

## Financial results for H1 2021

### Presentation of Corporate Services

In March 2021, the sale of Nets Group's account-to-account business to Mastercard for EUR 2,850 million was completed. Consequently, Nets Group continues to present the account-to-account business as a discontinuing operation with the result after tax presented separately in the income statement with comparative figures.

### Revenue

Despite the effects of lockdowns in all markets a strong foundation had been created coming into H1 2021, which was a good starting point for continuing the positive progress across both business units and for maintaining the development of new revenue streams and reinforcement of existing revenue streams. As national effects of the COVID-19 impact started to decrease in mid H1 2021, Nets experienced increasing transaction volumes and revenue started to recover in select markets from May and onwards, especially driven by the up-tick and momentum gained in Merchant Services.

Net revenue in H1 2021 was EUR 372 million (H1 2020: EUR 346 million). Organic growth was close to neutral at only 1% negative growth, whereas on a reported basis the Group showed positive net revenue growth of 8%.

The positive reported growth in net revenue at Group level was driven by Merchant Services that realised a positive reported growth of 20% compared to H1 2020, especially driven by eCom and partially offset by decrease in Financial Acquiring and Terminals. The positive trends in Merchant Services also impacted organic growth where Merchant Services realised a positive growth of 4% compared to H1 2020.

Issuer & eSecurity Services' underlying<sup>1</sup> net revenue showed a slight positive growth of just below 1% compared to H1 2020. On a reported basis, Issuer & eSecurity Services' net revenue showed a negative reported growth in H1 2021 of 6% compared to H1 2020, primarily driven by the Digital Business, partially offset by growth in Issuer Services.

### Operating expenses

The total operating expenses in H1 2021 were EUR 253 million (H1 2020: EUR 232 million), equal to 68% of net revenue,

representing an increase of 1 percentage points from H1 2020. Total operating expenses increased by 9% from H1 2020, including effects of new acquisitions.

### Cost of sales

Cost of sales in H1 2021 was EUR 22 million (H1 2020: EUR 19 million), which adjusted for acquisitions, is an increase of 4% from H1 2020.

### External expenses

External expenses in H1 2021 were EUR 108 million (H1 2020: EUR 99 million). The higher external expenses were mainly driven by expenses related to hardware, software and outsourcing as well as project activities in Issuer & eSecurity Services and non-recurring savings in 2020.

Other external expenses include consulting fees related to IT, cost related to sourcing partners and spending on sourcing.

### Staff cost

Staff costs in H1 2021 were EUR 123 million (H1 2020: EUR 114 million). The increase in staff cost was primarily driven by new acquisitions in H2 2020 and H1 2021, which resulted in an increase in the workforce.

### EBITDA before special items (b.s.i.)

EBITDA b.s.i. in H1 2021 was EUR 119 million (H1 2020: EUR 113 million). This corresponds to an EBITDA b.s.i. margin in H1 2021 of 32% (H1 2020: 33%). When considering the magnitude of COVID-19 restrictions in H1 2021 compared to H1 2020, the slight decline in EBITDA b.s.i. margin reinforces the continued margin improvement trend shown throughout 2020 and into 2021.

### Special items

Special items in H1 2021 were EUR 76 million (H1 2020: EUR 52 million). Special items in H1 2021 were driven by EUR 26 million of costs associated with business setups, acquisitions and disposals, EUR 17 million of transformation costs, EUR 11 million of expenditures related to reorganisation, restructuring costs and refurbishment, and finally EUR 22 million related to losses on implementation projects, legal cases and share programmes. The increase from H1 2020 was primarily driven by costs related to the merger with Nexi

<sup>1</sup>Adjusted for commercial rebasing and non-recurring eID revenue related to Issuer & eSecurity Services

S.p.A., which was partially offset by a general reduction in transformation cost compared to H1 2020.

#### **EBITDA**

The operating performance in H1 2021 was EUR 43 million (H1 2020: EUR 61 million). The decline was mainly driven by increased special items.

