Nassa A/S

Annual Report 2016

Adopted at the Annual General Meeting
30 May 2017

Chairman of the AGM:

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Dorthe Rosenkilde Saunders

Nassa A/S
Lautrupbjerg 10
DK-2750 Ballerup
www.nets.eu
CVR no. 34 90 33 60

Management's review

Business foundation

The objective of Nassa A/S is to maintain and develop ownership of Nets Holding A/S.

2016 highlights

The Group is actively committed to renewing and supplementing the portfolio of services offered and to strengthening the geographic footprint. During 2016, the Group strengthened its market coverage with the acquisition of 70% of Storebox A/S and on 31 January 2017 the remaining 42% of the shares in EDIGard AS.

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of Nassa A/S for the financial year 1 January – 31 December 2016.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position as at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Ballerup, 30 May 2017

Executive Board

Klaus Pedersen
CEO

Board of Directors

Bo Nilsson Chairman	Klaus Pedersen	Jens Heurlin

Independent Auditor's Report

To the shareholder of Nassa A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nassa A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 audit 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 audit, 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 Financial 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 Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities 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.

In preparing the financial statements, Management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 30 May 2017

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Mikkel Sthyr
State Authorised Public Accountant

Rasmus Friis Jørgensen
State Authorised Public Accountant

Accounting policies

The Annual Report has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act.

The accounting policies used are consistent with last year.

Pursuant to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared for Nassa A/S and subsidiaries as the companies are included in the consolidated financial statements of Nets A/S, Lautrupbjerg 10, DK-2750 Ballerup.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared as the Company is included in the consolidated financial statements of Nets A/S, Lautrupbjerg 10, 2750 Ballerup.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the Annual Report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as interest income or expense and similar items.

On recognition of subsidiaries in the financial statements at another currency than DKK, the items of the income statements are translated at the exchange rate at the transaction date, and the balance sheet items are translated at the exchange rate at the balance sheet date. The average exchange rate for the individual months is used as the exchange rate at the transaction date where this does not result in a significantly different presentation. Foreign exchange differences arising on translation of the opening equity of these companies at the exchange rates at the balance sheet date and on translation of the items of the income statements from the exchange rates at the transaction date to the exchange rates at the balance sheet date are recognised directly in equity.

Income statement

External costs

External costs incurred in generating the revenue for the year comprise administration costs.

Interest income, expense and similar items

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

Tax

Nassa A/S and Danish subsidiaries are jointly taxed. The current Danish corporation tax allocated between the jointly taxed companies in proportion to their taxable income is recognised in the income statement. The tax saving as a result of losses is also refunded proportionately.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. The change in deferred tax liabilities is also recognised in the income statement.

Tax assets are recognised if they can be set off against deferred tax in other consolidated enterprises or if it is probable that it can be utilised in future earnings.

Current and deferred tax is computed at the tax rates applicable.

The companies in the Group are taxed under the on-account tax scheme. Interest/refund relating to the tax payment is included in interest income and expense and similar items.

Balance sheet

Investments in subsidiaries	Subsidiaries are valued at cost in the company accounts. The investment is valued at acquisition cost of the shares unless write down for impairment has been necessary. Group contributions to subsidiaries, less tax, are recognized as increased cost of the shares. Dividends / group contributions are recognized in the same year as appropriated in the subsidiary/associated company. When dividends/group contributions exceed the share of retained profit subsequent to the acquisition, the excess part are considered repayment of invested capital and is deducted from the carrying value in the balance. Enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised.
Cash at banks	Cash and cash equivalents comprise cash and bank deposits.
Equity	Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date when they are adopted at the annual general meeting.
Liabilities	Financial liabilities are measured at amortised cost. Listed Visa shares are measured at the fair value at the balance sheet date.

Income statement

Note	(DKK million)	2016	2015
	Revenue	-	-
	External costs	-0	-0
	Staff costs	-	-
	Operating profit	**-0**	**-0**
	Net profit from subsidiaries		
	Profit before financial income and expenses	**-0**	**-0**
	Dividends from subsidiaries	1,698	698
	Fair value adjustment on liability related to Visa shares	-1,384	0
1	Financial income	46	0
1	Financial expenses	46	0
	Profit before tax	**314**	**698**
	Tax	0	0
	Net profit for the year	**314**	**698**
2	**Proposed profit appropriation:**		
	Extraordinary dividends	1,000	200
	Proposed dividends	0	498
	Retained earnings	-686	0
	Total appropriation	**314**	**698**

Balance sheet

Note	Assets (DKK million)	2016	2015
	Investments:		
3	Investments in subsidiaries	17,234	17,040
	Total non-current assets	**17,234**	**17,040**
	Receivables from Group enterprises	1,179	1,757
	Cash at banks	1	1
	Total current assets	**1,180**	**1,758**
	Total assets	**18,414**	**18,798**

Contingent assets: None

	Equity and liabilities		
4	Equity:		
	Share capital	171	171
	Retained earnings	16,184	16,870
	Dividends	0	498
	Total equity	**16,355**	**17,539**
	Financial liabilities related to Visa shares	722	0
	Payables to Group enterprises	1,337	1,259
	Trade and Other payables	0	0
	Total liabilities	**2,059**	**1,259**
	Total equity and liabilities	**18,414**	**18,798**
5	Events after the balance sheet date		

Statement of changes in equity

(DKK million)	Share capital	Retained earnings	Dividends	Total
Equity at 1 January 2015	**171**	**16,870**	**498**	**17,539**
Extraordinary dividend declared, cf. profit appropriation	-	-	200	200
Distributed dividends	-	-	-698	-698
Retained earnings, cf. profit appropriation	-	0	498	498
Equity at 1 January 2016	**171**	**16,870**	**498**	**17,539**
Retained earnings, cf. profit appropriation	-	314	0	314
Extraordinary dividend declared, cf. profit appropriation	-	-1,000	1,000	0
Distributed dividends	-	-	-1,498	-1,498
Equity at 31 December 2016	**171**	**16,184**	**0**	**16,355**

Notes to the financial statement

(DKK million)

1. Financial income and expenses

	2016	2015
Financial income:		
Group enterprises	46	0
	46	0
Financial expenses:		
Group enterprises	46	0
	46	0

2. Proposed profit appropriation

	2016	2015
Extraordinary dividends	1,000	200
Proposed dividends	0	498
Retained earnings	-686	0
Total appropriation	314	698

3. Investments in subsidiaries

	2016	2015
Cost at 1 January	17,040	17,040
Additions	194	0
Disposals	0	0
Cost at 31 December	17,234	17,040
Carrying amount at 31 December	17,234	17,040

	Ownership	Equity	Equity
Nets Holding A/S	100%	2,711	3,566

4. Share capital

The share capital is owned by Nassa Topco AS, Haavard Martinsens vei 54, 0251 Oslo
The share capital was increased by DKK 171 million in July 2014. No changes to share capital in 2015 and 2016.

The share capital comprises shares of DKK 1.00 each

Nassa A/S is part of the consolidated Financial Statements for the ultimate parent company of Nets A/S, Lautrupbjerg 10, 2750 Ballerup.

The proposed extraordinary dividend of DKK 1,000 million was distributed according to the IPO of Nets A/S 23 September 2016.

5. Events after the balance sheet date

No significant events with effect to the annual report of 2016 have occurred subsequent to 31 December 2016.