

**Affinion International ApS
Central Business Registration No
10358779
Ragnagade 7, Baghuset, 2. sal
DK-2100 Copenhagen**

Annual report 2015

The Annual General Meeting adopted the annual report on 27.05.2016

Chairman of the General Meeting

Name: Knut Erik Clausen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	7
Income statement for 2015	15
Balance sheet at 31.12.2015	16
Statement of changes in equity for 2015	19
Cash flow statement 2015	20
Notes	21

Entity details

Entity

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

Central Business Registration No: 10358779

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Michele Conforti
Lena Damtoft
Knut Erik Clausen

Executive Board

Knut Erik Clausen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

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 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

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, 27.05.2016

Executive Board

Knut Erik Clausen

Board of Directors

Michele Conforti

Lena Damtoft

Knut Erik Clausen

Independent auditor's reports

To the owner of Affinion International ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Affinion International ApS for the financial year 01.01.2015 - 31.12.2015. The financial statements, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes, 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and the ethical rules of FSR – Danish Auditors and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

The extended review has not resulted in any qualification.

Opinion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the extended review of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 27.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Søren Strandby
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

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 signed a number of new multi-year agreements. 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 DKK 857 thousand which is considered satisfactory.

Outlook

Based on the demand for the Company's products, the multi-year contracts signed in 2014 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.

Recognition and measurement

Assets are recognised 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 recognised 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 recognised 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 recognised 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and accrued membership income, less cost of sales and other external costs.

Accounting policies

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised 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 recognised in current assets.

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, 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, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Property, plant and equipment

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

Accounting policies

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 amortised cost, usually equalling 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 recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised 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.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Accounting policies

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Gross profit		6.388.349	3.783
Staff costs	1	(5.475.818)	(7.011)
Depreciation, amortisation and impairment losses	2	<u>(32.432)</u>	<u>(37)</u>
Operating profit/loss		880.099	(3.265)
Other financial income	3	2.567	6
Other financial expenses	4	<u>(25.867)</u>	<u>(33)</u>
Profit/loss for the year		<u>856.799</u>	<u>(3.292)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>856.799</u>	<u>(3.292)</u>
		<u>856.799</u>	<u>(3.292)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Other fixtures and fittings, tools and equipment		16.411	49
Property, plant and equipment	5	<u>16.411</u>	<u>49</u>
Other receivables		174.938	175
Fixed asset investments	6	<u>174.938</u>	<u>175</u>
Fixed assets		<u>191.349</u>	<u>224</u>
Manufactured goods and goods for resale		143.550	38
Inventories		<u>143.550</u>	<u>38</u>
Trade receivables		3.585.149	3.161
Receivables from group enterprises		3.568.274	4.788
Other short-term receivables		696.159	62
Prepayments		1.392.180	971
Receivables		<u>9.241.762</u>	<u>8.982</u>
Cash		<u>753.330</u>	<u>32</u>
Current assets		<u>10.138.642</u>	<u>9.052</u>
Assets		<u>10.329.991</u>	<u>9.276</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital	7	1.059.381	1.059
Retained earnings		<u>3.602.789</u>	<u>2.746</u>
Equity		<u>4.662.170</u>	<u>3.805</u>
Prepayments received from customers		1.782.302	624
Trade payables		191.554	6
Other payables	8	<u>3.693.965</u>	<u>4.841</u>
Current liabilities other than provisions		<u>5.667.821</u>	<u>5.471</u>
Liabilities other than provisions		<u>5.667.821</u>	<u>5.471</u>
Equity and liabilities		<u>10.329.991</u>	<u>9.276</u>
Contingent assets	10		
Contingent liabilities	11		
Related parties with control	12		

Statement of changes in equity for 2015

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	1.059.381	2.745.990	3.805.371
Profit/loss for the year	0	856.799	856.799
Equity end of year	1.059.381	3.602.789	4.662.170

Cash flow statement 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Operating profit/loss		880.099	(3.265)
Amortisation, depreciation and impairment losses		32.432	37
Working capital changes	9	<u>(1.380.706)</u>	<u>(450)</u>
Cash flow from ordinary operating activities		(468.175)	(3.678)
Financial income received		2.567	6
Financial income paid		(25.867)	(33)
Income taxes refunded/(paid)		<u>0</u>	<u>371</u>
Cash flows from operating activities		(491.475)	(3.334)
Acquisition of fixed asset investments		0	(11)
Loans		<u>1.213.460</u>	<u>(4.782)</u>
Cash flows from investing activities		1.213.460	(4.793)
Other cash flows from financing activities		<u>0</u>	<u>7.382</u>
Cash flows from financing activities		0	7.382
Increase/decrease in cash and cash equivalents		721.985	(745)
Cash and cash equivalents beginning of year		<u>31.345</u>	<u>777</u>
Cash and cash equivalents end of year		<u>753.330</u>	<u>32</u>
Cash and cash equivalents at year-end are composed of:			
Cash		<u>753.330</u>	<u>32</u>
Cash and cash equivalents end of year		<u>753.330</u>	<u>32</u>

Notes

	2015	2014
	DKK	DKK'000
1. Staff costs		
Wages and salaries	4.988.881	6.608
Pension costs	403.093	350
Other social security costs	83.844	53
	5.475.818	7.011
Average number of employees	7	6
	2015	2014
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	32.432	37
	32.432	37
	2015	2014
	DKK	DKK'000
3. Other financial income		
Interest income	2.567	6
	2.567	6
	2015	2014
	DKK	DKK'000
4. Other financial expenses		
Interest expenses	25.867	33
	25.867	33

Notes

		Other fixtures and fittings, tools and equipment DKK	
		<u>DKK</u>	
5. Property, plant and equipment			
Cost beginning of year		676.502	
Cost end of year		676.502	
Depreciation and impairment losses beginning of the year		(627.659)	
Depreciation for the year		(32.432)	
Depreciation and impairment losses end of the year		(660.091)	
Carrying amount end of year		16.411	
		<u>DKK</u>	
6. Fixed asset investments			
Cost beginning of year		174.938	
Cost end of year		174.938	
Carrying amount end of year		174.938	
		<u>DKK</u>	
7. Contributed capital	Number	Par value DKK	Nominal value DKK
Share	1	381.818,00	381.818
Share	1	334.137,00	334.137
Share	1	343.426,00	343.426
	3		1.059.381

Notes

	2015	2014
	DKK	DKK'000
8. Other short-term payables		
VAT and duties	1.163.924	1.033
Wages and salaries, personal income taxes, social security costs, etc. payable	265.897	227
Holiday pay obligation	748.072	522
Other costs payable	1.516.072	3.059
	3.693.965	4.841
	2015	2014
	DKK	DKK'000
9. Change in working capital		
Increase/decrease in inventories	(105.965)	(2)
Increase/decrease in receivables	(1.473.525)	(1.605)
Increase/decrease in trade payables etc	198.784	1.157
	(1.380.706)	(450)

10. Contingent assets

The Company has a deferred tax asset of DKK 3,3 million which has not been capitalised (22% tax rate used).

11. Contingent liabilities

The Company has contractual and lease commitments in the amount of DKK 228 thousand and DKK 389 thousand, respectively.

12. Related parties with control

Related parties with a controlling interest of Affinion International ApS:

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