#### **Depreciation and amortisation**

In H1 2021, underlying depreciation and amortisation were EUR 52 million (H1 2020: EUR 42 million). The increase of EUR 10 million was primarily due to completed software development and depreciations from new acquisitions and investments in tangibles.

Amortisation of business combination and impairment losses in H1 2021 amounted to EUR 30 million (H1 2020: EUR 35 million). The decrease was mainly due to significant assets being fully amortised during the period, partly offset by the acquisitions of PeP Group and amortisations of the related purchase price allocations.

#### **EBIT**

EBIT amounted to EUR -39 million (H1 2020: EUR -16 million). Adjusted EBIT from continuing operations<sup>2</sup> in H1 2021 was EUR 67 million (H1 2020: EUR 71 million).

#### **Net financials**

Financial income in H1 2021 amounted to EUR -72 million (H1 2020: EUR 61 million). Net financials were significantly impacted by the development in the EUR/NOK foreign exchange rate, which impacted the NOK denominated Nets A/S inter-company loan from Parent company. The foreign exchange adjustment resulted in an expense of EUR 33 million, whereas the corresponding adjustment in H1 2020 was an income of EUR 58 million. None of the adjustments impacted cash flow. H1 2021 was also impacted by a realised expense related to termination of derivatives of EUR 8 million, whereas H1 2020 was impacted positively by one-off income of EUR 12 million from realised gains on derivatives.

#### **Tax**

Taxes in H1 2021 was an income of EUR 17 million corresponding to an effective tax rate ("ETR") of 15.3% (H1 2020: EUR 4 million, ETR of 8.9%). The effective tax rate was positively impacted by foreign exchange rate differences and re-assessment of utilisation of tax losses partially offset by non-deductible M&A cost.

#### **Net profit/(loss)**

Net loss in H1 2021 from continuing operations was EUR -94 million (H1 2020: EUR 49 million). Net result, including the performance of discontinuing operations was EUR 1,743 million (H1 2020: EUR 81 million).

#### **Result from discontinuing operations**

Result from discontinuing operations in H1 2021 was EUR 1,743 million (H1 2020: EUR 32 million). The increase of EUR 1,711 million mainly relates to the gain from the sale of the Nets A/S Group account-to-account business to Mastercard, EUR 1,737 million, driven by the sales price of EUR 2,850 million, less the assets held for sale at the time of sale.

#### **Balance sheet and cash flow**

##### **Tangible and intangible assets**

As of H1 2021, total assets amounted to EUR 3,544 million (H1 2020: EUR 3,872 million). Total non-current assets as of H1 2021 amounted to EUR 2,442 million (H1 2020: EUR 1,959 million), impacted by increase in Goodwill and other intangibles related to acquisitions.

Total current assets as of H1 2021 amounted to EUR 1,102 million (H1 2020: EUR 1,913 million), equal to a decrease of EUR 811 million, mainly impacted by assets held for sale in H1 2020, of EUR 942 million, which were sold in H1 2021.

##### **Equity**

Total equity as of H1 2021 amounted to EUR 1,219 million compared to EUR 1,386 million at the beginning of the year. The net movement of EUR -167 million in H1 2021 was primarily driven by the H1 2021 result, EUR 1,649 million, offset by distribution of dividends to shareholder of Nets A/S of EUR 1,855 million.

##### **Cash flow**

In H1 2021, net cash flow from operating activities, including discontinuing operations, excluding clearing working capital, was EUR 28 million (H1 2020: EUR 70 million). The decrease in operating cash flow was negatively impacted by lower EBITDA from discontinuing operations compared to H1 2020 as the sale of Nets A/S Group's account-to-account business to Mastercard closed in March 2021, which resulted in less than three months of EBITDA contribution from discontinuing operations in H1 2021. Additionally, delayed payments resulting from national COVID-19 schemes, which were paid in H1 2021 instead, impacted net cash flow from operating activities negatively compared to H1 2020.

Cash flow from investing activities in H1 2021 amounted to EUR 2,671 million (H1 2020: EUR -117 million). The increase was mainly driven by the net cash received from the sale of Nets Group's account-to-account business to Mastercard of EUR 2,791 million.

