

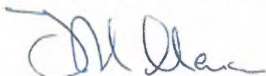
Affinion International ApS

**Affinion International ApS  
Ragnagade 7, Baghuset, 2.  
DK-2100 Copenhagen**

**CVR no.  
10358779**

## **Annual Report 2017**

The Annual General Meeting adopted the annual report on 29.06.2018  
**Chairman of the General Meeting**



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Name: Knut Erik Clausen

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## Entity details

### Entity

Affinion International ApS  
Ragnagade 7, Baghuset, 2. sal  
DK-2100 Copenhagen

Central Business Registration No: 10358779

Registered in: Copenhagen

Financial year: 01.01.2017 - 31.12.2017

### Board of Directors

Michele Conforti  
Knut Erik Clausen  
Justin Figgins

### Executive Board

Knut Erik Clausen

### Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## **Statement by Management on the Annual Report**

The Board of Directors and the Executive Board have today considered and approved the annual report of Affinion International ApS for the financial year 01.01.2017 - 31.12.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 29.06.2018

### **Executive Board**

Knut Erik Clausen

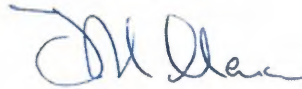


### **Board of Directors**

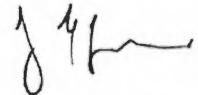
Michele Conforti



Knut Erik Clausen



Justin Figgins



## **Independent Practitioner's Report on the Financial Statements**

To the Shareholders of Affinion International ApS

We have performed an extended review of the Financial Statements of Affinion International ApS for the financial year 1 January – 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the Financial Statements. We conducted our extended review in accordance with the Danish Business Authority's assurance standard for small enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared under the Danish Financial Statements Act.

This requires that we comply with the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics and that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

### **Conclusion**

Based on the extended review, in our opinion the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

**Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

**Reporting obligations under section 7(2) of the Danish Executive Order on Approved Practitioner' Reports**

**Non-compliance with Danish VAT legislation**

Contrary to the Danish VAT Act, the Company has filed VAT returns late with the Danish tax authorities, by which Management may incur liability.

Hellerup, 29 June 2018

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR-np. 33 77 12 31



Poul Madsen

State Authorised Public Accountant

mne – 10745



Janni Guldager

State Authorised Public Accountant

mne - 33255

## **Management's Review**

### **Primary activities**

The Company's primary business area is development of marketing, value added programs and ID security products with focus on the financial sector and other service sectors with large membership bases.

### **Development in activities and finances**

During the financial year, the Company has continued to provide services on a high level with customers signed in the previous year. Counterparts have been from within the financial industry and the insurance industry. There has been great interest in the market for the Company's ID security product and the Company has established working relationships with several of the larger insurance companies.

Profit for the year amounts to TDKK 6.876 which is considered satisfactory.

### **Outlook**

Based on the demand for the Company's products, the multi-year contracts signed in 2016 and the pipeline of potential clients – Management has a positive outlook for the continued running of the Company.

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

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

The annual report is submitted in Danish kroner (DKK).

### Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.



## Accounting policies

### Income statement

#### Gross profit or loss

With reference to section 32 of Danish Financial Statements Act, revenue has not been disclosed in the annual report. Gross profit or loss comprises revenue and accrued membership income, less cost of sales and other external costs.

#### Revenue

Revenue from the sale of services is recognized in the income statement when delivery is made to the buyer. Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Membership income is accrued over the term of the agreements.

#### Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognized in current assets.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

#### Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses relating to property, plant and equipment comprise amortization, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

#### Other financial income

Other financial income comprises interest income on receivables from group enterprises and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

#### Other financial expenses

Other financial expenses comprise interest expenses and transactions in foreign currencies, amortization of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### Balance sheet

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment 3-5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Receivables

Receivables are measured at amortized cost, usually equaling nominal value less write-downs for bad and doubtful debts.

#### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

#### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

#### Cash

Cash comprises bank deposits.

#### Operating leases

Lease payments on operating leases are recognized on a straight-line basis in the income statement over the term of the lease.

#### Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.

#### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

## Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 TDKK</u>
<b>Gross profit</b>		<b>11.571.179</b>	<b>12.208</b>
Staff costs	1	(4.659.468)	(5.394)
Depreciation, amortization and impairment losses	2	(0)	(16)
<b>Operating profit/loss</b>		<b>6.911.711</b>	<b>6.798</b>
Other financial income	3	0	0
Other financial expenses	4	(35.719)	(29)
<b>Profit/loss for the year</b>		<b>6.875.992</b>	<b>6.769</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		6.875.992	6.679
<b>Retained earnings</b>		<b>6.875.992</b>	<b>6.679</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 TDKK</u>
Other fixtures and fittings, tools and equipment		0	0
<b>Property, plant and equipment</b>	5	<b>0</b>	<b>0</b>
Other receivables		291.628	180
<b>Fixed asset investments</b>	6	<b>291.628</b>	<b>180</b>
<b>Fixed Assets</b>		<b>291.628</b>	<b>180</b>
Manufactured goods and goods for resale		186.951	196
<b>Inventories</b>		<b>186.951</b>	<b>196</b>
Trade receivables		5.430.270	4.533
Receivables from group enterprises		13.136.597	8.683
Other short-term receivables		461.691	868
Prepayments		14.753	448
<b>Receivables</b>		<b>19.043.311</b>	<b>14.532</b>
Cash		4.142.914	1.633
<b>Current Assets</b>		<b>23.373.176</b>	<b>16.361</b>
<b>Assets</b>		<b>23.664.804</b>	<b>16.541</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 TDKK</u>
Contributed capital	7	1.059.381	1.059
Retained Earnings		<u>17.248.184</u>	<u>10.372</u>
<b>Equity</b>		<b>18.307.565</b>	<b>11.432</b>
Prepayments received from customers		57.226	636
Trade payables		918.627	14
Other payables		<u>4.381.385</u>	<u>4.460</u>
<b>Current liabilities other than provisions</b>		<b>5.357.238</b>	<b>5.110</b>
<b>Liabilities other than provision</b>		<b>5.357.238</b>	<b>5.110</b>
<b>Equity and liabilities</b>		<b>23.664.804</b>	<b>16.541</b>
Contingent assets	7		
Contingent liabilities	8		
Related parties with control	9		

## Statement of changes in equity for 2017

	Contributed Capital DKK	Retained Earnings DKK	TOTAL DKK
Equity beginning of year	1.059.381	10.372.192	11.431.573
Profit/loss for the year	0	6.875.992	6.875.992
<b>Equity end of year</b>	<b>1.059.381</b>	<b>17.248.184</b>	<b>18.307.565</b>

## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>TDKK</b>
<b>1. Staff costs</b>		
Wages and salaries	4.260.344	4.949
Pension costs	336.466	400
Other social security costs	59.658	45
	<b>4.659.465</b>	<b>5.394</b>
Average number of employees	7	7
<b>2. Depreciation, amortization and impairment losses</b>		
Depreciation of property, plant and equipment	0	16
	<b>0</b>	<b>16</b>
<b>3. Other financial expenses</b>		
Interest expenses	35.719	29
	<b>35.719</b>	<b>29</b>

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>		
<b>4. Property, plant and equipment</b>			
Cost beginning of year	676.502		
<b>Carrying amount end of year</b>	<b>676.502</b>		
Depreciation and impairment losses beginning of the year	(676.502)		
Depreciation for the year	(0)		
<b>Carrying amount end of year</b>	<b>0</b>		
	<b>Other receivables DKK</b>		
<b>5. Fixed asset investments</b>			
Cost beginning of year	180.328		
Additions	111.300		
<b>Cost end of year</b>	<b>291.628</b>		
<b>Carrying amount end of year</b>	<b><u>291.628</u></b>		
	<b>Num ber</b>	<b>Par Value DKK</b>	<b>Nominal Value DKK</b>
<b>6. Contributed capital</b>			
Share	1	381.818	381.818
Share	1	334.137	334.137
Share	1	343.426	343.426
	<b>3</b>		<b><u>1.059.381</u></b>



## Notes

### **7. Contingent assets**

The Company has a deferred tax asset of DKK 0.3 million which has not been capitalized (22% tax rate used).

### **8. Contingent liabilities**

The Company has contractual and lease commitments in the amount of DKK 205 thousand

### **9. Related parties with control**

Related parties with a controlling interest of Affinion International ApS:

- Affinion International AS, Kjørbokollen 30, N-1337 Sandvika, Norway