(1,690)	(1,690)
Other payables	-	(47)	(47)	(47)	(47)
	-	(1,243,002)	(1,243,002)	(1,314,200)	(1,314,200)

As at 30 September 2019 and 30 September 2020, all fair value calculations are determined by Level 2 inputs as defined by the fair value hierarchy of IFRS 13 Fair Value measurement.

#### CAPITAL RISK MANAGEMENT

The Company manages its capital structure to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of cash and cash equivalents as disclosed in note 6; debt, which includes the borrowings disclosed in note 9; and equity attributable to equity shareholders of the Company, comprising issued share capital, share premium and other reserves as disclosed in the statement of changes in equity.

#### FINANCIAL MANAGEMENT

The Company continues to manage its interest rate and foreign currency exposure in accordance with the policies set out below in this note 10. The Company's financial instruments comprise cash, borrowings from external counterparties, receivables and payables that are used to finance the Company's operations.

#### LIQUIDITY RISK

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due.

The Company finances its operations through borrowings from a number of sources including the public markets.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 60 days except for the interest payments for which the cash outflow is matched by a cash inflow on the same day.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### 10 FINANCIAL INSTRUMENTS CONTINUED

#### *Exposure to liquidity risk*

The following are the remaining expected maturities of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted, include estimated interest payments and exclude the impact of netting agreements, no expected credit losses were recognised:

FINANCIAL ASSETS	30 SEPTEMBER 2020						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
	<b>FIXED INTEREST</b>						
Receivables from Group undertakings	-	-	-	745,531	-	496,484	1,242,015
Fixed interest asset	-	-	-	745,531	-	496,484	1,242,015
<b>FLOATING INTEREST</b>							
Cash and cash equivalents	3,991	-	-	-	-	-	3,991
Floating interest asset	3,991	-	-	-	-	-	3,991
<b>OTHER</b>							
Receivables from Group undertakings	1,911	-	-	-	-	-	1,911
Other receivables	120	-	-	-	-	-	120
Other assets	2,031	-	-	-	-	-	2,031
<b>Total financial assets</b>	<b>6,022</b>	<b>-</b>	<b>-</b>	<b>745,531</b>	<b>-</b>	<b>496,484</b>	<b>1,248,037</b>

FINANCIAL ASSETS	30 SEPTEMBER 2019						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
	<b>FIXED INTEREST</b>						
Receivables from Group undertakings	-	-	-	-	745,304	496,073	1,241,377
Fixed interest asset	-	-	-	-	745,304	496,073	1,241,377
<b>FLOATING INTEREST</b>							
Cash and cash equivalents	2,890	-	-	-	-	-	2,890
Floating interest asset	2,890	-	-	-	-	-	2,890
<b>OTHER</b>							
Receivables from Group undertakings	1,911	-	-	-	-	-	1,911
Other receivables	145	-	-	-	-	-	145
Other assets	2,056	-	-	-	-	-	2,056
<b>Total financial assets</b>	<b>4,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>745,304</b>	<b>496,073</b>	<b>1,246,323</b>

PRINCIPAL AND INTEREST MATURITY	30 SEPTEMBER 2020						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
	<b>Total financial assets</b>						
Total financial assets	6,022	-	-	745,531	-	496,484	1,248,037
Add: fees and premium capitalised on issuance	-	-	-	4,469	-	3,516	7,985
Less: cash and cash equivalents and other assets	(6,022)	-	-	-	-	-	(6,022)
Repayment of principal	-	-	-	750,000	-	500,000	1,250,000
Interest cash flows on receivables	13,438	13,438	13,438	12,127	8,000	23,496	83,937
<b>Repayment of principal and interest</b>	<b>13,438</b>	<b>13,438</b>	<b>13,438</b>	<b>762,127</b>	<b>8,000</b>	<b>523,496</b>	<b>1,333,937</b>