Investments in H1 2021 were EUR 39 million (H1 2020: EUR 11 million), mainly consisting of purchase of Checkout Oy and deferred payment of Poplatek Payments and Poplatek shares. Capital expenditures in H1 2021 amounted to EUR 81 million (H1 2020: EUR 106 million). Capital expenditure in H1 2021

<sup>2</sup> Calculated as EBITDA b.s.i. minus underlying depreciation and amortisation

was primarily related to development projects including software.

Operating free cash flow<sup>3</sup> in H1 2021 amounted to EUR -30 million (H1 2020: EUR 0 million).

Net cash flow from financing activities in H1 2021, excluding clearing-related balances, was EUR -2,584 million (H1 2020: EUR 56 million). In H1 2021, financing activities excluding clearing-related balances were primarily impacted by distribution of dividends of EUR 1,855 million, repayment of shareholder loans of EUR 527 million and repayment of external debt of EUR 183 million.

#### **Clearing working capital**

As of 30 June 2021, clearing-related assets (clearing debtors) amounted to EUR 356 million (30 June 2020: EUR 549 million) and clearing-related liabilities amounted to EUR 610 million (30 June 2020: EUR 664 million) leading to a clearing working capital (CWC) as of 30 June 2021 of EUR -254 million (30 June 2020: EUR -115 million), which represents a positive clearing-related cash balance for the Nets Group.

#### **Net interest-bearing debt**

As of 30 June 2021, net interest-bearing debt, in accordance with IFRS GAAP, amounted to EUR 560 million (30 June 2020: EUR 986 million). The decrease was driven by repayments under the revolving credit facility and prepayments under the intergroup loan agreements.

#### **Events in the reporting period**

##### ***Sale of Nets' account-to-account-business***

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

##### ***Acquisition of Checkout Finland Oy***

In January 2021, Nets announced the acquisition of the fast-growing Finnish ecommerce player Checkout Finland Oy. The Acquisition was completed on 30 April 2021 when Nets Denmark A/S' subsidiary Paytrail Oy acquired 100% of the shares in the company. Checkout Finland Oy has an annual revenue of around EUR 12 million and services around 8,000 ecommerce merchants.

#### **Events after the reporting period**

##### ***Nexi-Nets merger***

The all-share merger between Nets and Nexi has come into effect from 1 July 2021. This creates a powerful PayTech leader providing Nexi Group with greater exposure to attractive fast-growing and underpenetrated regions of Europe. Hence, the combined group is well positioned to capture further organic and inorganic growth opportunities. This is under-

pinned by the addressable market size and favourable industry dynamics such as the accelerated shift towards digital payments across Europe and increased demand for a full-service payment provider.

The combination of Nexi and Nets is an important next step on the journey to realise the vision of forming a leading European player in the digital payments landscape. The scale, technology, capabilities and product portfolio will serve as a "one-stop shop" to a wide range of customers. This will be further enhanced by the planned acquisition of SIA, an Italian and European leader in payment technology and infrastructure services.

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<sup>3</sup> Calculated as EBITDA adjusted for changes in narrow working capital and capital expenditures.

