

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

## **Annual Report 2020**

The Annual General Meeting adopted the annual report on 26<sup>th</sup> June 2021

**Chairman of the General Meeting**

*Rikard Af Sandeberg*

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Name: Rikard Af Sandeberg

<b>Contents</b>	<b>Page</b>
Entity details	3
Statement by Management on the annual report	4
Independent Practitioner's Report on the Financial Statements	5-6
Management review	7
Accounting policies	8-11
Income Statement 2020	12
Balance Sheet	13-14
Statement of change of equity	15
Note	16-17

## Entity details

### Entity

Tenerity ApS

Lyngbyvej 20, 3 Sal

DK-2100 København Ø

CVR: 10358779

Registered in: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

### Board of Directors

Michele Conforti

Rikard Af Sandeberg

### 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 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

København Ø, 26<sup>th</sup> June 2021

### Executive Board



Rikard Af Sandeberg

### Board of Directors



Michele Conforti



Rikard Af Sandeberg

# 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 to 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the financial statements give a fair presentation of the assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to 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 section "Auditor's responsibilities for the extended review of the financial statements". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 unless the 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 an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the financial statements. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an assessment of the achieved evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the financial statements.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion on the management commentary.

In connection with our extended review the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management commentary is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not discover any material misstatement in the management commentary.

Copenhagen,

**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 & membership loyalty programs primarily within Banking and Insurance sector and lately also expanding to the utility and telecom sector.

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

During the financial year, the Company has continued to provide services on a high level with customers primarily in the financial industry, even if the market has been affected by the impact of Covid-19. There continues to be great interest in the market for the Company's services within lifestyle & security products to drive increased engagement and loyalty.

The company continues with innovation, digitization & modernization and has made significant developments during the year. Within security a new digital application that search the public & dark web for personal data and notifies the customer to strengthen preventive measures has been developed and launched with numerous clients within the Nordic region. Similarly, within lifestyle Concierge service continues to be in demand and a new digital interface has been developed to strengthen the service and improve the customer journey. The company has also developed a new modern loyalty & engagement platform with support for personalized communication, automation, AI and analytics which we anticipate will be an important addition to our portfolio and quest to drive future growth.

Towards the end of the year, it became clear that that JP Morgan Chase will acquire part of the company (inclusive the trademark/name cxLoyalty) that focus on "points-based travel & rewards fulfillment ", in the USA from cxLoyalty Group Holdings, Inc. This will not have any significant impact for the company's operation in Denmark and the Nordic countries, other than that the company will change name to Tenerity.

Profit for the year amounts to TDKK **1,421 K** which is considered satisfactory.

### **Outlook**

Based on the demand for the Company's products, the new contracts signed in 2019 and 2020 and the development new digital products and services – Management has a positive outlook for the continued running of the Company.

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

To date, the company is not materially affected by Covid-19. However, the expected effect is not yet possible to determine for the company's activities in 2021.

Moreover, 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 2020**

	Notes	2020 DKK	2019 DKK
<b>Gross profit</b>		<b>6,363,987</b>	<b>5,863,719</b>
Staff costs	1	<u>(4,551,532)</u>	<u>(4,134,216)</u>
<b>Operating profit/loss</b>		<b>1,812,456</b>	<b>1,729,503</b>
Other financial income		1,850	185,923
Other financial expenses		<u>(60,981)</u>	<u>(102,095)</u>
<b>Profit/loss before tax</b>		<b><u>1,753,325</u></b>	<b><u>1,813,331</u></b>
Tax on profit/loss for the year	2	<u>(332,703)</u>	<u>18,567</u>
<b>Profit/loss for the year</b>		<b><u>1,420,622</u></b>	<b><u>1,831,898</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>1,420,622</u>	<u>1,831,898</u>
<b>Retained earnings</b>		<b><u>1,420,622</u></b>	<b><u>1,831,898</u></b>

