

Loyal Solutions

Invitation to subscribe for units in Loyal Solutions A/S prior to planned listing on Nasdaq First North Growth Market Stockholm

The Danish Financial Supervisory Authority approved this prospectus on 29 April 2021. This prospectus is valid for a period of up to twelve (12) months from the date of the approval. The obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the prospectus is no longer valid and Loyal Solutions A/S will only supplement the prospectus when required according to rules on prospectus supplement in the prospectus regulation (EU) 2017/1129.

Nasdaq First North Growth Market Disclaimer

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

IMPORTANT INFORMATION

Information to investors

This EU Growth Prospectus (the “**Prospectus**”) has been prepared in connection with Loyal Solutions A/S (“**Loyal Solutions**” or the “**Company**”), with corporate registration number (Dk. CVR No) 28850263, offer to subscribe for units (the “**Units**”), consisting of shares (the “**New Shares**”) and free of charge warrants (the “**Warrants**”), and the admission to trading on Nasdaq First North Growth Market Stockholm, together (the “**Offer**” or the “**Issue of units**”). For certain definitions and abbreviations used in the Prospectus, see “Certain definitions and abbreviations” on the following page.

This Prospectus has been approved and registered by the Danish Financial Supervisory Authority (Dk. *Finanstilsynet*) (the “**DFSA**”), as competent authority under Regulation (EU) 2017/1129. The approval and registration do not imply that the DFSA guarantees that the information in the Prospectus is accurate or complete.

In connection with the Issue of units described in this Prospectus, Sedermera Fondkommission is the financial advisor to Loyal Solutions. Sedermera Fondkommission is a secondary name of ATS Finans AB. Sedermera Fondkommission has assisted the Company in the preparation of this Prospectus. The Board of Directors of Loyal Solutions is responsible for the content, whereupon Sedermera Fondkommission and ATS Finans AB disclaim all liability in relation to shareholders in the Company and regarding other direct or indirect consequences as a result of investment decisions or other decisions based wholly or partly on the information in this Prospectus.

No shares or warrants in Loyal Solutions are subject to trade or application thereon in any country other than Sweden. The invitation according to this Prospectus does not apply to individuals whose participation requires additional prospectus, registration measures or other measures than those that comply with Danish law. This Prospectus may not be distributed in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where the distribution or this invitation requires additional measures as stated in the previous sentence or contravene rules in such country. Disputes arising from the contents of the Prospectus or related legal matters shall be settled according to Danish law and at the Danish court.

In the member states of the European economic area, with the exception for Sweden and Denmark, the offer may be made only on conditions that it does not lead to requirements for drawing up of prospectuses in such countries in accordance with Regulation (EU) 2017/1129. Loyal Solutions reserves the right, at its discretion, to disregard any subscription application that Loyal Solutions or its advisors believe may give rise to a breach or violation of any law, rule or regulation.

The Prospectus is available at the Company’s office, Robert Jacobsens Vej 68, 2300 Copenhagen S, Denmark and on Loyal Solutions’ website (www.loyalsolutions.eu). The Prospectus is also available on Sedermera Fondkommission’s website (www.sedermera.se), Nordic Issuing’s website (www.nordic-issuing.se) and the DFSA’s website (www.finanstilsynet.dk).

Apart from what is stated in the audit report and reports incorporated by reference, no information in the Prospectus has been reviewed or audited by the Company’s auditor.

Forward-looking statements

This Prospectus contains forward-looking statements that reflect the Company’s current views or expectations on future events as well as financial and operational development. These statements are well thought out, but the reader is made aware that these, like all future assessments, are associated with uncertainty. Words such as “intend”, “could”, “assess”, “expect”, “plans”, “believes”, “estimates” or other expressions that relate to indications or predictions concerning future developments or trends, and that do not refer to historical facts, constitute forward-looking statements. Forward-looking statements are inherently associated with both known as well as unknown risks and uncertainties, given their dependence on future events and circumstances. Forward-looking statements are no guarantee of future results or performance, and the actual results may differ materially from what is stated in the forward-looking statements. Factors that could cause Loyal Solutions’ future results or development to differ from what is expressed in the forward-looking statements include, but are not limited to, those described in the section “Risk Factors”. Statements about the outside world and future conditions in this Prospectus reflect the Board of Directors’ current view on future events and financial developments. Thus, forward-looking statements express only the assessments and assumptions made by the Board of Directors as at the date of this Prospectus. The Company expressly disclaims any obligation or undertaking to publicly update or revise these forward-looking statements to reflect any change in information or events or similar circumstances other than as required by applicable laws and regulations.

Business and market information

This Prospectus contains information relating to Loyal Solutions’ business and the market in which the Company operates. Unless otherwise stated, such information has been derived from reports prepared by third parties and/or is based on the Company’s analysis of several different sources. The Company has not independently verified and cannot give any assurances as to the correctness of industry and market information contained in this Prospectus that were extracted or derived from such industry publications or reports. Industry and market information is inherently forward-looking, subject to uncertainty and does not necessarily reflect actual market conditions. Industry publications or reports generally state that the information reproduced therein has been obtained from sources deemed to be reliable, but the accuracy and completeness of such information cannot be guaranteed. Certain information in this Prospectus has been prepared by the Company, in some cases based on assumptions. Although the Company believes that the methods and assumptions are reasonable, the information has only to a limited extent been reviewed or verified against external sources. Against this background, the reader shall note that the market statistics and estimates of market information presented in this Prospectus do not necessarily constitute reliable indicators of the Company’s future performance. However, as far as the Board of Directors is aware and can ascertain by comparisons with other information published by the relevant third parties, no facts have been omitted which could render the information provided inaccurate or misleading.

Nasdaq First North Growth market

Nasdaq First North Growth Market is a growth market for small and medium-sized companies run by various stock exchanges within the Nasdaq Group. Companies whose shares are traded on Nasdaq First North Growth Market are not subject to all the same rules as companies listed on a regulated market, but to less extensive rules and regulations adapted for smaller growth companies. An investment in a company on Nasdaq First North Growth Market may therefore incur more risk than an investment in a company listed on a regulated main market. All companies whose shares are traded on Nasdaq First North Growth Market have a Certified Adviser to monitor compliance with rules and regulations. Svensk Kapitalmarknadsgranskning AB (“SKMG”) is the Company’s Certified Adviser. SKMG owns no shares in the Company.

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SUMMARY OF THE OFFERING

Subscription price: SEK 60.00 per Unit. One (1) Unit consists of three (3) New shares and two (2) Warrants of series TO 1.

Volume of issuance: The minimum subscription is 100 units, corresponding to SEK 6,000.

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

Subscription commitments: Approx. SEK 29.9 million, corresponding to approx. 74.8 % of the initial part of the Issue of units.

OTHER

Ticker (share): LOYAL

ISIN code share: DK0061535507

ISIN code warrants: DK0061549219

IMPORTANT DATES

Subscription period: 4-18 May 2021

Expected first day of trading on Nasdaq First North: 3 June 2021

Subscription period for warrants: 4-25 May 2022

FINANCIAL CALENDAR

Current fiscal year: 1 July 2020 – 30 June 2021

Year-end-report: 31 August 2021

Annual report: 30 September 2021

AGM: 25 October 2021

CERTAIN DEFINITIONS AND ABBREVIATIONS

“Company” or “Loyal Solutions” refers to Loyal Solutions A/S, corporate registration number (CVR) 28850263

“VP Securities” refers to VP Securities A/S

“Euroclear” refers to Euroclear Sweden AB

“Nasdaq First North” refers to Nasdaq First North Growth Market Stockholm

“EU” refers to the European Union

“CEMEA” refers to Central Europe, Middle East and Africa

“APAC” refers to the Asia-Pacific Region

“SEK”, “DKK”, “EUR”, “GBP” and “USD” refers to Swedish kronor, Danish kroner, Euro, British pound and U.S. dollars respectively

Documents incorporated by reference

The below documents are incorporated into this Prospectus by reference and consequently form part of this Prospectus and are to be read as part hereof. Non-incorporated parts of the below documents contain information presented elsewhere in this Prospectus or deemed not relevant to investors. The below documents are available at www.loyalsolutions.eu.

| Loyal Solutions unaudited interim accounts for the period July 2020–March 2021 | Page number |
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| Income statement | 1 |
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| Loyal Solutions audited annual report for the financial year 2019/2020 | Page number |
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| Loyal Solutions audited annual report for the financial year 2018/2019 | Page number |
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Summary

SECTION 1 - INTRODUCTION

| | | |
|------------|--|---|
| 1.1 | Name and international securities identification number ('ISIN') of the securities | The Offer consists of Units in Loyal Solutions A/S. Share: ISIN code DK0061535507, Ticker LOYAL. Warrant TO 1: ISIN code DK0061549219, Ticker LOYAL TO 1. |
| 1.2 | Name and contact details to the issuer | Loyal Solutions A/S, corporate registration number 28850263 and LEI code 8945000BUWXW4AVLVY67. Representatives of Loyal Solutions may be reached at telephone +45 33 26 78 39, and by e-mail info@loyalsolutions.eu. The Company's visiting address is Robert Jacobsens Vej 68, 2300 Copenhagen S, Denmark and the website is www.loyalsolutions.eu. |
| 1.3 | Name and contact details for the relevant authority that has approved this prospectus | The Danish Financial Supervisory Authority (Dk. <i>Finanstilsynet</i>) ("the DSFA") is the competent authority which is responsible for approval of the Prospectus. The visiting address to the DSFA is Århusgade 110, 2100 Copenhagen, Denmark, and the website is www.finanstilsynet.dk. The DSFA can also be reached on telephone +45 33 55 82 82 and email finansstilsynet@ftnet.dk. |
| 1.4 | Date of approval | The EU growth prospectus was approved by the Danish Financial Supervisory Authority on 29 April 2021. |
| 1.5 | Warning | This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. Investors may lose all or parts of the invested capital. If a claim related to information in this Prospectus is brought before a court of law, the plaintiff investor may, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation hereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or if it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities. |

SECTION 2 - KEY INFORMATION ABOUT THE ISSUER

- 2.1 Who is the issuer of the securities?** Loyal Solutions was incorporated in Denmark and is a Danish public limited liability company governed by Danish law and the Danish Companies Act (Dk. Selskabsloven). Loyal Solutions is a Danish SaaS-company committed to the development, implementation, and operation of advanced loyalty solutions. The Board of Directors has its registered office in Copenhagen, Denmark and Peter Kisbye is the Company's CEO since 2005. The Company was formed and registered in June 2005 and started its activities in the SaaS loyalty sector in 2009. As at the date of this Prospectus, the Company is not part of any group and has no holdings in other companies.