PRINCIPAL AND INTEREST MATURITY	30 SEPTEMBER 2019						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS €'000	BETWEEN 2 AND 3 YEARS €'000	BETWEEN 3 AND 4 YEARS €'000	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
	<b>Total financial assets</b>						
Total financial assets	4,946	-	-	-	745,304	496,073	1,246,323
Add: fees and premium capitalised on issuance	-	-	-	-	4,696	3,927	8,623
Less: cash and cash equivalents and other assets	(4,946)	-	-	-	-	-	(4,946)
Repayment of principal	-	-	-	-	750,000	500,000	1,250,000
Interest cash flows on receivables	13,438	13,438	13,438	13,438	12,141	31,518	97,411
<b>Repayment of principal and interest</b>	<b>13,438</b>	<b>13,438</b>	<b>13,438</b>	<b>13,438</b>	<b>762,141</b>	<b>531,518</b>	<b>1,347,411</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30  
SEPTEMBER 2020 CONTINUED**
**10 FINANCIAL INSTRUMENTS CONTINUED**

FINANCIAL LIABILITIES	30 SEPTEMBER 2020						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 3 YEARS	BETWEEN 3 AND 4 YEARS	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
<b>FIXED INTEREST</b>							
2024 Notes	-	-	-	(745,535)	-	-	(745,535)
2028 Notes	-	-	-	-	-	(496,487)	(496,487)
Fixed interest liability	-	-	-	(745,535)	-	(496,487)	(1,242,022)
<b>FLOATING INTEREST</b>							
Payables to Group undertakings	-	-	-	-	-	-	-
Floating interest liability	-	-	-	-	-	-	-
<b>OTHER</b>							
Programme notes interest payable	(1,690)	-	-	-	-	-	(1,690)
Short term liabilities	(53)	-	-	-	-	-	(53)
Other liability	(1,743)	-	-	-	-	-	(1,743)
<b>Total financial liabilities</b>	<b>(1,743)</b>	<b>-</b>	<b>-</b>	<b>(745,535)</b>	<b>-</b>	<b>(496,487)</b>	<b>(1,243,765)</b>

FINANCIAL LIABILITIES	30 SEPTEMBER 2019						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 3 YEARS	BETWEEN 3 AND 4 YEARS	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
<b>FIXED INTEREST</b>							
2024 Notes	-	-	-	-	(745,190)	-	(745,190)
2028 Notes	-	-	-	-	-	(496,075)	(496,075)
Fixed interest liability	-	-	-	-	(745,190)	(496,075)	(1,241,265)
<b>FLOATING INTEREST</b>							
Payables to Group undertakings	-	-	-	-	-	-	-
Floating interest liability	-	-	-	-	-	-	-
<b>OTHER</b>							
Programme notes interest payable	(1,690)	-	-	-	-	-	(1,690)
Short term liabilities	(47)	-	-	-	-	-	(47)
Other liability	(1,737)	-	-	-	-	-	(1,737)
<b>Total financial liabilities</b>	<b>(1,737)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(745,190)</b>	<b>(496,075)</b>	<b>(1,243,002)</b>

PRINCIPAL AND INTEREST MATURITY	30 SEPTEMBER 2020						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 3 YEARS	BETWEEN 3 AND 4 YEARS	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
Total financial liabilities	(1,743)	-	-	(745,535)	-	(496,487)	(1,243,765)
Add: fees and premium capitalised on issuance	-	-	-	(4,465)	-	(3,513)	(7,978)
Less: Overdrafts and other liabilities	1,743	-	-	-	-	-	1,743
Repayment of principal	-	-	-	(750,000)	-	(500,000)	(1,250,000)
Interest cash flows on debt	(12,188)	(12,188)	(12,188)	(11,057)	(7,500)	(22,027)	(77,148)
Repayment of principal and interest	(12,188)	(12,188)	(12,188)	(761,057)	(7,500)	(522,027)	(1,327,148)