## Income statement

Consolidated income statement		H1	H1
EURm	Note	2021	2020
Revenue, gross		559	501
Interchange fees and processing fees		(187)	(155)
<b>Revenue, net of interchange fees and processing fees</b>	2	<b>372</b>	<b>346</b>
Cost of sales		(22)	(19)
External expenses		(108)	(99)
Staff costs		(123)	(114)
<b>Operating profit before depreciation and amortisation (EBITDA) before special items</b>		<b>119</b>	<b>113</b>
Special items	3	(76)	(52)
<b>Operating profit before depreciation and amortisation (EBITDA)</b>		<b>43</b>	<b>61</b>
Amortisation of business combination intangibles, customer agreements & impairment losses		(30)	(35)
Underlying depreciation and amortisation		(52)	(42)
<b>Operating profit (EBIT)</b>		<b>(39)</b>	<b>(16)</b>
Fair value adjustment of Visa shares		1	2
Financial income and expenses, net		(73)	59
<b>Net financials</b>		<b>(72)</b>	<b>61</b>
<b>Profit/(loss) before tax</b>		<b>(111)</b>	<b>45</b>
Income taxes		17	4
<b>Net profit/(loss) from Continuing operations</b>		<b>(94)</b>	<b>49</b>
<b>Result from discontinuing operations</b>		<b>1,743</b>	<b>32</b>
<b>Result for the year</b>		<b>1,649</b>	<b>81</b>
Profit/(loss) is attributable to:			
Owners of continuing operations		1,637	45
Owners of discontinuing operations		7	32
Non-controlling interests		5	4
		<b>1,649</b>	<b>81</b>
<b>Non-GAAP performance measures continuing operations</b>			
Operating profit before depreciation and amortisation (EBITDA) before special items		119	113
Underlying depreciation and amortisation		(52)	(42)
<b>Adjusted EBIT</b>		<b>67</b>	<b>71</b>

## Statement of comprehensive income

### Consolidated statement of other comprehensive income

EURm

	H1 2021	H1 2020
<b>Net profit for the period</b>	<b>1,649</b>	<b>81</b>
<i>Items that will be reclassified subsequently to the consolidated income statement, when specific conditions are met:</i>		
Currency translation adjustments, foreign enterprises	22	(38)
Reclassification of interest swap to the consolidated income statement	9	(12)
Net gains/(losses) on cash flow hedges	(3)	1
<b>Total items that may be reclassified to the consolidated income statement subsequently</b>	<b>28</b>	<b>(49)</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>28</b>	<b>(49)</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>1,677</b>	<b>32</b>
Total comprehensive income for the period is attributable to:		
Owners of Nets A/S	1,665	(4)
Owners of discontinuing operations	7	32
Non-controlling interests	5	4
	<b>1,677</b>	<b>32</b>

## Balance sheet

Consolidated balance sheet		Nets A/S	Nets A/S
EURm	Note	30 Jun 2021	30 Jun 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill		1,724	1,354
Other intangible assets		507	433
Plant and equipment		136	117
Investment in associates		39	33
Receivables from Group enterprises		-	12
Deferred tax asset		36	10
<b>Total non-current assets</b>		<b>2,442</b>	<b>1,959</b>
<b>Current assets</b>			
Inventories		5	7
Trade and other receivables		137	125
Contract assets		24	12
Clearing-related assets		356	549
Prepayments		42	34
Other financial assets		11	16
Receivables from Group enterprises		78	63
Cash and cash equivalent		449	165
Assets held-for-sale		-	942
<b>Total current assets</b>		<b>1,102</b>	<b>1,913</b>
<b>Total assets</b>		<b>3,544</b>	<b>3,872</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		27	27
Reserves		1,054	1,400
<b>Equity, owners of Nets A/S</b>		<b>1,081</b>	<b>1,427</b>
Non-controlling interests		138	129
<b>Total equity</b>		<b>1,219</b>	<b>1,556</b>
<b>Non-current liabilities</b>			
Borrowings	4	218	391
Liabilities to Group enterprises	4	535	633
Pension liabilities, net		3	4
Deferred consideration		15	146
Finance lease		53	58
Derivative financial instruments		-	7
Deferred tax liabilities		58	46
<b>Total non-current liabilities</b>		<b>882</b>	<b>1,285</b>
<b>Current liabilities</b>			
Deferred consideration		328	17
Finance lease		16	16
Borrowings - Clearing related balances		-	-
Bank overdraft - Clearing related balances	4	-	-
Bank overdraft - Own cash	4	-	10
Trade and other payables		310	240
Liabilities to Group enterprises		-	9
Clearing-related liabilities		610	664
Other financial liabilities		1	1
Current tax liabilities		178	20
Liabilities associated with assets held-for-sale		-	54
<b>Total current liabilities</b>		<b>1,443</b>	<b>1,031</b>
<b>Total liabilities</b>		<b>2,325</b>	<b>2,316</b>
<b>Total equity and liabilities</b>		<b>3,544</b>	<b>3,872</b>