The following table shows the Company's main shareholders. The Board of Directors inform that there are no shareholder agreements or other agreements between the Company's shareholders, which seek to have joint influence over the Company.

| Part | Number of shares | Percentage of votes and capital (%) |
|----------------------------------|------------------|-------------------------------------|
| LH-Bien2 ApS ¹ | 3,827,152 | 51.0287 |
| LH-Rams Holding A/S ² | 1,823,704 | 24.3161 |

| | | |
|---|------------------|-----------------|
| LH-RHN Holding af 2015 ApS ³ | 1,539,062 | 20.5208 |
| ABSI Group Holding ApS ⁴ | 310,082 | 4.1344 |
| Total | 7,500,000 | 100.0000 |

1 Owned by Bien 2 ApS, which is ultimately owned by the company KR 362 ApS (of which Chairman of the Board Frank Hansen owns 100 percent) and Ejendomsanpartsselskabet Kratmosehøj ((owned by Helle Bernstorff Hydeskov (50 percent) and Martin Bernstorff Hydeskov (50 percent).

2 Owned by Rams Holding A/S, which is ultimately owned by CEO and board member Peter Kisbye.

3 Owned by RHN Holding af 2015 ApS, which is ultimately owned by Rudi Poula Raasthøj Nielsen, parent to board Member Henrik I Nielsen

4 Owned by Rams Holding, RHN Holding af 2015, KR 362 Apps, and PH Holding Vedbæk ApS

2.2 What is the key financial information regarding the issuer?

The financial information incorporated in this Prospectus by reference includes the annual reports for the financial years 2019/2020 and 2018/2019 and interim accounts pertaining to the financial period 1 July 2020 to 31 March 2021, with comparative accounts for the period 1 July 2019 to 31 March 2020, which have been prepared in accordance with the provisions of the Danish Financial Statements Act governing enterprises of reporting class B. The annual reports have been audited by the Company's independent auditor as set forth in their audit report included therewith. The interim accounts pertaining to the financial period 1 July 2020 to 31 March 2021, including comparative figures for the corresponding period from the previous financial year as well as cash flow figures for the periods pertaining to the historical financial information included in this Prospectus, have been prepared for the purpose of being included in this Prospectus and have not been audited or reviewed by the Company's auditor.

Income statement

| DKK | 01/07/2020 | 01/07/2019 | 01/07/2019 | 01/07/2018 |
|----------------------------|------------|------------|------------|------------|
| | 31/03/2021 | 31/03/2020 | 30/06/2020 | 30/06/2019 |
| | Unaudited | Unaudited | Audited | Audited |
| Gross profit | 2,938,318 | 2,646,990 | 4,555,083 | 4,376,916 |
| EBIT | -2,602,741 | -1,328,960 | -949,343 | 256,157 |
| Profit/loss for the period | -3,276,332 | -1,935,107 | -1,143,116 | 354,495 |

Balance sheet

| DKK | 31/03/2021 | 31/03/2020 | 30/06/2020 | 30/06/2019 |
|--------------|------------|------------|------------|------------|
| | Unaudited | Unaudited | Audited | Audited |
| Total assets | 16,597,608 | 14,243,888 | 18,699,543 | 16,545,908 |
| Total equity | 2,279,868 | 641,463 | 1,433,454 | 2,576,570 |

Cash flow statement

| DKK | 01/07/2020 | 01/07/2019 | 01/07/2019 | 01/07/2018 |
|---------------------------|------------|------------|------------|------------|
| | 31/03/2021 | 31/03/2020 | 30/06/2020 | 30/06/2019 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| <i>Cash flows from:</i> | | | | |
| Operating activities, net | -3,088,435 | -2,577,524 | -138,282 | -5,277,690 |
| Investing activities, net | 17,080 | -611,304 | -611,306 | -1,298,427 |
| Financing activities | 2,919,339 | -515,864 | 719,829 | 6,262,500 |

2.3 What are the key risks that are specific to the issuer?

Adverse economic developments and the outbreak of Covid-19

Loyal Solutions' customers are operating in different industries such as the aviation & travel-, hospitality- and FinTech industry, which are affected by general economic trends and consumer trends outside the Company's control. The occurrence of extraordinary events, such as natural disasters and the outbreak of disease epidemics, have an adverse impact on the global economy as a whole and may lead to a global recession. The outbreak of the Covid-19 pandemic has led to a major slowdown in the economic growth during 2020 and the beginning of 2021, partly due to the spread of the virus itself, but even more so due to the political decisions enacted across different nations in order to try to contain the virus, such as quarantines, lockdowns and restrictions on mobility. As of the date of this Prospectus, the further economic consequences of Covid-19 are uncertain. The pandemic affects both sides of the economy, *i.e.*, supply and demand. The supply of goods and services is impaired because factories and offices shut down with declining production as a result. Demand as well falls since consumers stop spending to a large extent and companies suspend or postpone planned investments. Furthermore, the outbreak of Covid-19 has negative effects on markets where Loyal Solutions operates. The airline and hospitality industries have suffered with cancelled flights, closed hotels, and cancelled events and malls have been forced to shut down. As a consequence, there has been a decrease in travels, hotel reservations, events and shopping. It is uncertain when the market for airlines and hospitality will have fully

recovered and whether the spread of Covid-19 will continue delay or cancel events. The revenues of Loyal Solutions' clients are mainly driven by their users' disposable incomes. There is a risk that the prevailing unfavourable economic conditions due to the outbreak of Covid-19 reduce users' disposable incomes, which could lead to companies' revenues decreasing. In turn, this may lead to a decrease in revenue from customers and customers losses for Loyal Solutions. Accordingly, negative developments in the global economy that adversely affect the demand for Loyal Solutions' services would have a material adverse effect on the Company's operations, earnings and financial position.

It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, Loyal Solutions considers the potential negative impact to be high.

Competitors

Loyal Solutions competes with both new and established local and international companies in the SaaS loyalty industry. In addition, the SaaS loyalty industry is characterised by rapid technical changes, new launches and constant improvements of solutions and services. There is a risk that substantial investments and product development by competitors will result in a less favourable situation in terms of sales or revenue opportunities, as the competitor may develop solutions that outperform the Company's, thereby taking market shares from the Company. Furthermore, companies with global operations currently working within similar adjacent fields could decide to establish themselves within the same business area as Loyal Solutions. There is a risk that increased competition would lead to negative impacts on sales and profits for the Company in the event competitors develop products with better function and/or better quality. Loyal Solutions has to offer and develop new features on a continuous basis and perform regular system updates that will continue to attract new customers to its solution in order to generate revenue. There is a risk that failure by Loyal Solution to compete effectively results in a decrease in the Company's revenues. Furthermore, there is a risk that competition results in customers wanting to negotiate lower fixed payments, commissions, revenue sharing arrangements or other fees received by Loyal Solutions. If the risks would materialise, it could have a material adverse effect on the Company's operations and earnings.

It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, Loyal Solutions considers the potential negative impact to be medium.

SECTION 3 - KEY INFORMATION ON THE SECURITIES

| | | |
|------------|--|---|
| 3.1 | What are the main features of the securities? | Type, category and ISIN of the securities There is only one class of shares in Loyal Solutions. One (1) Unit consists of three (3) New shares and two (2) Warrants of series TO 1. The ISIN-code for the New shares is DK0061535507 and the ISIN-code for the Warrants is DK0061549219. |
|------------|--|---|

Currency, nominal value and number of shares

The shares of Loyal Solutions are denominated in DKK. As at the date of this Prospectus, the Company's registered share capital amounts to DKK 7,500,000.00 divided among 7,500,000 shares. The nominal value of each share is DKK 1.00 and the shares have been fully paid. The currency of the Issue of units is SEK.

Rights attached to the securities

The New shares will have the identical rights as the existing shares. These include voting rights, right to receive dividend, the right to participate in the proceeds in case of a dissolution or liquidation of the Company, and pre-emptive rights in connection with capital increases by cash contribution. The Warrants do not give the shareholders such rights (until these are exercised and the resulting shares are issued).

Loyal Solutions is a growth company and has not since its formation paid dividends to the shareholders. Nor does the Company have a dividend policy. The Board of Directors intends to finance development, operations, and growth with possible profits. In the

event of a dividend, all shares in the Company carry equal right to dividends. Dividend on shares that are newly issued in the Issue of units as described in this Prospectus will be paid on the record day for the dividend that may occur after the registration of the shares in the share register kept by VP Securities A/S. The right to a dividend applies to investors who are registered as shareholders in Loyal Solutions on the record day for the distribution of dividend. There are no existing restrictions on dividends or special procedures for shareholders resident outside of Denmark, and payment of any distribution of dividend is intended to take place via VP Securities A/S in the same manner as for shareholders resident in Denmark. Dividends accrue to Loyal Solutions if it has not been claimed by the shareholder within three (3) years from the time of the declaration of the dividends.