PRINCIPAL AND INTEREST MATURITY	30 SEPTEMBER 2019						TOTAL €'000
	LESS THAN 1 YEAR €'000	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 3 YEARS	BETWEEN 3 AND 4 YEARS	BETWEEN 4 AND 5 YEARS €'000	OVER 5 YEARS €'000	
Total financial liabilities	(1,737)	-	-	-	(745,190)	(496,075)	(1,243,002)
Add: fees and premium capitalised on issuance	-	-	-	-	(4,810)	(3,925)	(8,735)
Less: Overdrafts and other liabilities	1,737	-	-	-	-	-	1,737
Repayment of principal	-	-	-	-	(750,000)	(500,000)	(1,250,000)
Interest cash flows on debt	(12,188)	(12,188)	(12,188)	(12,188)	(11,070)	(29,548)	(89,370)
Repayment of principal and interest	(12,188)	(12,188)	(12,188)	(12,188)	(761,070)	(529,548)	(1,339,370)

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows taking into account the intention of management to use the callable option relating to financial assets and liabilities held for risk management purposes and which usually are not closed out before contractual maturity. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### 10 FINANCIAL INSTRUMENTS CONTINUED

#### FOREIGN CURRENCY RISK

The Company's policy is to match as far as possible its principal projected cash flows by currency to actual or effective borrowings in the same currency. As currency cash flows are generated, they are used to service and repay debt in the same currency.

##### *Exposure to currency risk*

Currently, the Company only has assets and liabilities denominated in euros. Therefore the Company is not subject to any currency risk.

#### INTEREST RATE RISK

As set out above, the Company has effective borrowings where the Company matches the maturity of the receivables to the maturity of the liabilities. The Company's policy is to ensure that, in the short term, it is not materially exposed to fluctuations in interest rates in its principal currencies. The Company implements this policy by borrowing fixed rate where it is beneficial to do so. Currently the Company has no variable rate instruments.

The interest rate profile of the Company's interest-bearing financial instruments as reported to management of the Company is as follows:

	30 SEPTEMBER 2020 €'000	30 SEPTEMBER 2019 €'000
<b>FIXED RATE INSTRUMENTS</b>		
Receivables from Group undertakings	1,242,015	1,241,377
Programme notes	(1,242,022)	(1,241,265)
	(7)	112

#### CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from Group undertakings. The Company has recognised the full amount of credit losses that would be expected to be incurred over the full recovery period of the receivables at the date of the initial recognition of the receivables.

The carrying amount of financial assets represents the maximum credit exposure:

	30 SEPTEMBER 2020 €'000	30 SEPTEMBER 2019 €'000
Non-current receivables from Group undertakings	1,242,015	1,241,377
Current receivables from Group undertakings	1,911	1,911
Other receivables	120	145
Cash and cash equivalents	3,991	2,890
<b>Total</b>	<b>1,248,037</b>	<b>1,246,323</b>

##### *Loans and receivables*

The carrying value of outstanding loans granted to Group undertakings amounts to €1,242,015 thousand as at 30 September 2020 (€1,241,377 thousand as at 30 September 2019). These Group undertakings are located in the United Kingdom.

To assess the expected credit losses (ECLs) the Company monitors the financial position and changes in credit rating of Group undertakings, namely Compass Group PLC, during the year. Compass Group PLC is rated "A" based on rating agency Standard & Poor's ratings. There are no significant changes in credit risk of Compass Group PLC and the credit risk has not increased since initial recognition. The Company measures loss allowances at an amount equal to ECLs occurring in the next twelve months and concluded that no expected credit losses should be recognized in the year ended 30 September 2020 (30 September 2019:0).

##### *Cash and cash equivalents*

The Company held cash and cash equivalents of €3,991 thousand at 30 September 2020 (€2,890 thousand at 30 September 2019). The cash and cash equivalents are held with bank and financial institution counterparties which are rated A- to A+ based on rating agency Standard & Poor's ratings.

