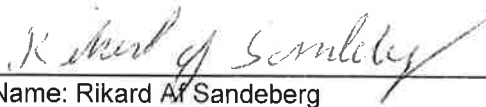


Tenerity ApS
Lyngbyvej 20, 3 Sal
DK-2100 København Ø
CVR no.
10358779

Annual Report 2023

The Annual General Meeting adopted the annual report on 13th June 2024
Chairman of the General Meeting



Name: Rikard A. Sandeberg

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Entity details

Entity

Tenerity ApS

Lyngbyvej 20, 3 Sal

DK-2100 København Ø

CVR: 10358779

Registered in: Copenhagen

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Max Elsner

Rikard Af Sandeberg

Kristin Choi

Executive Board

Rikard Af Sandeberg

Statement by Management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the annual report of Tenerity ApS for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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

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

Sandvika, 13th June 2024

Executive Board

Rikard Af Sandeberg



Board of Directors

Max Elsner



Rikard Af Sandeberg



Kristin Choi



The Independent Practitioner's Report

To the shareholders of Tenerity Aps

Opinion

We have performed an extended review of the financial statements of Tenerity ApS for the financial year

1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis of Opinion

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

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 extended review of the Financial Statements

Our responsibility is to express a opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

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

Statement on the Management's Review

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

In connection with our extended re

view of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the 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 the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's Review.

Copenhagen, 13th June 2024

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36


Michael Beuchert

State Authorised Public Accountant
mne32794

Management's Review

Primary activities

The Company's primary business area is development of engagement and loyalty programs primarily within the Banking and Insurance sector and lately also expanding into the utility and telecom sectors.

Development in activities and finances

During the financial year, the Company has continued to provide services on a high level with clients primarily in the financial industry. There continues to be a positive interest in the market for the Company's services of lifestyle & security products which drives increased engagement and loyalty.

The company's efforts to digitize & modernize existing products and services by improving the customer journey and including new relevant features and functionality is continuing to prove valuable when renewing contracts or signing new clients. Within security, our new digital application that searches the public & dark web for personal data and notifies the customer to strengthen preventive measures which was launched in Denmark in 2022 has been launched with 2 additional clients in 2023. We anticipate that more clients will follow and include the application to complement and strengthen the ID Theft services. Similarly, within lifestyle, our new digital interface which was developed to enhance the Concierge service and improve the customer journey was launched for the first time with a major Danish bank in 2023. The modernization is essential for future growth as we expect some of the older legacy products to decline in demand.

The company has recorded a profit of DKK 1.4 M in 2023.

Outlook

Based on the demand for the Company's products & services, the contracts signed in 2022 and 2023 and the development of new digital products and services – Management has a positive outlook for the continued running of the Company.

As of January 1, 2024, the Company has become part of the Mehrwerk Group, which specializes in value-added solutions for banks, insurance companies and energy suppliers, as our parent company, Tenerity AS, was sold to Mehrwerk GmbH. We expect the change of ownership to have a positive effect on the future of the company as we can draw on synergies and many years of combined experience within our field.

Events after the balance sheet date

No matters have occurred after the balance sheet date, which have a significant impact on the assessment of the 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 affected 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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

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.

Fixed asset investments

Fixed asset investments include deposits for the company's leaseholds.

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.

Accounting policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

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 2023

	Notes	2023 DKK	2022 DKK
Gross profit		6,494,763	7,931,961
Staff costs	1	<u>(4,034,256)</u>	<u>(4,645,878)</u>
Operating profit/loss		2,460,507	3,286,083
Other financial income		56,173	306
Other financial expenses		<u>(355,914)</u>	<u>(87,169)</u>
Profit/loss before tax		2,160,766	3,199,220
Tax on profit/loss for the year	2	<u>(753,550)</u>	<u>(594,528)</u>
Profit/loss for the year		1,407,216	2,604,692
Proposed distribution of profit/loss			
Proposed dividend		0	23,400,000
Transfer to Retained Earnings		<u>1,407,216</u>	<u>(20,795,308)</u>
Total		1,407,216	2,604,692

Balance Sheet at 31.12.23

	Notes	2023 DKK	2022 DKK
Other fixtures and fittings, tools and equipment		<u>228,207</u>	<u>61,498</u>
Property, Plant & Equipment	3	228,207	61,498
Deposits		<u>45,680</u>	<u>45,680</u>
Fixed Asset Investments	4	45,680	45,680
Fixed Assets		273,887	107,178
Manufactured goods and goods for resale		<u>229,617</u>	<u>571,193</u>
Inventories		229,617	571,193
Receivables from group enterprises		4,501,286	48,247,210
Trade Receivables		2,634,496	3,132,391
Other debtors		0	47,562
Prepayments		<u>137,388</u>	<u>83,766</u>
Receivables		7,273,170	51,510,928
Cash		1,975,674	1,452,170
Current Assets		9,478,461	53,534,292
Total Assets		9,752,348	53,641,470

Balance sheet at 31.12.2023

	Notes	2023 DKK	2022 DKK
Contributed Capital	5	1,059,381	1,059,381
Proposed dividend		0	23,400,000
Retained Earnings		4,279,377	2,872,162
Equity		5,338,758	27,331,543
Corporation Tax		664,421	481,536
Payables to group enterprises		1,891,409	23,969,565
Trade Payables		169,697	136,579
Other Payables		1,688,063	1,722,247
Current liabilities other than provisions		4,413,590	26,309,927
Liabilities other than provision		4,413,590	26,309,927
Equity and Liabilities		9,752,348	53,641,470
Contingent assets	6		
Contingent liabilities	7		
Related parties	8		

Statement of changes in equity for 2023

	Contributed Capital DKK	Retained Earnings DKK	TOTAL DKK
Equity beginning of the year	1,059,381	2,872,162	3,931,543
Profit/Loss for the year	0	1,407,216	1,407,216
Equity end of year	<u>1,059,381</u>	<u>4,279,377</u>	<u>5,338,758</u>

Notes

	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
1. Staff costs		
Wages and salaries	3,644,551	4,226,981
Pension costs	326,136	341,687
Other social security costs	63,569	77,210
	<u>4,034,256</u>	<u>4,645,878</u>
Average number of employees	<u>5</u>	<u>5</u>
2. Tax on profit/loss for the year		
Current tax for the year	536,509	573,390
Tax concerning previous year	217,041	21,138
Tax on profit/loss for the year	<u>753,550</u>	<u>594,528</u>
3. Property, plant and equipment		
		DKK
Cost beginning of year		343,633
Carrying amount end of year		<u>343,633</u>
Depreciation and impairment losses beginning of the year		(680,070)
Depreciation for the year		564,644
Depreciation and impairment losses end of year		<u>(115,426)</u>
Booked value per 31. December 2023		<u>228,207</u>

4. Fixed asset investments

	2023
	DKK
Cost beginning of year	45,680
Movements	0
Cost end of year	45,680
Carrying amount end of year 2023	45,680

5. Contributed capital	Number	Par Value DKK	Nominal Value DKK
Share	1	381,818	381,818
Share	1	334,137	334,137
Share	1	343,426	343,426
	3		1,059,381

6. Contingent liabilities

The Company has lease commitments in the amount of DKK 155 thousand.

7. Related parties with control

Related parties with a controlling interest of Tenerity ApS:

Tenerity AS, Kjørbokollen 30, N-1337 Sandvika, Norway

8. Interest income recorded at year-end

The company has recorded at year-end a total interest income of DKK 56 thousand based on a rate a of 2.203% at year-end.