The securities transferability

There are no restrictions in the transferability of the shares or warrants, except for the lock-up described under section "Terms and conditions for the offer" in this Prospectus.

| | | |
|------------|--|---|
| 3.2 | Where will the securities be traded? | The Board of Directors of the Company intends to apply for listing of the New shares and Warrants on Nasdaq First North. Securities listed on Nasdaq First North are not subject to as extensive regulations as the securities that are admitted to trading on regulated markets. |
| 3.3 | Is there a guarantee attached to the securities? | The securities are not covered by guarantees. |
| 3.4 | What are the key risks that are specific to the securities? | <p>Securities may fluctuate in value or liquidity</p> <p>Risks and risk-taking are inevitable aspects of owning securities. Listed securities are at times affected by significant price- and volume fluctuations that are not connected to the Company's result development. The price development for listed companies can be very volatile and its development is dependent on a number of factors, some of which are company-specific while others are tied to the stock-market as a whole. Hence, there is no guarantee regarding the future price development of the Company's securities, why the value of the investment may increase as well as decrease. Since an investment in securities may both rise and fall in value, there is a risk that an investor will not recover the capital invested. Limited liquidity in the Company's securities may also entail price fluctuations. Such fluctuations can occur regardless of how Loyal Solutions actually performs or the conditions in its main markets and may adversely affect the securities liquidity and price. There is a risk that the Company's securities cannot be sold for a price acceptable for the holders, or at all, at any time.</p> <p>It is the Company's assessment that the probability of the risk occurring is moderate.</p> <p>Psychological factors</p> <p>It is impossible for an individual company to control all of the factors that may affect its share price, and consequently any investment in shares should be preceded by careful analysis. There is a risk that the securities market is affected by psychological factors such as trends, rumours and reactions to news and events which are not directly linked to the marketplace, etc. There is a risk that Loyal Solutions' share will be affected in the same way as any other securities that are traded on a variety of lists. There is a risk that psychological factors and its subsequent effects on price developments will adversely affect the market price of the Company's shares.</p> <p>It is the Company's assessment that the probability of the risk occurring is moderate.</p> |

SECTION 4 - KEY INFORMATION ON THE OFFERING OF SECURITIES TO THE PUBLIC

| | | |
|------------|---|---|
| 4.1 | Under which conditions and timetable can I | <p>The Offer</p> <p>The Board of Directors of Loyal Solutions has on the 19th of April 2021, decided, with the authorization from the Extraordinary General Meeting held on the 17th of March 2021, on implementing an Issue of units and to increase Loyal Solutions' share capital by at</p> |
|------------|---|---|

invest in this security?

least DKK 1,299,999.00 and a maximum of DKK 1,999,998.00 through the Issue of units of at least 1,299,999 New shares and a maximum of 1,999,998 New shares, each with a nominal value of DKK 1.00 and also issue at least 866,666 Warrants and a maximum of 1,333,332 Warrants. The total initial Issue of Units issue amounts to a minimum of SEK 25,999,980.00 and a maximum of SEK 39,999,960.00

A maximum of 666,666 Units will be issued and the subscription price in the Issue of units will be SEK 60.00 per unit. One (1) Unit consists of three (3) New shares and two (2) Warrants of series TO 1, issued free of payment. One (1) Warrant gives the right to subscribe for one (1) New share at SEK 24.00 during the subscription period for the Warrants.

The Issue of units is conducted without preferential rights for existing shareholders.

Subscription price and valuation

The subscription price per Unit is SEK 60.00, which corresponds to a price per New share of SEK 20.00. Brokerage fee may occur. The minimum subscription post is 100 Units, which corresponds to SEK 6,000.00 and thereafter subscription may be made in any number of Units. The pre-money valuation amounts to approx. SEK 150 million.

Subscription period

Subscription of Units will take place within the period from 4 May 2021 until and including 18 May 2021.

Pre-subscription commitments

Approximately 74.8 percent of the initial part of the Issue of units is covered by pre-subscription commitments.

Allocation

Allocation of Units will be decided by Loyal Solutions' Board of Directors, with the following principles; (a) full allocation shall be made to the parties who have signed subscription commitments; (b) it is necessary to broaden Loyal Solutions' shares prior to the planned listing and, as far as possible, the Board of Directors will ensure that each subscriber receives at least 100 units; and (c) creating investment space for certain parties, which, according to the Board's assessment, can specifically contribute strategic values to Loyal Solution or is part of the Loyal Solutions' financial adviser's investment network. In the event of an oversubscription, no more than 10 percent of the total amount in the Issue of units can be allocated to these investors.

If the number of subscribers in the Issue of units is exceeding the possible number of shareholders, and thus making it impossible to allocate each subscriber the minimum number of Units, allotment of the Units will be decided by drawing of lots, which means that allocation can partly or entirely be made through random selection. This further means that allocation may happen with fewer Units than subscribed for on the subscription form or no Units at all. Allocation is not dependent on when the subscription form is submitted during the subscription period.

Dilution

The New shares in the issue will result in the Company's share capital increasing by nominally DKK 1,299,999.00 with minimum subscription, and nominally DKK 1,999,998.00 with maximum subscription. The existing shares, which have been issued as at the date of this Prospectus, will be diluted by the Issue of units. Following the completion of the Issue of units, the existing shares, which have been issued as at the date of this Prospectus, will make up 85.2 percent of the Company's total share capital with minimum subscription and 78.9 percent with maximum subscription.

Costs for the Issue of units

Loyal Solutions' costs in connection with the Issue of units (including full exercise of TO 1) are estimated to amount to approximately SEK 6.5 million (of which approx. SEK 3.9 million relates to the initial part of the Issue of units and approx. SEK 2.6 million relates to the attached Warrants).

4.2 **Why is this EU Growth prospectus being produced?**

Background and reasons

In recent years, Loyal Solutions has achieved significant growth by adapting to market developments and user needs and by building a scalable global SaaS business model with its advanced technology platform, LoyalTfacts®. The majority of the Company's customers are large global brands operating in different industries globally.

Some of Loyal Solutions' current clients have ambitious expansion plans ready for execution together with the Company as soon as the Covid-19 pandemic is resolved. In addition to current target industries, the Company plans to increase its focus on the sector for shopping mall operators, based on the program launched with the large mall operator in the United Arab Emirates. Another target focus is the telecommunications sector, where the Company has received positive feedback in initial consultation with the industry, but so far simply lacked sales resources to target the opportunities in these sectors. 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 crisis has more than ever crystalized the value of airline loyalty programs which in many cases also been instrumental in enabling airlines to survive the crisis.

During the fiscal year 2019/2020, the Company generated gross revenues of approximately DKK 12.1 million. According to the Board of Directors, Loyal Solutions is well positioned for future organic growth with a strong focus on embracing the momentum post the Covid-19 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.

In light of the foregoing, the Board of Directors on 19 April 2021 decided, with support of an authorization from the Extraordinary General Meeting held in March 2021, on implementation of the Issue of units, including a maximum of 666,666 Units, consisting of 1,999,998 New shares and 1,333,332 Warrants. 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. The total issue proceeds of approximately SEK 72 million before deduction of transaction related costs in the amount of approximately SEK 6.5 million are intended to finance the Company's operations at least until the end of Q2 2024 which includes the following activities, ordered by priority:

The initial issue of units (IPO) – net proceeds approx. SEK 36.1 million

- Scale up sales – approx. 70 %
- Operations – approx. 20 %
- Platform investment R&D – approx. 10 %

The Warrants (warrant exercise) – net proceeds approx. SEK 25.6 million*

- Scale up sales – approx. 60 %
- Operations – approx. 30 %
- Platform investment R&D – approx. 10 %

** The intended utilization of the proceeds from the exercise of the warrants is based on the assumption that all Warrants are subscribed for and exercised.*

Conflicts of interest

Sedermora Fondkommission provides financial advice and other services to Loyal Solutions in connections with the Issue of units. Sedermora Fondkommission (and its affiliates) has in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company for which they have received, and may yet receive, remuneration.

No member of the Board of Directors or executive management has any private interests which might conflict with the Company's interests. However, certain members of the Board of Directors and executive management have financial interests in Loyal Solutions as a consequence of their direct or indirect shareholdings in the Company, see section "Board of Directors and executive management" in this Prospectus.

Responsibility statement

PERSONS RESPONSIBLE

The Board of Directors and the CEO of Loyal Solutions A/S are responsible for the content of this Prospectus. As at the date of this Prospectus, the Board of Directors of the Company comprises Frank Hansen (chairman), Morten Hershøj (member), Peter Kisbye (member), Henrik I. Nielsen (member) and Keld Strudahl (member). For additional information regarding Loyal Solutions' board members and CEO, please refer to section "*Board of Directors and executive management*" in this Prospectus.

STATEMENT BY THE CEO AND BOARD OF DIRECTORS OF LOYAL SOLUTIONS A/S

We hereby declare, as the persons responsible for this Prospectus on behalf of Loyal Solutions A/S (CVR no. 28850263), that to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

DANISH FINANCIAL SUPERVISORY AUTHORITY

This Prospectus has been approved and registered by the DFSA as competent authority under Regulation (EU) 2017/1129. The DFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus and potential investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as part of an EU Growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129.

Copenhagen, 29 April 2021

Loyal Solutions A/S

The CEO and Board of Directors

Frank Hansen, chairman
Attorney at law and Managing Director

Keld Strudahl, board member
CEO at BrandActivators

Morten Hershøj, board member
Managing Director & Partner, Another CPH ApS

Henrik I. Nielsen, board member
Group First VP at GNH capital/Wells Fargo Advisors

Peter Kisbye, CEO and board member

Information from third parties

The Board of Directors confirms that information obtained from third parties in this Prospectus have been accurately reproduced and that, as far as the Board of Directors knows and can ascertain from the information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The statements in this Prospectus are based on the assessment of the Board of Directors and executive management if no other grounds are stated. Apart from Loyal Solutions' audited annual reports for the financial years 2019/2020 and 2018/2019, no information in the Prospectus has been reviewed or audited by the Company's auditor.

