

Invitation to subscribe for units in Loyal Solutions A/S

 *Loyal Solutions*

Prior to planned listing on
Nasdaq First North Growth Market

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IMPORTANT INFORMATION

The following summary is not an offer but is to be seen as an introduction to Loyal Solutions A/S ("Loyal Solutions") prospectus and does not necessarily contain all information for an investment decision to be made. The investor is advised to consult the prospectus which is available on Loyal Solutions' website (www.loyalsolutions.eu), before making an investment decision to take note of the potential risks associated with the decision to invest in the securities. Loyal Solutions A/S, CVR.no. 28850263.



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ABOUT LOYAL SOLUTIONS

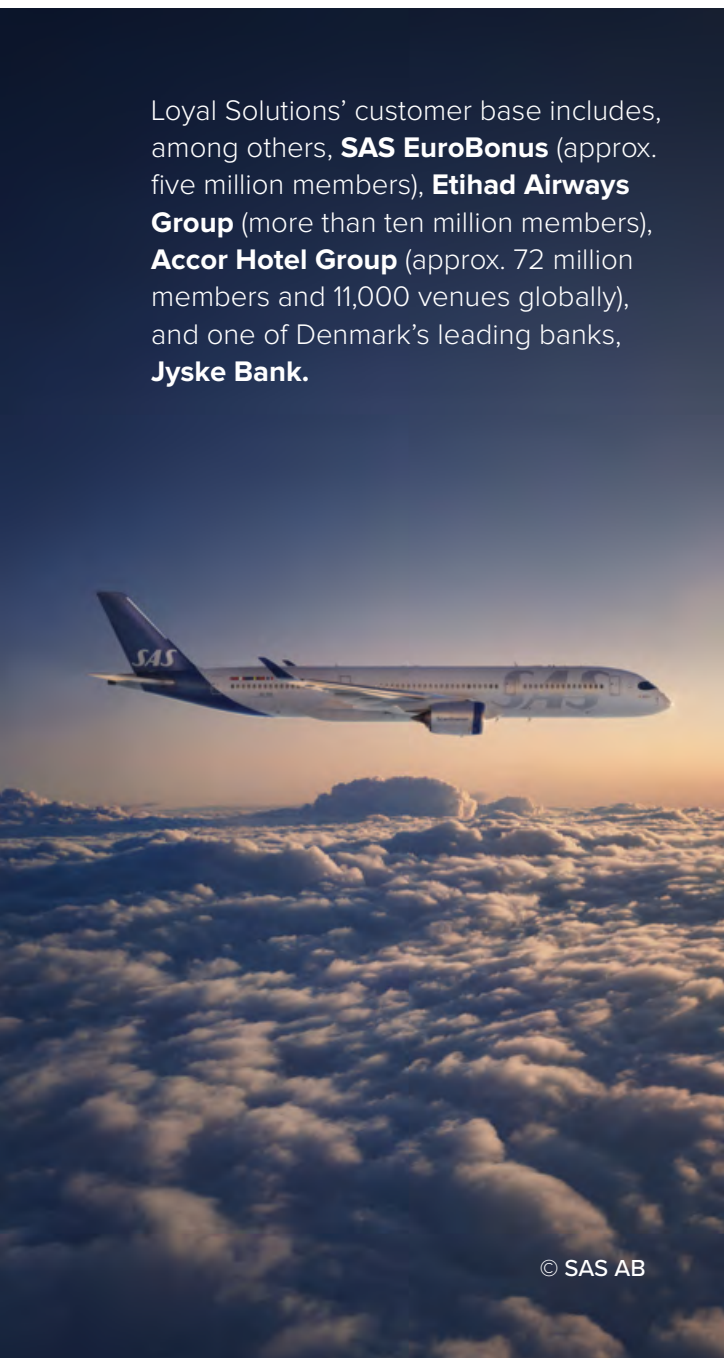
LoyalTfacts® is used by some of the largest and most respected loyalty programs around the world

Loyal Solutions' customer base includes, among others, **SAS EuroBonus** (approx. five million members), **Ethad Airways Group** (more than ten million members), **Accor Hotel Group** (approx. 72 million members and 11,000 venues globally), and one of Denmark's leading banks, **Jyske Bank**.

Loyal Solutions delivers the market-leading Software-as-a-service ("SaaS") platform, LoyalTfacts®, that enables B2B companies to obtain distinct customer loyalty advantages and to enjoy new ancillary revenue streams or boost existing ones. Being easily connected to companies' existing services and systems, LoyalTfacts® is not limited to a certain type of industry. No matter how large a client is and will become, LoyalTfacts® is not only easily implemented, but also easily scalable by using existing global payment infrastructure and PCI compliant global hosting solutions such as Google Cloud Platform. LoyalTfacts® is real-time integrated to the three big payment providers Visa, Mastercard, and American Express. In addition, Loyal Solutions is Open Banking approved as an AISP by the Danish Financial Supervisory Authority (Finanstilsynet ID 45507) and PCI DSS compliant.