#### MARKET RISK

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company implements this policy by borrowing fixed rate where it is beneficial to do so.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### 11 RECONCILIATION OF CASH FLOWS ARISING FROM FINANCING ACTIVITIES TO MOVEMENT IN LIABILITIES

The table below is presented as additional information to show movement in liabilities and their related cash flows:

	2020 €'000	2019 €'000
Total liabilities at 1 October 2019 / 1 October 2018	(1,243,002)	(1,240,959)
Total liabilities at 30 September 2020 / 30 September 2019	(1,243,765)	(1,243,002)
Movement in liabilities	763	2,043
<b>NON-CASH MOVEMENTS</b>		
Amortisation of programme notes	(758)	(2,227)
Amortisation of capitalised expenses	(26)	(24)
Other non-cash movements	21	203
Total non-cash movements	(763)	(2,048)
<b>CASH FLOWS ARISING FROM FINANCING ACTIVITIES</b>		
For the year ended 30 September 2020 / 30 September 2019	-	(5)

### 12 RELATED PARTIES

#### PARENT AND ULTIMATE CONTROLLING PARTY

The Company's direct parent is Compass Group International B.V., a company incorporated in the Netherlands. The ultimate parent of the Company is Compass Group PLC, a company incorporated in England and Wales and listed on the London Stock Exchange.

#### TRANSACTIONS

Transactions with related parties occur when a relationship exists between the Company, directors and key management personnel (and their close family members) and the (ultimate) parent company (and entities that they control).

As disclosed in the financial statements, and more specifically in Note 1, balances and transactions exist with related parties. Main transactions are disclosed in note 4 to the financial statements.

### 13 POST BALANCE SHEET EVENTS

There are no material post balance sheet events.

### 14 CONTINGENT LIABILITIES

#### FISCAL UNITY OBLIGATIONS

The Company is a member of a fiscal unity for corporate income tax purposes. Its direct parent company, Compass Group International B.V., is the head of the fiscal unity. The corporate income tax for all entities included in the fiscal unity is accounted for by the head of the fiscal unity and is not charged to the entities included in the fiscal unity. The Company is jointly and severally liable for all income tax debts of the fiscal unity. Other group companies in the fiscal unity are: Compass Group International B.V., Compass Group International Finance C.V., Aurora HoldCo B.V., Compass Group International Finance 2 B.V., Compass Group International 6 B.V., Compass Group International 3 B.V., Compass Group International 2 B.V., Compass Group International 5 B.V., Eurest Support Services Sakhalin B.V., Compass Group International 9 B.V., Compass Group International 10 B.V., Compass Group International 4 B.V., Compass Group Vending Holding B.V., Compass Group Shanghai Eurest B.V., Compass Group International ESS Shanghai B.V., Compass Group International Finance 1 B.V.

The Company constitutes a tax entity with Compass Group International B.V., Compass Group International Coöperatief W.A., Compass Group International Coöperatief 2 W.A., Compass Group International Coöperatief 3 W.A. and Compass Group Vending Holding B.V. for value added tax purposes; the standard conditions prescribe that all companies of the tax entity are liable for all value added tax payable.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 CONTINUED

### 15 FEES OF THE AUDITOR

The Company paid the following fees for audit and non-audit services provided by KPMG Accountants N.V., as referred to in Section 2:382a(1) and (2) of the Dutch Civil Code:

	2020 €'000	2019 €'000
Audit services	47	46
Non-audit services	-	-
	<b>47</b>	<b>46</b>

The fees mentioned in the table for the audit of the financial statements 2020 (2019) relate to the total fees for the audit of the financial statements 2020 (2019), irrespective of whether the activities have been performed during the financial year 2020 (2019).

KPMG Accountants N.V. have not provided any other services in addition to the statutory audit of the financial statements.

### 16 EMOLUMENTS OF DIRECTORS

The emoluments for managing directors, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, charged in respect of the year ended 30 September 2020 to the Company, are nil (30 September 2019: nil).

Approved by the Board of Directors on 23 December 2020 and signed on its behalf by

**P.N. Frans**, Director

**H.A.M. Troost-Bosboom**, Director



## **OTHER INFORMATION**

### **PROVISIONS IN THE ARTICLES OF ASSOCIATION GOVERNING THE APPROPRIATION OF PROFIT**

In accordance with article 18 of the Company's Articles of Association, the result is at the disposal of the General Meeting of Shareholders, only if the loss of previous years which is not covered by a reserve, is fully absorbed.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit in so far as (1) the Company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and (2) the shareholders' equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test). If not, the management of the Company shall not approve the distribution.