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Background and reasons

Loyal Solutions has since its inception in 2009 worked towards becoming a market leading provider of local, regional, and global loyalty program solutions and technology. Loyal Solutions identified a need in many industries for a more modern approach to loyalty programs and a gap in the market for relevant SaaS technology solutions that were global, scalable and user friendly. Loyal Solutions proprietary technology, LoyalTfacts®, is an easy to use, special purpose tailored Software as a Service (“SaaS”) platform, allowing B2B customers to enjoy new ancillary revenue streams and boost existing ones. The platform is easy to connect to clients’ existing services and systems and the Company also offers full outsourcing options, which makes implementation of a full loyalty program seamless and easy. LoyalTfacts® is connected to nearly every payment terminal globally, both in-store and online. This enables Loyal Solutions to easily access every market and given of how versatile LoyalTfacts® is, it is an attractive option for companies in nearly every industry.

In recent years, Loyal Solutions has achieved significant growth by adapting to market developments and user needs and by building a scalable global SaaS business model with its advanced technology platform. Today LoyalTfacts® 4.0 is capable of reaching billions of potential users instantly through the technology integration to Visa, Mastercard and American Express. The Company is PCI DSS compliant (description available on page 23 in this Prospectus) and approved by the DFSA for Open Banking under the EU PSD2 directive as an Account Information Solution Provider (AISP). The Company maintains compliance with GDPR and similar regulations outside the EU.

The majority of the Company’s customers are large global brands operating in different industries globally. In 2015, Loyal Solutions identified a large market potential in the airline industry and signed an agreement with SAS EuroBonus, the leading loyalty program in the Nordics with approximately five million members. Loyal Solutions later also signed agreements with Velocity, the loyalty program of Virgin Australia and Etihad Airways Group, both programs including more than ten million members.

In 2018, Loyal Solutions entered the hospitality industry and the financial sector and signed agreements with Accor Hotels for the global Accor ALL program (approximately 72 million members and 11,000 venues globally) and one of Denmark’s leading banks, Jyske Bank. Some of Loyal Solutions’ current clients have ambitious expansion plans ready for execution together with the Company as soon as the Covid-19 pandemic is resolved. In addition to current target industries, the Company plans to increase its focus on the sector for shopping mall operators, based on the program launched with the large mall operator in the United Arab Emirates. Another target focus is the telecommunications sector, where the Company has received positive feedback in initial consultation with the industry, but so far simply lacked sales resources to target the opportunities in these sectors. 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 crisis has more than ever crystalized the value of airline loyalty programs which in many cases also been instrumental in enabling airlines to survive the crisis.

During the fiscal year 2019/2020, the Company generated gross revenues of approximately DKK 12.1 million. According to the Board of Directors, Loyal Solutions is well positioned for future organic growth with a strong focus on embracing the momentum post the Covid-19 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.

USE OF PROCEEDS

In light of the foregoing, the Board of Directors on 19 April 2021 decided, with support of an authorization from the Extraordinary General Meeting held in March 2021, on implementation of the Issue of units, including a maximum of 666,666 units, consisting of 1,999,998 New shares and 1,333,332 Warrants.

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. The proceeds from the warrant exercise

will typically depend on the fact that these are in-the-money at the point of execution, i.e. in the event that the share price during the period falls below the price for exercising the warrants, the warrants will become worthless, and the warrants cannot be expected to be exercised. Thus, any future proceeds from the warrant exercise are not guaranteed.

The total issue proceeds of approximately SEK 72 million before deduction of transaction related costs in the amount of approximately SEK 6.5 million are intended to finance the Company's operations at least until the end of Q2 2024 which includes the following activities, ordered by priority:

The initial issue of units (IPO) – net proceeds approx. SEK 36.1 million

- Scale up sales – approx. 70 %
- Operations – approx. 20 %
- Platform investment R&D – approx. 10 %

The Warrants (warrant exercise) – net proceeds approx. SEK 25.6 million*

- Scale up sales – approx. 60 %
- Operations – approx. 30 %
- Platform investment R&D – approx. 10 %

** The intended utilization of the proceeds from the exercise of the warrants is based on the assumption that all warrants are subscribed for and exercised.*

According to the Board of Directors' assessment, the existing working capital is not sufficient to implement the Company's growth plan as described in this Prospectus during the forthcoming twelve-month period following the date of publication of this Prospectus. The shortfall in working capital (needed in order to implement the growth plan) is expected to occur in September 2021 and is for a twelve-month period expected to amount to approximately SEK 19 million. It is the Board of Directors' assessment that the Issue of units will cover the Company's needs for working capital and finance its operations and growth plan until the end of December 2023. In the event that the Company does not raise the above-mentioned capital after financing issue costs, the Company will not implement the growth plan described in this Prospectus and will also investigate alternative financing options such as additional equity raising, or alternatively conduct business at a slower pace than planned, until additional capital can be raised.

ADVISORS

In connection with the Issue of units described in this Prospectus, Sedermera Fondkommission is the financial advisor to Loyal Solutions. Sedermera Fondkommission has assisted the Company in the preparation of this Prospectus. The Board of Directors of Loyal Solutions is responsible for the content, whereupon Sedermera Fondkommission disclaims all liability in relation to shareholders in the Company and regarding other direct or indirect consequences as a result of investment decisions or other decisions based wholly or partly on the information in this Prospectus. Markets & Corporate Law Nordic AB ("**MCL**") is the legal advisor to Loyal Solutions in connection with the Issue of units described in this Prospectus.

PARTIES WITH INTERESTS

Sedermera Fondkommission provides financial advice and other services to Loyal Solutions in connections with the Issue of units. Sedermera Fondkommission (and its affiliates) has in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company for which they have received, and may yet receive, remuneration.

No member of the Board of Directors or executive management has any private interests which might conflict with the Company's interests. However, certain members of the Board of Directors and executive management have financial interests in Loyal Solutions as a consequence of their direct or indirect shareholdings in the Company, see section "*Board of Directors and executive management*" in this Prospectus.

Business and market overview

The Board of Directors certifies that the information derived from references and citations has been described and reproduced as found and that – as far as the Board of Directors is aware of and is able to ascertain from information published by third party – no facts or information have been omitted, which would render the reproduced information inaccurate or misleading.

GENERAL INFORMATION ABOUT LOYAL SOLUTIONS A/S

The Company's legal and commercial name is Loyal Solutions A/S with corporate registration number (*Dk. CVR no*) 28850263. The LEI code of the Company is 8945000BUWXW4AVLVY67. Loyal Solutions was incorporated in Denmark and is a Danish public limited liability company governed by Danish law and the Danish Companies Act (*Dk. Selskabsloven*). Loyal Solutions is a Danish SaaS-company committed to the development, implementation, and operation of advanced loyalty solutions. The Board of Directors has its registered office in Copenhagen, Denmark.

As of 31 March 2021, the Company had 12 employees at its headquarters in Copenhagen, Denmark, but is also represented by partners with approximately 250 employees in Stockholm, Johannesburg, Cairo, Mumbai, Dubai, Melbourne, and Sydney.

Representatives of Loyal Solutions may be reached at telephone +45 33 26 78 31, and by e-mail info@loyalsolutions.eu. The Company's visiting address is Robert Jacobsens Vej 68, 2300 Copenhagen S, Denmark and the website is www.loyalsolutions.eu. It is to be noted that the information on the Company's website does not form part of the Prospectus unless the information is incorporated in the Prospectus by reference.

Loyal Solutions was formed and registered in June 2005 and started its activities in the SaaS loyalty sector in 2009. As at the date of this Prospectus, the Company is not part of any group and has no holdings in other companies.

BACKGROUND AND BUSINESS IDEA

Any business in the market strives 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. Loyal Solutions is at the forefront of the technology that is enabling new trends within customer loyalty, both in its importance and providing proprietary fintech solutions with seamless integration to the largest payment platforms. The adoption of this technology by both industry and consumers is a business opportunity. 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 year¹. 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.

The natural tendencies of competitive markets and the general difficulty for businesses to be truly differentiated provides an opening for experts in relevant fields to assist these competing companies in providing unique, yet to be explored, services.

Loyal Solutions started its activities in 2009 and delivers the end-to-end, plug-and-play SaaS solution, LoyalTFacts®, that enables clients to obtain a distinct customer loyalty advantage. LoyalTFacts® is not limited to a certain type of industry but may be used by virtually any B2B company there is. LoyalTFacts® is highly adaptable and no matter how large a client is and will become, LoyalTFacts® is easily scalable by using the 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, the technology platform is Open Banking approved as an AISP by the DFSA and PCI DSS compliant.

¹ ICAO. www.icao.int

On the client side, global brands such as SAS EuroBonus, Etihad Airways Group, Accor Hotels, Aldar Group, Visa and others trust in LoyalTfacts® and Loyal Solutions to operate advanced regional and global solutions for their programs, some having over 70,000,000 members. These companies also exemplify the versatility of LoyalTfacts®. The service is not only applicable to one but to many different industries, such as the airlines, hospitality, the FinTech area, shopping malls, and many more.

BUSINESS MODEL

Loyal Solutions' strategy is to build and offer an efficient, scalable solution that enables companies to streamline and enhance their loyalty relationship with its customers. The Company has wide experience in strategy, design implementation, and development of programs and offers a fully outsourced solution, including implementation, training, and end-user-experience as well as technology "only" and hybrid solutions.

The Company's clients are unique with different demands and challenges. As part of its strategy, Loyal Solutions strives to be as adaptive as possible and tailors LoyalTFacts® accordingly to meet the specific needs of every potential client. This implies that every customer will have a slightly different overall product based on the identical SaaS core and thus pay an amount that reflects the choices and needs of the specific client. Clients also have the option to include partner merchants, meaning that they can acquire a market leading solution from Loyal Solutions where they client do not bear the full cost, but instead share the costs with their partner merchants. This incentivizes clients that use Loyal Solutions product to further spread the use.

The tailored SaaS solution holds many advantages. The Company can target larger customers with different business objectives and needs and deploy the SaaS platform solution anywhere in the world. The ability to store client data in different physical locations is an important feature of LoyalTfacts®, as data privacy regulations in many countries require data to be "stored on soil". This applies to for example all EU data (subject to GDPR) and Australia, Middle East, India and other countries, with different data privacy laws and regulations.