## Statement of cash flow

Consolidated statement of cash flows for the period		Nets A/S	Nets A/S
EURm	Note	30 Jun 2021	30 Jun 2020
EBITDA b.s.i. Cont operating business		119	113
Special items continuing operations		(61)	(52)
Operating result (EBITDA) from discontinuing operations		9	43
Other non-cash items		6	1
Change in narrow working capital	5	(16)	2
Interest and similar items, net		(22)	(24)
Tax paid		(7)	(13)
<b>Net cash flow from operating activities excluding clearing-related balances</b>		<b>28</b>	<b>70</b>
Change in clearing-related balances		138	12
<b>Net cash from operating activities</b>		<b>166</b>	<b>82</b>
Purchase of intangible assets		(66)	(99)
Purchase of plant and equipment		(15)	(7)
Purchase of Checkout OY		(36)	-
Other Investments		(3)	(11)
Proceeds from sale of Centurion		2,959	-
Centurion cash, disposed		(168)	-
<b>Net cash from investing activities</b>		<b>2,671</b>	<b>(117)</b>
Proceeds from borrowings		-	65
Repayment of borrowings		(183)	-
Repayment of shareholder loans		(532)	(58)
Proceeds from shareholder loans		-	60
Borrowings and Repayments, Group entities		5	(12)
Settlement of swap		(9)	12
Dividends to shareholder		(1,855)	-
Repayment of finance lease liabilities		(10)	(11)
<b>Net cash flows from financing activities excluding clearing-related balances</b>		<b>(2,584)</b>	<b>56</b>
Borrowings (clearing related)		-	-
Repayment of borrowings (clearing-related)		-	-
<b>Net cash flows from financing activities</b>		<b>(2,584)</b>	<b>56</b>
<b>Net cash flow for the period</b>		<b>253</b>	<b>21</b>
Cash and cash equivalents at the beginning of the period		182	136
Acquired Cash and Cash equivalents		1	1
Exchange gains/(losses) on cash and cash equivalents		13	(3)
<b>Net cash and cash equivalents at the end of the period</b>		<b>449</b>	<b>155</b>
Bank overdraft (clearing-related balances)		-	-
Bank overdraft (own cash)		-	10
<b>Cash and cash equivalents at the end of the period</b>		<b>449</b>	<b>165</b>
<b>Non-GAAP performance measures</b>			
<b>Net cash and cash equivalents at the end of the period</b>		<b>449</b>	<b>155</b>
Clearing-related assets at the end of period		356	549
Clearing-related liabilities at the end of period		(610)	(664)
Cash related to pass through Visa proceeds		(1)	(1)
<b>Own cash at the end of the period</b>		<b>194</b>	<b>39</b>
<b>Own cash at the beginning of the period</b>		<b>65</b>	<b>32</b>
Net cash flow from operating activities excluding clearing related balances		28	70
Net cash from investing activities in the year		2,671	(117)
Net cash flows from financing activities excluding clearing related activities		(2,584)	56
Own cash acquired from takeover		1	1
Exchange gains/(losses) on cash and cash equivalents		13	(3)
<b>Own cash at the end of the period</b>		<b>194</b>	<b>39</b>

## Statement of changes in equity

Consolidated statement of changes in equity								
	Share capital	Treasury share reserve	Hedge reserves	Currency translation reserves	Retained earnings	Equity, owners Nets A/S	Non-controlling interests	Total equity
EURm								
<b>2021</b>								
Equity 1 January	27	-	(5)	(85)	1,316	1,253	133	1,386
Net profit for the period	-	-	-	-	1,644	1,644	5	1,649
<b>Other comprehensive income for the year</b>								
Currency translation adjustments, foreign enterprises	-	-	-	22	-	22	-	22
Net gain/(loss) on cash flow hedges	-	-	(3)	-	-	(3)	-	(3)
Settlement of interest swap	-	-	9	-	-	9	-	9
Tax on fair value adjustments	-	-	(1)	-	-	(1)	-	(1)
Other comprehensive income for the period	-	-	5	22	-	27	(6)	(49)
<b>Total comprehensive income for the period</b>	-	-	5	22	1,644	1,671	5	1,676
Share based payments	-	-	-	-	6	6	-	6
Distributed dividends	-	-	-	-	(1,855)	(1,855)	-	(1,855)
<b>Total changes in equity</b>	-	-	5	22	(199)	(172)	5	(167)
<b>Equity as at 30 June</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>(63)</b>	<b>1,117</b>	<b>1,081</b>	<b>138</b>	<b>1,219</b>