Loyal Solutions has achieved significant growth by adapting to market developments and user needs and by signing valuable customer agreements with large global brands such as SAS EuroBonus, Accor Hotels, Aldar Group, Jyske Bank and Ethad Airways Group. Some of these clients have to Loyal Solutions indicated ambitious expansion plans ready for execution together with the company as soon as the Covid-19 pandemic is resolved. In addition to expansion plans in current industries, which are the airlines, hospitality, and FinTech sectors, the company also plans to increase its focus in the market for shopping mall operators where the company already has a successful program with a large mall operator in the UAE. Another target market is Telecommunications where the company has received positive initial feedback in early dialogues with potential clients. The Board of Directors foresees a significant demand for the company's services and technology post Covid-19, particularly in the airline industry where the Covid-19 pandemic has more than ever crystalized the value of airline loyalty programs which in many cases also has been instrumental in enabling airlines to survive the crisis.¹

Loyal Solutions is well-positioned for future organic growth with a strong focus on embracing the momentum post the pandemic and scaling its current business by ramping up sales and marketing efforts to existing and new verticals. This will require additional Sales-, Key Account- and operational resources to be deployed. In addition, the company aims to devote more resources to general R&D as well as special efforts on Artificial Intelligence ("AI") and machine learning to maintain LoyalTfacts® as a market-leading SaaS platform. The company is therefore conducting an issue of units (shares and warrants) prior to planned listing on Nasdaq First North Growth Market Stockholm in Q2 2021. The issue of units can initially provide the company approximately SEK 40 million and an additional approximately SEK 32 million if all warrants are fully exercised in Q2 2022.



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1. Chun, S. Y., & de Boer, E. (2021). How Loyalty Programs Are Saving Airlines, *Harvard Business Review*.

BUSINESS MODEL AND MARKET POTENTIAL

Loyal Solutions has an attractive and scalable business model centered on annual recurring revenues of 0.4-1.25 percent of client sales, with minimum guarantees, combined with setup/implementation fees and additional revenue from client-specific developments.

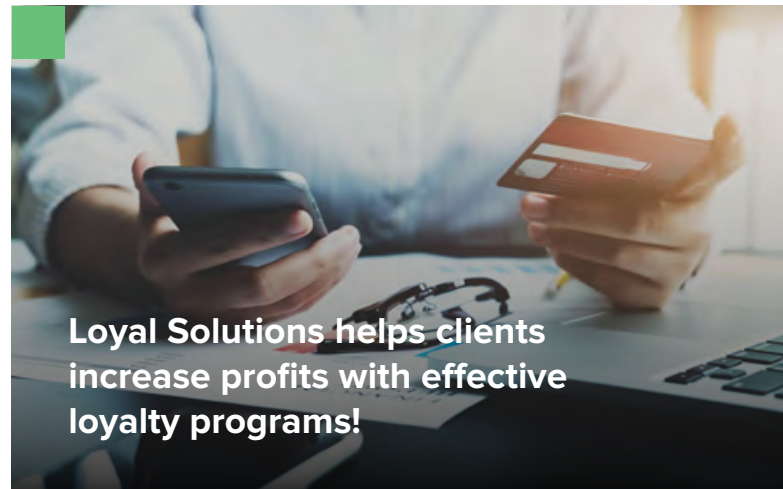
The global market for loyalty programs is valued at USD 201 billion and is expected to grow by an annual growth rate of 4-5 percent between 2021 and 2024.² Loyal Solutions' current primary target markets are the sector of FinTech services, the airline industry, and the hospitality industry. Loyal Solutions' ambition is to expand within current markets. In addition, the company aims to target the markets of shopping mall operators and telecommunications.

GROWTH PLAN

During the fiscal year 2019/2020, Loyal Solutions generated gross revenues of approx. DKK 12.1 million and, together with both new and existing clients, the company has an ambitious growth strategy to expand its business with new verticals and into new markets. A primary purpose of the issue of units is to hire more personnel within sales to target the many opportunities the company sees within several verticals globally. To maintain LoyalTFacts® as a market-leading SaaS platform, Loyal Solutions will also devote additional resources to general R&D, AI, and machine learning, which will enable the development of new features and functionalities for already existing, and new, clients. Upon completion of the

IPO, the company will immediately activate a recruitment plan with the ambition to have finalized recruitments during 2021. From late 2021 and forward, the company is expecting to have new dedicated R&D resources, fully operational, focusing on providing customers with state-of-the-art user-friendly solutions.

It is the company's ambition to reach a net revenue exceeding EUR 20 million (corresponding to approx. DKK 149 million) with an EBITDA of approx. EUR 10 million (corresponding to approx. DKK 74 million) during 2023/24.