Loyal Solutions' business model offers scalable economic value creation. The Company uses its own sales organization and deploys and implements its platform and services on their own and handles everything from advertising its services to arranging the first meeting with a client to deploy and maintain the LoyalTfacts® platform. This allows for the Company to keep costs low and margins high while still being able to provide an attractive model for customers. The Company's revenue model is centered on an annual recurring revenue of 0.4-1.25 percent of client sales, with minimum guarantees complemented by setup/implementation fees and additional revenue from client specific developments.

THE COMPANY'S POSITION IN THE VALUE CHAIN

Loyal Solutions aims to build a win-win partnership with its clients by offering an attractive business case where the clients can implement a new loyalty program or enhance an existing through an easily scalable SaaS platform. Loyal Solutions enables its clients to select one, three or all of the different platform modules and thus have a fully outsourced program, technology "only", cooperation or any hybrid solution.

Value to the clients

For Loyal Solutions, clients are mainly large companies operating in highly competitive global industries and therefore have a critical business need to build loyal relationships with their customers (or "members"). Loyal Solutions offers these clients a secure and compliant SaaS platform to facilitate this. In addition, Loyal Solutions can provide valuable knowhow and several different servicing models, including to fully outsource the program. The technology is easily scalable, ensuring that the Company has the structure and systems to deliver according to demand.

Clients get detailed, real-time documentation of the revenues generated by program members in their partners' stores, how many customers shopped in individual stores, whether their customer preferred to shop in-store or online, and much more. Thus, clients will get to know their customers even better and approach them with direct marketing communication based on their actual preferences and purchasing history. Furthermore, companies can document to their merchant partners the extra revenue generated for them by being a merchant partner with the client. The generated data made available to Loyal Solutions' clients are a valuable asset that continues to increase in value over time.

Companies that operate effective loyalty programs seize an advantage over competitors and can grow revenues approx. 2.5 times faster than their industry peers². In addition, over 50 percent of loyal customers will join reward programs, and more than 35 percent are willing to spend more on a specific product even if competitors offer a cheaper version³, implying that first movers will have an advantage. By using Loyal Solutions services, being both fast and easy to implement even for larger companies, the Company's clients may generate impressive benefits, such as new ancillary revenue streams and boost their existing ones. Further, if partner merchants are included, the program cost for the Company's clients are partially or fully merchant funded.

Value to partner merchants

Loyal Solutions' clients are large international companies with valuable brands and millions of members in their loyalty programs. The partner merchants are companies that want to partner with these large clients and be an integral part of the loyalty program. For partner merchants the value proposition contains attractive benefits such as marketing and potential leads from the clients' member base. In general, the program members seek out partner merchants, which generates additional in-store and online traffic and increasing sales for the partner merchants.

Before Loyal Solutions entered the market, joining a large loyalty programs as partner merchant was inhibited by the extensive IT work required. For larger partner merchants, such IT work generally took several months or years before the different IT systems were compliant and for smaller companies, the cost would usually be prohibitive. The solutions provided by the Company does not require any IT work, but instead an easy integration or interface with both the client's and the partner merchant's existing system. Thus, the partner merchant is provided a smooth implementation process and access to millions of potential customers. For this, the partner merchant only pays whenever there is a sale.

Value to the loyalty program members

Members of a loyalty programs provided by Loyal Solutions can by linking their Visa, Mastercard and/or American Express card(s), or by using the cards in Apple Pay, Google Pay or Samsung Pay, easily use any current payment card, as their personal loyalty card. This enables a user-friendly way of earning rewards (e.g., discounts or bonus points), make transfers, and even redeem their rewards in any stores or web shop. The card or app/phone is independent of payment scheme, why any cardholder can participate in a given program. Members get online access through their personal page to detailed, real-time documentation of how much they have spent and saved from purchases by being a member of the program, and their contributions to charities or other chosen cause.

² Markey, R. (2020). Are You Undervaluing Your Customers?, Harvard Business Review

³ Bitran, M (2018). How do American shoppers feel about brand loyalty?, Yotpo blog post

CLIENTS

The Company's client base consists of large international companies operating in highly competitive industries such as the hospitality industry, airline industry and FinTech sector. Loyal Solutions continuously evaluates its client portfolio and new potential verticals with the aim of targeting companies and industries that will benefit from one or more of Loyal Solutions offerings, either by improving an existing program or by starting a new.

Airlines

The airline industry is a highly competitive market characterised by many low-cost carriers taking market shares from the legacy airlines. One of the key value propositions for legacy airlines is their frequent Flyer Program, which for nearly any airline is its most valuable asset. A successful loyalty program has therefore become vital from a competitive and valuation perspective.

Airlines typically have a very large customer base, where approximately 80 percent are infrequent flyers. These infrequent flyers do generally not benefit from current frequent flyer programs as they simply do not travel enough to earn relevant rewards. In addition, airlines struggle to achieve loyalty with this segment as most airlines historically have had their full focus on their frequent flyers that represents only 20 percent of the customer base, but 50-60 percent of the revenues.

Loyal Solutions have seen the untapped potential in the 80 percent infrequent travellers and in the ancillary revenue and transactional data readily available for the airline companies. By including the infrequent travellers, airlines can generate additional cash flow and adding asset value to current programs through transactional data and member engagement. A key part of the Company's proposition to airlines is therefore to transform their current "Frequent flyer program" to an "Everyday loyalty program" by enabling easy accrual and redemption of bonus points on the program members daily non-travel activities in any store, restaurant, or web shop globally.

Current customers within the airline industry

SAS EuroBonus is the loyalty program of Scandinavian Airlines ("SAS") and is the leading loyalty program in the Nordics with over five (5) million members. Loyal Solution has helped SAS build a merchant network, in-store and online, across four countries where EuroBonus members now earn rewards every day in a user-friendly manner, transforming a frequent flyer program to an everyday loyalty program.

In cooperation with Visa Australia, Loyal Solutions has helped **Velocity**, the frequent flyer program of Virgin Australia, build a merchant network in Sydney, Australia, where Velocity and Loyal Solutions conducted a "beta" launch of "Velocity Daily" allowing members to earn points on their daily activities. Velocity includes and serves more than ten (10) million members. The program rollout is currently paused until post Covid-19*.

Etihad Guest is the loyalty program of Etihad Airways, the flag carrier of the UAE, and is recognized across the globe as a market leader and innovator. In cooperation with Visa UAE and Loyal Solutions, Etihad Guest has developed a user-friendly app, where members can easily link one or more Visa cards to the program. Once the card is registered the members can earn or redeem Etihad Guest Miles for any purchase, anytime at any participating merchant partner.

** Restart post Covid-19 subject to new T&Cs being agreed.*



© Etihad Airways Group

Hospitality

The hospitality industry is a highly competitive market consisting of an extensive number of businesses competing for the customers. Competitors operating on this market may range from large global hotel chains to small lifestyle hotels or hostels. In addition to the competitive situation, there are two factors that negatively affect income opportunities for the large hotel brands^{4,5}.

Global sharing platforms like Airbnb Inc, redirects customers from traditional hotels to “home stay” and operates online marketplaces for booking services, where people may offer lodging or home-stay services and book private accommodation aside from the hotel market. The other factor is the Online Travel Agencies (“OTAs”), such as Booking.com and Expedia, which are dominant in Internet bookings, and given the large commissions charged, eats into the hotel operators margin⁵.

In this market climate, Loyal Solutions has made it possible for its clients to connect with consumers through loyalty programs. This is done by making it easy for consumers to accrue points and/or other rewards, on activities other than hotel nights, for example shopping at participating merchants, food and beverage outlets and enabling redemption only for direct bookings. While the solution increases revenue for the hotel’s food and beverage outlets, it also benefits the hotels by increasing direct bookings, an important component in reducing the loss of revenue linked to booking through OTAs. Thus, the company’s solution enables a more comprehensive supply of bonus points to the members, for the benefit of both members, merchants, and hotels.

Current customers within the hospitality industry

Accor ALL is a top-3 global hospitality company represented in over 100 countries, with 74 Million members, 6,500 hotels and 11,000 Food and Beverage outlets. In the Accor All App, members can easily link any payment card, Visa, Mastercard and American Express to the Accor All programs. Once done, members may choose to earn or redeem points. The Accor All solution has real time integration between Accor All, Loyal Solutions and all the payment schemes, all powered by LoyalTfacts®.



© Accor Group

⁴ EHL Insights. (2018). Hospitality Research: Airbnb’s Impact on Hotels

⁵ Hotel Tech Report (2020). The Evolution of OTAs in the Hotel Industry

FinTech sector

According to the Company, banks and financial institutions are being disrupted by new players redefining the market, such as innovative smaller FinTech competitors, where key revenues are being eroded, particularly in the payment space⁶. In addition, the industry is constantly changing with new regulations, where some interchange regulation cuts into margins.

Loyal Solutions allow banks and other financial institutions to deploy an individualized rewards program, funded by participating partners together with a plug-and-play PCI DSS compliant SaaS technology platform, consequently adding the needed added value to customers and building valuable transactional databases.

Current customers within the FinTech sector

Visa is the world's largest payment network and **Jyske Bank** is a leading Danish financial institution. With the help from Loyal Solutions, Jyske Bank and Visa were able to build a smooth user experience in their market leading app, enabling cardholders to opt in to earning significant rewards in one click. Using LoyalTfacts® APIs, instantly opened a large merchant network in Denmark for Jyske Bank's Visa cardholders – providing merchant funded offers and driving spend and frequency.



© Jyske Bank

⁶ Knowledge@Wharton (2019). Why Fintech Is Disrupting Traditional Banking

REVENUE MODEL

The section below describes the Company's three main revenue streams centered on a recurring monthly revenue model. It is the Company's assessment that recurring monthly revenues will increase, both in actual revenue and in share of revenue, as loyalty programs are maturing.