Consolidated statement of changes in equity								
	Share capital	Treasury share reserve	Hedge reserves	Currency translation reserves	Retained earnings	Equity, owners Nets A/S	Non-controlling interests	Total equity
EURm								
<b>2020</b>								
Equity 1 January	27	-	4	(81)	1,440	1,391	132	1,523
Net profit for the period	-	-	-	-	77	77	4	81
<b>Other comprehensive income for the year</b>								
Currency translation adjustments, foreign enterprises	-	-	-	(32)	-	(32)	(6)	(38)
Net gain/(loss) on cash flow hedges	-	-	1	-	-	1	-	1
Settlement of interest swap	-	-	(12)	-	-	(12)	-	(12)
Other comprehensive income for the period	-	-	(11)	(32)	-	(43)	(6)	(49)
<b>Total comprehensive income for the period</b>	-	-	(11)	(32)	77	34	(2)	32
Share based payments	-	1	-	-	-	1	-	1
<b>Total changes in equity</b>	-	1	(11)	(32)	78	36	(3)	33
<b>Equity as at 30 June</b>	<b>27</b>	<b>1</b>	<b>(7)</b>	<b>(113)</b>	<b>1,518</b>	<b>1,427</b>	<b>129</b>	<b>1,556</b>

## Note 1 Significant accounting policies

The condensed consolidated interim financial statements of Nets A/S for the period 1 January - 30 June 2021 comprise Nets A/S and its subsidiaries (together referred to as "the Group") and associates.

On 30 April 2021, the Group acquired the Checkout Oy as from which dates the Checkout Oy's results are included in the consolidated financial statements.

In connection with the inclusion of the Checkout Oy, acquired net assets are recognised at fair value and accounting policies are adjusted to match those of the Nets Group. We refer to the acquisitions as described in Note 4.1, in the consolidated financial statements for 2020 for the Group, and to Note 6, Business combinations and asset acquisitions, in below.

The comparative 2020 results presented reflects combined activities of the Nets A/S Group.

### Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and additional Danish disclosure requirements.

Except for the changes described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements for 2020. The consolidated financial statements for the Group for 2020 contain a complete description of the accounting policies.

The Nets A/S Group has implemented the latest amendments to the International Financial Reporting Standards (IFRS) effective as of 1 January 2021 as adopted by the European Union. None of the amendments implemented have had any material impact on the Group's financial statements, nor or they expected to have so in the foreseeable future.

### Key accounting estimates and judgements

The preparation of the Group's interim financial statements requires Executive Management to make assumptions that affect the reported amount of assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the financial period.

Estimates and judgements used in the determination of reported results are continuously evaluated and are based on historical experience and on various other factors that are believed to be reasonable in the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Except for the judgements and estimates commented upon in the notes of this interim report, the significant judgements made by Executive Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the Group as at and for the year ended 31 December 2020.

## Note 2 Segment information

### H1 2021

	Merchant Services	Issuer & eSecurity Services	Group
EURm			
<b>Income statement</b>			
Revenue, gross	402	157	559
Revenue, net	215	157	372
Reported growth*	20%	-6.0%	7.5%
Organic growth**	4%	-7%	-1%

### H1 2020

	Merchant Services	Issuer & eSecurity Services	Group
EURm			
<b>Income statement</b>			
Revenue, gross	335	166	501
Revenue, net	179	166	346
Reported growth	-3.8%	-2.4%	-5,0%
Organic growth	-10%	-3%	-7%

\*MS reported growth YTD 2021 includes activities from PeP

\*\*MS organic growth YTD 2021 does not include activities from PeP

\*\*\*MS reported growth YTD 2020 includes activities from Prezlewy24

\*\*\*\*MS organic growth YTD 2020 does not include activities from Prezlewy24

The Executive Management uses revenue and organic growth as measures to assess the performance of the segments.