OPERATIONAL TARGETS

2021

- Continuous development of current customers by scaling up operation and account management resources once the clients are ready to execute their expansion plans
- Additional investments in LoyalTFacts® suite of products and general R&D
- Sales scale up in the FinTech vertical in the EU and CEMEA by recruiting sales staff
- Sales scale up in the Airline/Hospitality vertical in the EU, CEMEA, and APAC by recruiting sales staff
- Sales launch in the vertical of shopping malls in the EU and CEMEA by recruiting sales staff
- Sales launch in the Telecommunications vertical in the EU and CEMEA by recruiting additional sales staff

2022

- Continuous development of current customers
- Continuous selling effort in target verticals
- Implementation of first clients from the expansion plan
- Sales staff increase
- Support staff increase (if more clients are signed)
- Continuous platform upgrades and R&D

2023

- Sales in verticals started
- Continuous development of current customers
- Implementation of new clients from the expansion plan
- R&D continues
- Additional verticals implemented



Summary of the offering

Subscription period: 4-18 May 2021.

Subscription price: SEK 60.00 per unit. One (1) unit consists of three (3) shares and two (2) warrants of series TO 1, issued free of payment.

Volume of issuance: The offer comprises no more than 1,999,998 shares and no more than 1,333,332 warrants of series TO 1, corresponding to approx. SEK 39.9 million and approx. SEK 32 million respectively. If the issue of units is fully subscribed and all associated warrants are exercised, Loyal Solutions will receive a capital injection totaling approx. SEK 72 million (before deduction of transaction related costs). The minimum subscription is 100 units, corresponding to SEK 6,000.00.

Valuation (pre-money): Approx. SEK 150 million.

Subscription commitments: The company has received subscription commitments of approximately SEK 29.9 million, corresponding to approximately 74.8 percent of the initial issue of units.

Number of shares before the issue of units: 7,500,000.

Expected first day of trading on Nasdaq First North Growth Market Stockholm: 3 June 2021.

Ticker, ISIN: LOYAL, DK0061535507.

Summary of the warrants of series TO 1

Exercise period: 4-25 May 2022.

Exercise price: One (1) warrant gives the right to subscribe for one (1) new share at a price of SEK 24.00 per share.

Issue volume: If all warrants are exercised during this period, the company will receive an additional approx. SEK 32 million before issue costs.

Ticker, ISIN: LOYAL TO 1, DK0061549219.

STATEMENT BY PETER KISBYE, CEO

Welcome to Loyal Solutions and thank you for taking the time to read about our company and the journey we are about to embark upon. Since Loyal Solutions' inception in 2009, we have worked diligently towards becoming a market-leading provider of local, regional, and global loyalty solutions and technology.

LoyalTfacts® is capable of reaching billions of potential users instantly through the real time integration to Visa, Mastercard, and American Express. LoyalTfacts® serves as a SaaS platform and hub between any store or web shop, any cardholder and our clients program - globally

Peter Kisbye
Loyal Solutions A/S



Perhaps now more than ever before, businesses strive to keep their customers coming back. Smaller businesses in newly developed markets are often in a somewhat less competitive environment early on, but when markets and businesses mature, the competition will start to ramp up. As an example, the airline market has been around for a hundred years and there are more than 5,000 airlines fighting for approximately 4.5 billion passengers each year.³ For an airline to remain competitive in this market it must differentiate as much as possible from the competition and thus cannot solely focus on providing transport services. The airline must focus on every aspect that their customers associate with traveling and provide the ancillary services they demand and expect. This problem is not unique to the travel industry, but exists in almost every industry, encouraging companies competing in established markets to seek out new opportunities to differentiate and deliver the best customer experience.

Loyal Solutions quickly identified a need for a more modern approach to loyalty programs, and a gap in the market for relevant SaaS technology solutions that are global, scalable, and user friendly. We first identified this large market potential in the airline industry and managed to sign agreements with SAS EuroBonus, Virgin Velocity, and Etihad Airways Group. A similar potential was seen in the hospitality industry and the financial sector and we are proud that our customer base now also includes Accor Hotels, Visa, and Jyske Bank. What we offer these large global brands is our proprietary technology platform, LoyalTfacts®, which is a special purpose tailored SaaS solution that is easy to connect to these companies existing services and systems. In addition, we offer full outsourcing options, which makes implementation of a full loyalty program seamless and easy for our clients. LoyalTfacts® is capable of reaching billions of potential users instantly through the real time integration to Visa, Mastercard, and American Express. LoyalTfacts® serves as a SaaS platform and hub between any store or web shop, any cardholder and our clients program - globally.

The reason for our planned IPO is that we are at a point in our development where we feel that the timing is right to seize opportunities in both new and current industries, scale up globally, take market share, and hopefully become a global market leader in selected industries. Initially, this means investing in the right salespeople, train them and initiate our planned growth strategy. This process is by its very nature cost- and time consuming, why we now have a need for capital to accomplish this.

We have the right team, a state-of-the-art technology SaaS platform in LoyalTfacts®, the needed reference customers and an expansion plan to achieve our growth targets in the upcoming years. We hope that you also want to follow us on this journey.

Peter Kisbye
CEO, Loyal Solutions A/S

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