Recurring monthly revenue

Approximately 60 percent of Loyal Solutions' revenues are generated from a recurring revenue share model. The Company receives a certain share, normally around one (1) percent, of the sales generated to a client merchanting the program. The customer agreements entitle Loyal Solutions to a minimum monthly fee the size of which depends on the scope of the program.

Implementation fees

In addition to the recurring revenues from the revenue share model, the Company also earns revenues by charging an implementation fee. As all installations are fully private SaaS installations, the implementation fee varies depending on the scope of the program, for instance how many countries to be involved and complexity. The implementation fees account for approximately 30 percent of total revenues.

Additional modules and other specific developments

The third revenue stream, approximately 10 percent of total revenues, consists of ad hoc revenues specific to each client, generated to the Company by tailoring its technology platform to client's IT- and legacy systems.

SALES PROCESS

Loyal Solutions business model including modular solutions tailored to customer needs, a fast and easy implementation process, limited up-front risk and a merchant funded program, ensures a straightforward sales process. Loyal solutions' sales strategy is dependent on two key factors:

- **Extensive knowledge** – Loyal Solution conducts a comprehensive analysis of the country or region in which the Company decides to operate. This involves analysis and grading of players in various industries in order to identify plausible players to enter into new collaborations with.
- **Network building** – To succeed in selling the Company's loyalty programs, Loyal Solutions work actively and long-term with the players the Company intends to sign new agreements with. The timeline from initiated dialogue to a signed contract range from five to eighteen months.

A typical sales process begins with the Company's comprehensive analysis of the country, region, relevant markets, industries and companies in order to identify the right player to sign an agreement with. The Company then prepares a business case and a presentation that clarifies to the clients how the Loyal Solutions can function as a creator of value for the company. After that the real sales process begins with the Company establishing contact with someone at C-level within the targeted company. Thereafter, the sales process varies markedly depending on the client. Regardless of the further process, the Company emphasizes that they will offer know-how, technology, merchants sourcing technology – whatever the client needs to either augment an existing program or start a new one using best practice. Since the Company cooperates with clients on a strategic level, the last stage of the sales process takes time. The timeline from an initiated dialogue to a signed contract varies from five to eighteen months.

Existing clients

Loyal Solutions has a close cooperation with existing clients helping them develop new solutions, modules and features. Once a program is running and client's expectations are met – the business relationship often deepens. To retain existing clients, Loyal Solutions also provides benchmark analysis on a regular basis, participate in development workshops, and provide all clients with customer service. The IT-systems are likely to be integrated from the start and to become even more so over time.

PRODUCT AND SERVICE OFFERING

The below section presents Loyal Solutions product and service offerings.

LoyalTfacts®

All solutions provided to clients are based on the Company's technology platform, LoyalTfacts®, which is a key part of the Company's business offering. LoyalTfacts® is a proprietary global SaaS end-to-end platform, which combined with business intelligence allows clients to interact with their users by giving them benefits based on their loyalty. Every time a member uses his/her device (e.g., a payment card or phone), whether in-store or online, the data is routed through LoyalTfacts®, which the client can then use to identify preferences, patterns, and habits to learn more about their members. The technology platform is 100 percent private SaaS developed to allow for easy integration and a fully independent deployment that does not share any components with any other client solution.

LoyalTfacts® is easily integrated into the client's existing CRM and ERP systems, which not only minimizes any integration cost but also assures no adverse impact on the client's current processes. In addition, the platform can work as a standalone solution without the need for any IT projects.

Loyal Solutions utilizes the existing global payment infrastructure and provides its SaaS platform in cooperation with the payment schemes: Visa, Mastercard, and Amex with others in the pipeline. This provides reach, security, future proofing, and capacity ad infinitum. In addition, the platform is connected to nearly every payment terminal globally, both in-store and online, which enables Loyal Solutions to easily access every market.

Apart from the SaaS private cloud platform, the latest generation of LoyalTfacts®, generation 4.0, includes the following modules:

SME Partner Portal

The SME Partner Portal is a complete merchant self-service solution that enables partner merchants to, among other things, view results, load offers, run campaigns, and see invoices.

LS Chain Portal

The Partner Portal is a self-service solution that provides larger multi-location partner merchants (so-called "Chains") a complete overview detailing, among other things, each store in the chain and benchmarking data. It is a scaled down version of LoyalTfacts® with anonymized data only for the particular chain.

LS Partner Merchant Join Form

The Join Form is an online self-service sign up for partner merchants. The module allows the Company's clients to invite partner merchants to join the program in a fully digital and secure process. The Join Form simply let's partner merchants enter relevant data, which LoyalTfacts® then validates. The program operator can then easily approve the new partner in LoyalTfacts®. Once approved the partner is real-time visible in all digital channels for the program.

Sign-up App

The sign-up app is a proprietary tool for sales staff, where all public data is downloaded to the app once they have entered a store. Through the app, partner merchants then agree to a percentage reward level and signs "on glass" (digitally). A contract is then auto generated and sent, and all data becomes available in real-time in LoyalTfacts®. Once approved, the partner merchant is part of the loyalty program.

Member App

The Member App is tailored to each client typically containing notifications, maps, accounts, stores, and campaigns. The member app is provided as a native app or as a mobile first responsive website. Loyal Solutions can also share proprietary APIs with those clients who prefer using their existing app.

Customer facing site

The customer facing site is a website, used separately or integrated to clients existing systems, which contains detailed offers, rewards, member page overview and account information campaigns. The customer facing site is

available as a “standard” white label version for a “quick to market” solution, but the Company may also tailor this website to a client’s specific needs.

Card linking forms – PCI DSS compliant

Card linking is a web and app functionality for quick and easy card-linking to all payment schemes (i.e. Visa, Mastercard, American Express). Card linking must be PCI DSS compliant, why all pages are either hosted by the Company or alternatively done via the Company’s PCI DSS compliant APIs.

LS API Suite

Through its API Suite, Loyal Solutions provides a full range of different APIs. The APIs are in most cases adjusted to accommodate client’s current systems but are also available in standard versions.

Customer Service Funnel

The Company has developed an efficient process for handling customer claims, which is based on years of learning with larger clients. According to the Company’s assessment, this self-service module reduces the resources required for customer claims by 75 percent. The customer service funnel is directly integrated into an advanced “investigation engine” in LoyalTfacts®

Data security and compliance

Countries are introducing new data protection and compliance regulations continuously. Thus, data security and compliance with all regulations have never been more important and challenging and is a strategic focus area for client’s top management. Loyal Solutions clients trust the Company with their most important assets, their most valued customers and any compliance or security breach will have serious repercussions.

Any loyalty program has a range of rules and regulations to comply with. In partnership with the client’s compliance and IT security teams, Loyal Solutions provides guidance and ensures that the loyalty program is deployed according to applicable regulations in each country and continuously assesses and improves data security. The Company also employs a dedicated Data Protection Officer (“DPO”). Loyal Solutions’ approach is diversified and adapted to client requirements including but not limited to:

Single-tenant solution – security by design

All solutions are based on LoyalTfacts® and a fully independent deployment that does not share any components with any other client solution. It is a private cloud SaaS platform.

PCI DSS compliance and hosting

Loyal Solutions is PCI DSS compliant. PCI DSS is a comprehensive and demanding IT security standard, controlled and implemented by the large global payment schemes. The requirement for PCI DSS compliance is imposed by the payment schemes and is a precondition for using the payment schemes services. Being large global brands, the Company’s clients also require Loyal Solutions to maintain PCI DSS compliance.

The Company only uses data centers that are PCI DSS compliant. Google Cloud Platform is the standard platform, but the Company can also deploy LoyalTfacts® at MS Azure or AWS centers, which covers most client needs. Loyal Solutions may also deploy solutions at a private PCI DSS compliant data center. In addition to a comprehensive companywide compliance program, Loyal Solution also employs an external PCI DSS QSA (Qualified Security Assessor) company and a PCI DSS QSV (Qualified Scanning Vendor) as per PCI requirements.

GDPR and “store on soil” compliant

All solutions provided by the Company are GDPR compliant. For non-EU and global clients, the solutions are also compliant with local “store on soil” data laws. LoyalTfacts® is by design able to store data at multiple global locations for the same program, assuring compliance for regional and global programs.

Open banking (EU PSD2 Directive)

The Company is approved by the Danish Financial Authority (Finanstilsynet) as an AISP (Account Information Solution Provider), License TID 45507. Combined with the Company's PCI DSS compliance, this ensures the highest level of compliance and security for any client wanting to utilize the Company's open banking capabilities.

Transactional data

Member data is a key element for clients' planning and decision-making. Apart from delivering transactional data about the program members, as an integrated module of LoyalTfacts®, Loyal Solutions also provides data mining as a separate service to its clients by integrating and/or delivering the data to the client's current BI system. The data may be delivered in batches or in real-time. The Company applies know-how, benchmarking and best practice in dialogue with the client, enabling them to get the maximum benefit from the large amounts of transactional data available. As part of the Company's business model, all clients own their programs transactional data.

Merchant network

As part of its services, Loyal Solutions offers an outsourcing option to clients where the Company handles all aspects of a merchant-funded program, from signup to automatic billing and ERP integration. Depending on the specific program, clients may choose to outsource all aspects to the Company, keep everything in-house and therefore only buy relevant modules of the technology platform, or a hybrid model.

The merchant network includes access to the following modules in LoyalTfacts®: the SME Partner Portal, the Chain Merchant portal, the Sign-up App, the Self-sign-up form, billing and reconciliation and reports. In addition, Loyal Solutions can provide know how on best practices for program setup and training. As part of the full outsourcing option, the Company also hires sales staff, selects relevant merchants to target and a full sales process. The Company has successfully implemented merchant-funded programs in all solutions.