### **AUDITOR'S REPORT**

The Independent Auditor's Report is presented on page 25 to 29 of the annual report.



# Independent auditor's report

To: the General Meeting of Shareholders of Compass Group Finance Netherlands B.V.

**Report on the audit of the financial statements for the year ended 30 September 2020 included in the annual report**

## *Our opinion*

In our opinion the accompanying financial statements give a true and fair view of the financial position of Compass Group Finance Netherlands B.V. as at 30 September 2020 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

## *What we have audited*

We have audited the financial statements 2020 of Compass Group Finance Netherlands B.V. (the Company) based in Amsterdam.

The financial statements comprise:

- 1 the statement of financial position as at 30 September 2020;
- 2 the following statements for the year ended 30 September 2020: the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows; and
- 3 the notes comprising a summary of the significant accounting policies and other explanatory information.

## *Basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Compass Group Finance Netherlands B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).



We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Audit approach*

#### *Summary*

##### **Materiality**

- Materiality of EUR 10 million
- 0.8% of Total assets

##### **Key audit matters**

Recoverability of receivables from group undertakings

##### **Opinion**

Unqualified

#### *Materiality*

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 10 million (2019: EUR 10 million). The materiality is determined with reference to a benchmark of Total Assets (0.8%) (2019: 0.8%). We consider Total Assets as the most appropriate benchmark due to the finance nature of the Company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors and the Audit Committee that misstatements in excess of EUR 0.5 million (2019: EUR 0.5 million) which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

#### *Our key audit matter*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Board of Directors and the Audit Committee. The key audit matter is not a comprehensive reflection of all matters discussed.

This matter was addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.



## Recoverability of receivables from group undertakings

### Description

The carrying amount of the Company's receivables from group undertakings represent 99.7% (2019: 99.8%) of the Company's Total Assets.

We do not consider the recoverability of receivables from group undertakings to be at a high risk of significant misstatement. However, due to their materiality in the context of the financial statements as a whole, and due to the potential significant impact of the COVID-19 pandemic on the recoverability of receivables from group undertakings, this is considered to be the area which had the higher risk of a material misstatement compared to other areas and therefore the greatest effect on our overall audit strategy and allocation of resources in planning and completing our financial statement audit.

### Our response

**Test of details:** We have evaluated the recoverability of the carrying amount of the Company's receivables from Compass Group PLC based on the audited Annual Report 2020 of Compass Group PLC. We have also evaluated the expected credit losses determined by management, in particular the likely risk of default with reference to the credit worthiness of Compass Group PLC and any recent evidence of incurred credit losses. We assessed the disclosures of Compass Group PLC in the Annual Report 2020, specifically in relation to the evaluation of going concern assumption taking into account the adverse impact of the COVID-19 pandemic and the actions taken by Compass Group PLC. As part of our procedures we also evaluated the fair value and compared it with the carrying values of the receivables.

### Our observation

We found management's application of IFRS 9 and the assessment of the recoverability of receivables from group undertakings to be acceptable.

## Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.



By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

## **Report on other legal and regulatory requirements**

### ***Engagement***

We were engaged by the General Meeting of Shareholders as auditor of Compass Group Finance Netherlands B.V. on 2 November 2018, as of the audit for the first financial period ended 30 September 2018 and have operated as statutory auditor ever since that financial period.

### ***No prohibited non-audit services***

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

## **Description of responsibilities regarding the financial statements**

### ***Responsibilities of the Board of Directors and the Audit Committee for the financial statements***

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

### ***Our responsibilities for the audit of the financial statements***

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.



Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at: [http://www.nba.nl/ENG\\_oob\\_01](http://www.nba.nl/ENG_oob_01). This description forms part of our independent auditor's report.

Amstelveen, 23 December 2020

KPMG Accountants N.V.

**C.A. Bakker RA**