### Note 3 Special items

EURm	H1 2021		H1 2020	
	<i>External expenses</i>	<i>Staff costs</i>	<i>External expenses</i>	<i>Staff costs</i>
<b>Special items</b>				
Reorganisation, restructuring costs and refurbishment	(1)	(10)	(4)	(13)
Costs associated with business setups, acquisitions and disposals	(25)	(1)	(6)	(1)
Transformation programme	(17)	-	(22)	(5)
Legal cases, share programmes, extraordinary losses	(22)	-	(1)	-
<b>Total special items</b>	<b>(65)</b>	<b>(11)</b>	<b>(33)</b>	<b>(19)</b>

Special items comprise costs or income that cannot be attributed directly to the Group's ordinary activities. Such costs and income include the cost of extensive restructuring or processes and fundamental structural adjustment, and costs related to the owner structure. They are therefore separately disclosed to allow a more comparable view of underlying business performance.

## Note 4 Borrowings

Term and maturity of the Group's interest-bearing loans and borrowing								30 June 2021	30 June 2020
EURm	Interest Rate		Year of Maturity	Currency	Available facility	Drawn amount	Amount hedged	Carrying Amount	Carrying Amount
	Nominal	Effective							
Revolving credit facility <sup>2</sup>	IBOR <sup>1</sup> + 2.25%	2.3%	2024	Multi	240	-	-	-	173
Senior Notes	2.875%	2.9%	2024	EUR	220	220	-	218	218
Loan from Group enterprises (NOK)	NIBOR <sup>1</sup> + 3.25%	3,5%	2025	NOK	440	440	-	440	474
Loan from Group enterprises (EUR)	EURIBOR <sup>1</sup> + 4.00%	4,0%	2022	EUR	95	95	-	95	80
Credit facility	WIBOR + 2.15%	3.4%	2023	PLN	4	-	-	-	-
<b>Total long-term borrowings (non-current liabilities)</b>								<b>753</b>	<b>1,024</b>
Overdraft facility (own cash) <sup>2</sup>	IBOR1 + 2.5%	2,5%	2021	Multi	24	-	-	-	10
Overdraft facility (clearing-related balances) <sup>3</sup>				Multi	205	-	-	-	-
Money market (clearing-related balances)				Multi	30	-	-	-	-
<b>Total short-term borrowings (current liabilities) - Included in own cash calculation</b>								<b>-</b>	<b>10</b>
<b>Total loans and borrowings</b>								<b>753</b>	<b>1,034</b>

1. For the Revolving Credit Facility, Intercompany Loans there is a floor of 0.0% on the EURIBOR and NIBOR.
2. Revolving credit facility commitment is EUR 240 million and overdraft carveout of EUR 24 million.
3. Overdraft facility for clearing working capital ("CWC") with commitment of EUR 205 million in bank lines.

Net interest-bearing debt	30 June 2021	30 June 2020
Total long-term borrowings exclusive of finance lease liability (non-current liabilities)	753	1,024
Capitalised debt costs included in carrying amount	2	2
Own cash	(195)	(40)
<b>Net interest-bearing debt</b>	<b>560</b>	<b>986</b>

Note 5 Operating free cash flow	H1 2021	H1 2020
Operating profit before depreciation and amortisation and special items (EBITDA) continuing business	119	113
Special items continuing business	(61)	(52)
Operating profit before depreciation and amortisation and special items (EBITDA) discontinuing business	9	43
Change in narrow working capital	(16)	2
Purchase of intangible assets	(66)	(99)
Purchase of plant and equipment	(15)	(7)
<b>Operating free cash flow</b>	<b>(30)</b>	<b>-</b>