COMPETITIVE ADVANTAGES

According to the Company, the disruptive technology behind Loyal Solutions existing LoyalTfacts® makes it unique in the loyalty program segment. Loyal Solution will be capable of exerting impact on the market through:

- No IT-projects required for customers.
- End-to-end product suite in modular build (Clients can pick and choose).
- Market leading SaaS technology.
- Quick time to market.
- Extensive knowhow in payment space
- Configured to exactly meet the customers program needs.
- Easily scalable through existing and proved cloud solutions such as Google Cloud Platform.
- Easily scalable on the market through Visa, American Express, Mastercard infrastructure.
- Granular proprietary transactional data available to customers.
- PCI, DSS, Open Banking, GDPR and "Store on soil" compliant.
- Fully automated invoice system, no need to control anything for the client or partner.

INTELLECTUAL PROPERTY

Loyal Solution has the technological platform LoyalTfacts® which is developed by, and fully owned by the Company. The Company also owns the trademark protections of Copenhagen Shopping Card, FanAlytics, Loyal Solutions, and LoyalTfacts®. All trademarks are active, and the registrations are valid until 2021-2024. It is Loyal Solutions assessment that the scope of protection for all brands is sufficient based on the Company's operations. In addition, the Company owns the domain <https://www.loyalsolutions.eu/>.

STRATEGY AND OBJECTIVES

2021

According to the Company, Loyal Solutions has a significant upside potential with their current clients post the Covid-19 pandemic. This requires additional key-account- and operational resources to be deployed, which is a key priority for the Company. Several existing clients have intentions to roll out programs across multiple new countries, with an expected starting date during Q3 and/or Q4 2021. For each new country rolled out for a client, the Company's recurring revenue will increase accordingly. The short-term growth-rate is, according to the Company, difficult to estimate as there is a significant difference in recurring revenue depending on the country.

A primary purpose of the Issue of units is to hire more personnel within sales to target the very many opportunities the Company sees within several verticals, globally. Loyal Solutions will immediately, upon the IPO completion, activate a recruitment plan. Loyal Solutions' ambition is to have finalized the recruitments by Q3-Q4 2021.

In order to maintain LoyalTFacts® as a market-leading SaaS platform, the Company will also devote additional resources to general R&D as well as a special effort on AI and machine learning. This will enable development of new features and functionalities for already existing, and new, clients. Loyal Solutions will immediately start looking for the right personnel with the aim of finalizing recruitments by Q3-Q4 2021. Thus, the Company has the following objectives for 2021.

2021

- H2 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
- Q3 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
- Q4 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

2022 is expected to be an active year for the Company due to the plan of rolling out several new countries. For each new country rolled out for a client the Company's recurring revenue will increase accordingly. In Q1 2022, the Company is expected to have its new extended salesforce fully up and running, why the Company aims to have its first new clients implemented in Q1/Q2 2022. Resources will always be to scale after a contract is signed, so the Company does not incur "upfront" costs immediately after scaling.

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. Loyal Solutions is also looking at potential acquisitions and will continue its search with the ambition of continually growing. The Company has the following objectives for 2022.

2022

- Q1 Continuous development of current customers
- Q1 Continuous selling effort in target verticals
- Q1-Q2 Implementation of first clients from the expansion plan
- Q3-Q4 Sales staff increase
- H1 Support staff increase (if more clients are signed)
- H1-2 Continuous platform upgrades and R&D

2023

Full sales resources have been active for 12-14 months, and the Company expects to have reached an inflection point with the new clients signed beginning to provide recurring revenue. Sales resources will be scaled subject to market opportunities. 2023 is expected to be an active year, and, just as previous years, due to several existing clients and some new will be adding further countries to their programs in 2023. For each new country rolled out for a client, the Company's recurring revenue will increase accordingly.

Further new clients should be ready to be implemented in Q1/Q4 2023, leading to the Company increasing its resources within operations to reflect this. Resources will always be scaled after a contract is signed, so the Company does not incur "upfront" cost in scaling operations. The Company also expects to have LoyalTfacts® 5.0 in the market including advanced AI modules.

Further initiatives are dependent on performance in 2022. If previous targets are achieved additional sales efforts will be undertaken. Assuming the Company achieves its targets from previous years, Loyal Solutions will, in 2023, target additional verticals. Thus, the Company has the following objectives for 2023.

2023

- Q1 Sales in verticals started
- Q1 Continuous development of current customers
- Q1-Q4 Implementation of new clients from the expansion plan
- Q1-Q4 R&D continues
- Q2 Additional verticals implemented

FINANCIAL TARGETS

Based on the Company's growth strategy, the Board of Directors has adopted the following financial targets. It should be noted that the financial targets are guidelines and therefore are not, and should not be seen as, forecasts or estimates of the Company's future earnings. The financial targets are based on a number of assumptions regarding, among other things, Loyal Solutions activities, expansion plan and the macro-economic environment in which the Company operates. Consequently, the Company's actual earnings may differ from the following financial targets.

- 2021/22 – To reach a net revenue exceeding EUR 2 million
- 2022/23 – To reach a net revenue of approximately EUR 8 million
- 2023/24 – To reach a net revenue exceeding EUR 20 million with an EBITDA of approximately 10 million

FINANCIAL STRATEGY AND FINANCING

Since the formation of Loyal Solutions, approximately SEK 69 million has been invested in the Company by the current shareholders. Most recent investment was made in the spring of 2021, when LH-Bien 2 APS, LH-RHN Holding af 2015 ApS and LH-Rams Holding A/S converted each of their respective loans, totaling an amount of approximately SEK 41 million (out of the above-mentioned SEK 69 million) at a pre money valuation of approximately SEK 159 million.

Loyal Solutions is in a growth phase and aims to expand its business with new verticals and into new markets. The Company's expansion plans entail significant costs. No dividend is planned, and all cash flow generated internally and externally will finance Loyal Solutions' growth strategy. Until the Company is generating a cash flow that covers the Company's financing needs for continued growth, the future financing strategy includes share capital generated through new share issues, loans, or another capital raising.

LOANS AND FINANCING STRUCTURE

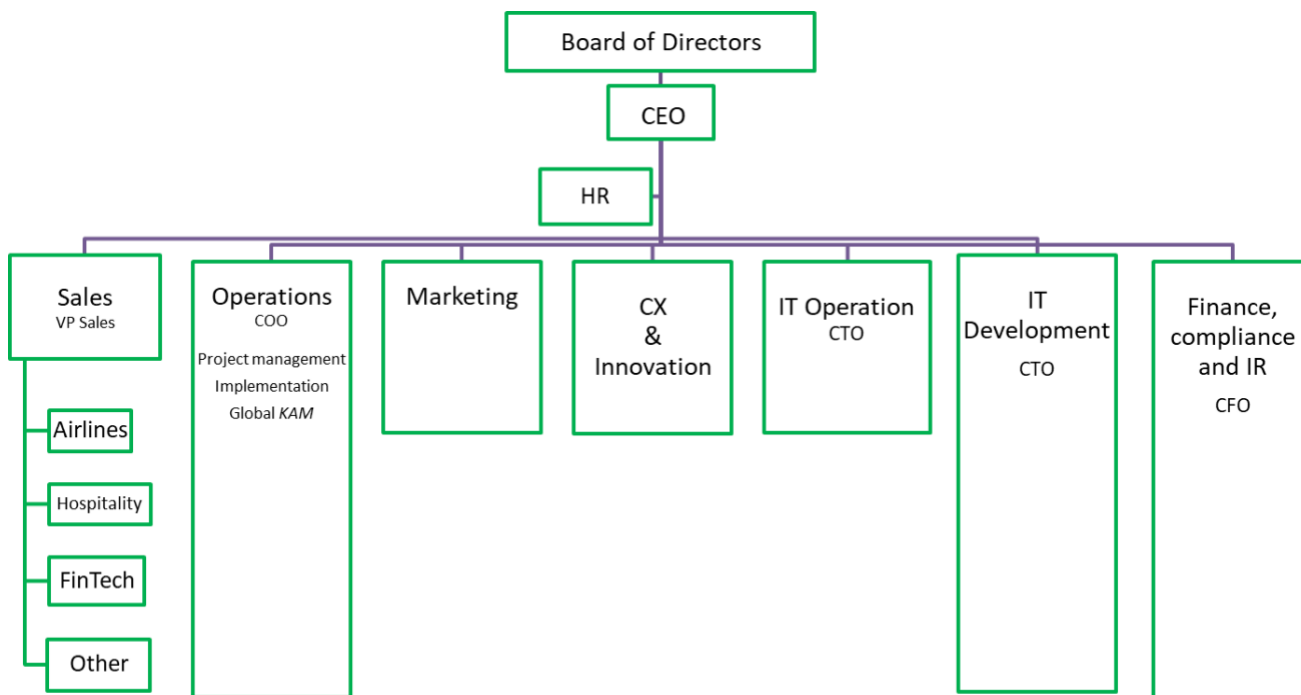
As at the date of this Prospectus, there has been no material change in the Company's borrowing and funding structure since the end of the last financial period, 31 March 2021.

INVESTMENTS

As at the date of this Prospectus, no material investments have been made since the end of the last financial period, 31 March 2021. There are no investments which are in progress and/or for which firm commitments have already been made.

ORGANIZATIONAL STRUCTURE

The below image presents Loyal Solutions’ internal structure. As at the date of this Prospectus, the Company is not part of any group and has no holdings in other companies.





MARKET OVERVIEW

Loyal Solutions is engaged in the general market for loyalty programs. 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 2024⁷.

Loyal Solutions' current primary target markets are in the market for FinTech services, the airline industry, and the hospitality industry. The Company's current clients are all market leaders, for whom Loyal Solutions established successful loyalty programs. Loyal Solutions' ambition is to expand within current markets. In addition, the Company aims to target the markets of shopping mall operators and telecommunications.