## Balance Sheet at 31.12.20

	Notes	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		0	0
<b>Property, Plant &amp; Equipment</b>	3	<b>0</b>	<b>0</b>
Deposits		150,730	342,022
<b>Fixed Asset Investments</b>	4	<b>150,730</b>	<b>342,022</b>
<b>Fixed Assets</b>		<b>150,730</b>	<b>342,022</b>
Manufactured goods and goods for resale		289,573	163,068
<b>Inventories</b>		<b>289,573</b>	<b>163,068</b>
Trade Receivables		2,424,833	2,632,549
Receivables from group enterprises		48,429,963	35,191,035
Receivable from Corporation Tax		0	183,590
Other debtors		84,552	0
Prepayments		136,218	118,371
<b>Receivables</b>		<b>51,075,566</b>	<b>38,125,545</b>
<b>Cash</b>		<b>1,457,249</b>	<b>1,544,152</b>
<b>Current Assets</b>		<b>52,822,389</b>	<b>39,832,765</b>
<b>Total Assets</b>		<b>52,973,119</b>	<b>40,174,787</b>

## Balance sheet at 31.12.2020

	Notes	2020 DKK	2019 DKK
Contributed Capital	5	1,059,381	1,059,381
Retained Earnings		<u>24,455,710</u>	<u>23,035,088</u>
<b>Equity</b>		<b><u>25,515,091</u></b>	<b><u>24,094,469</u></b>
Other Payables - Long Term Liabilities		<u>0</u>	<u>154,427</u>
<b>Long term liabilities</b>		<b><u>0</u></b>	<b><u>154,427</u></b>
Corporation Tax		139,492	0
Trade Payables		66,194	67,100
Payables to group enterprises		23,187,610	14,161,630
Other Payables		<u>4,064,731</u>	<u>1,697,161</u>
<b>Current liabilities other than provisions</b>		<b><u>27,458,028</u></b>	<b><u>15,925,891</u></b>
<b>Liabilities other than provision</b>		<b><u>27,458,028</u></b>	<b><u>16,080,318</u></b>
<b>Equity and Liabilities</b>		<b><u>52,973,119</u></b>	<b><u>40,174,787</u></b>
Contingent assets	6		
Contingent liabilities	7		
Related parties	8		

## Statement of changes in equity for 2020

	<b>Contributed Capital DKK</b>	<b>Retained Earnings DKK</b>	<b>TOTAL DKK</b>
Equity beginning of the year	1,059,381	23,035,088	24,094,469
Profit/Loss for the year	0	1,420,622	1,420,622
<b>Equity end of year</b>	<b>1,059,381</b>	<b>24,455,710</b>	<b>25,515,091</b>

## Notes

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	4,101,645	3,790,917
Pension costs	386,238	308,901
Other social security costs	63,649	34,398
	<b>4,551,532</b>	<b>4,134,216</b>
Average number of employees	6	5
<b>2. Tax on profit/loss for the year</b>		
Current tax for the year	407,911	307,692
Tax concerning previous year	(75,208)	(326,259)
<b>Tax on profit/loss for the year</b>	<b>332,703</b>	<b>(18,567)</b>
<b>3. Property, plant and equipment</b>		<b>DKK</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>Depreciation and impairment losses end of year</b>		<b>(676,502)</b>
<b>Booked value per 31. December 2020</b>		<b>0</b>
<b>4. Fixed asset investments</b>		<b>2020</b>
		<b>DKK</b>
Cost beginning of year		342,022
Movements		(191,292)
<b>Cost end of year</b>		<b>150,730</b>
<b>Carrying amount end of year 2020</b>		<b>150,730</b>



## Tenerity ApS

	<b>Number</b>	<b>Par Value DKK</b>	<b>Nominal Value DKK</b>
<b>5. 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>1,059,381</b>

### **6. Contingent assets**

The Company has a deferred tax asset of TDKK 84K which has not been capitalized (22% tax rate used).

### **7. Contingent liabilities**

The Company has lease commitments in the amount of DKK 735 thousand.

### **8. Related parties with control**

Related parties with a controlling interest of Tenerity ApS:

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