The market for FinTech services

The financial industry is being disrupted across the Globe opening significant opportunities for the Company. In the EU this was started with regulations on "interchange fees" which rendered nearly all existing loyalty/added value programs for banks and card issuers unprofitable. The Company's solutions address this significant problem in the industry. Similar regulations in many other countries further expands the market opportunities. All market players are aware that they must become more relevant to the end customer and providing a WebBank and a credit card is simply not enough. LoyalTfacts® enables banks with legacy IT system to act quickly, in line with the requirements from the market and according to the Company, there is a significant interest for the solution it provides. The market size of the FinTech services market, based on the Company's analysis, amounts to:

Total Available Market (TAM) – 25,000 banks identified globally⁸

Serviceable Available Markets (SAM) – 2,500 larger banks⁹

Serviceable Obtainable Market (SOM) – 500 banks in countries most affected by "adverse" regulation¹⁰

The airline industry

Many of the world's most valuable loyalty programs are engaged in the airline industry and these programs have a large market cap – sometimes higher than the founding airlines. During the covid-19 pandemic the values of loyalty programs have been underscored when airlines, looking for governmental aid, occasionally have used their loyalty programs as collateral. Thus, Loyal Solution services constitutes a very important asset in the airline industry. The Company has for a long time targeted the 80 percent that are *not* frequent flyers, transforming current "Frequent flyer-programs" into "everyday loyalty programs". This is becoming a current market trend, entirely in parity with Loyal Solutions' established strategy, with the potential of creating huge benefits for the Company. The market size of the airline industry, based on the Company's analysis, amounts to (top 50 airlines):

Total Available Market (TAM) – 1,500,000,000 members¹¹

Serviceable Available Markets (SAM) – 1,200,000,000 members¹²

Serviceable Obtainable Market (SOM) – 950.000.000 members¹³

The hospitality industry

The hospitality industry has two main challenges – the disruption from sharing platforms, such as Airbnb, and the high dominance of online travel agencies (OTAs), Expedia and Booking.com. Airbnb redirects customers away from hotels and OTAs collect commissions around 15-17 percent. Hence, the most important tool for hotel brands is their own loyalty programs. Loyal Solution offer these players a community of partner merchants, enabling members to earn points on their non-travel activities, which is then redeemable for direct bookings only. This creates benefits for hotel owners, consumers, and merchants, and is a match between business model and technology that meets market demand. The market size of the hospitality industry, based on the Company's analysis, amounts to:

⁷ Visa. (2020). Refreshing rewards: Rethinking and redesigning merchant loyalty program redemption options

⁸ The Accuity Bankers Almanach, <https://accuity.com/>

⁹ Company estimate based on data from S&P Global Market Intelligence (2020). The world's 100 largest banks, 2020

¹⁰ Company estimate of potential market share

¹¹ IATA reports, [iata.org](https://www.iata.org)

¹² Company estimates

¹³ Company estimate based on top 50 airlines

Total Available Market (TAM) – 6.19 billion room nights at the major hotel chains¹⁴

Serviceable Available Markets (SAM) – 3.34 billion room nights¹⁵

Serviceable Obtainable Market (SOM) – 2.01 billion room nights¹⁶

Future addressable markets

Telecommunications

A central issue for mobile operators is the high churn rate, often estimated to 2-3 percent per month. In the long run, this consumer mobility can lead to a loss of up to one third of the telecommunication companies' customers during a year. Disloyal customers can subsequently lead to a substantial loss in market share and financial standing. To address this problem, Loyal Solution has developed a merchant founded loyalty solution that can be used in collaboration with telecommunication operators around the globe. Several telecommunication companies have shown initial interest in the Company's solution.

Malls

In order to meet competition from online sales, Loyal Solution has, together with a leading mall operator, developed a successful mall loyalty program that provides mall visitors with rewards in a user-friendly manner via their linked payment cards. In addition, this provides valuable data for the mall operator on customer traffic, plus extended marketing opportunities (assuming member permission). The Company is looking to export this case to other large mall operators in the future.



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¹⁴ STR. (2020). 2019 Global Hotel Study: An unprecedented, worldwide view of the hospitality industry

¹⁵ Company estimate based on the six biggest companies. Data obtained from Hospitality On. (2020). 2020 worldwide hotel groups ranking

¹⁶ Company estimate based signed agreements with 1-2 clients

Trends

Covid-19

Like the rest of the world, Loyal Solutions is affected by the Covid-19 pandemic. Most of the Company's employees are based in Denmark, and, as at the date of this Prospectus, Danish authorities strongly urges all employers to let their employees work from home. Even though many employees are working fully or partly from their homes, Loyal Solutions has not been noticing any decrease in productivity, as the Company is set up to cooperate with clients across the globe, and this infrastructure has been valuable during Covid-19. However, the Covid-19 pandemic has above all had an impact on Loyal Solutions' existing clients, where the airline, hospitality and retail industries have been more affected than the FinTech industry, where the impact appears limited.

The airline industry has been recognized as the industry most impacted by the Covid-19 pandemic. In general, the Company's airline client revenue has been impacted in two ways: (1) recurring revenues from already launched program is impacted by global lockdowns and (2) revenues from existing programs are impacted by delays in scale up initiatives, i.e. expansion to other markets and regions. However, Covid-19 has according to the Company also validated its key value proposition as the airlines, that before the outbreak had taken steps to move towards being an "everyday loyalty program", perform better than traditional programs. This due to "daily activities", being impacted by Covid-19, are much less impacted than travel.

The Covid-19 pandemic has also had negative impacts in the hospitality and retail industry. The impact in hospitality is significant on both revenue and supply chains, but the occupancy rate also varies in different countries. However, the Company foresees a rapid post-pandemic expansion, as many companies in hospitality are making ambitious efforts during this time to invest in new business models and activities. In the retail industry, mall operators are impacted by lockdowns and reduced traffic. It is the Company's expectation that mall operators will be quite aggressive once they can re-open, and an attractive loyalty offering plays into this.

According to the Board of Directors, the SaaS market in the Company's target industries is stable with an increasing interest in loyalty and loyalty/payment solutions in general, particularly as the Covid-19 pandemic has crystallized for many companies that retaining and servicing customers is critical.

Instant and real-time rewards

It is the Company's experience that end customers expect ever more real-time rewards. Especially younger consumers prefer instant gratification, and this trend is expected to continue. The Company has identified a clear trend among companies operating large loyalty programs that there is a move towards cloud services and outsourcing part or all operations to meet the demand for more instant and real-time awards. According to the Company, many existing programs do not have the technology to accommodate instant rewards, and it is therefore a business opportunity for the Company to make this available.

Transparency

Social media has increased the demands for transparency, and a clear trend is that experience, transparency, and relevance benefit companies that offer loyalty programs. Historically, some loyalty programs made it hard for members to redeem their rewards. Loyal Solution encourages all clients to create transparent and attractive programs for their members. This is of great importance, as social media has distributed more consumer power to the members, who easily can react to any disadvantage found in the loyalty programs they are a part of. To enable transparent and efficient redemption, Loyal Solutions offers modern technology and well-developed strategies that considers both clients and the members of the loyalty programs.

Security and compliance

Compliance and security are increasing in importance for clients. Companies are conscious of the security of the cloud solutions they enter. EU based clients must comply with GDPR, and in several other countries similar legislation exists or is planned, making data privacy compliance a focal point. Loyal Solution is PCI DSS compliant and currently operates under data protection laws on behalf of several clients in many different jurisdictions. The Company's general knowledge of "Data privacy" and LoyalTfacts® ability to store data for one program in several

geographical locations based on user origin and relevant regulations is considered a clear asset in the Company operations.

In addition to what is described above, and as far as the Board of Directors is aware, there are no significant known trends, uncertainties, potential claims or other requirements, commitments or events related to production, sales, inventory, costs and selling prices from 30 June 2020 until the date of this Prospectus, that can be expected to have a significant impact on the Company's prospects.

Regulatory environment

Apart from upholding Data Privacy Laws, such as GDPR, the Company does not need to obtain specific authorizations or licenses to operate in any country. The ultimate responsibility rests on the Company's clients, being the data owner, and in some cases on the Company as a "data processor", which is the case in the EU.

Competitive landscape and key competitors

The loyalty program industry is a vast industry encompassing everything from e-mail solutions, to CRM providers and banks offering enhanced terms on credit cards. Overall, the industry is extensively fragmented, including sector specific competition and players competing on single or multiple verticals, and there are small competitors as well as large competitors. Loyal Solutions defines its core market as companies and organizations operating large regional or global loyalty programs in the Company's selected verticals. Loyal Solutions is focusing on large global clients in specific verticals and the competition reflects this. The Company are monitoring the competitive landscape continuously. According to the Board of Directors, Loyal Solution sets itself apart with a leading SaaS technology platform, strong sector focus and know-how, business model, and its service and flexibility. In addition, the Company targets large clients that small competition cannot collaborate with because of PCI DSS and Data privacy compliance demands.

Loyal Solution competes with a variety of companies, many who are active in other verticals or other geographic markets that the Company. The Company sees Collinson group, Navitaire, AIMIA/Kognitiv, Comarch, IBS, Fidel and GOfigg/Augeu as some of its main competitors. These are all either active on the same markets as Loyal Solutions, targets the same verticals or offer similar services.

Risk factors

A number of risk factors can have a negative impact on Loyal Solutions' operations. There are risks pertaining to the Company, and risks that have no specific connection with Loyal Solutions, but that impact the industry and market in which the Company operates. It is, therefore, of great importance to consider the material risks associated with the future development of the Company and its shares. Material risk factors are described below without claiming to be exhaustive. For natural reasons, it is not possible to assess all risk factors without a combined evaluation of other information in the Prospectus, along with a general assessment. The risk factors include an assessment of the probability of the occurrence of the risk and the extent of its negative impact on the Company listed as high, moderate or low.

RISKS SPECIFIC AND MATERIAL TO THE COMPANY'S OPERATIONS

Adverse economic developments and the outbreak of Covid-19

Loyal Solutions' customers are operating in different industries such as the aviation & travel-, hospitality- and FinTech industry, which are affected by economic trends and consumer trends outside the Company's control. The occurrence of extraordinary events, such as natural disasters and the outbreak of disease epidemics, have an adverse impact on the global economy as a whole and may lead to a global recession. The outbreak of the Covid-19 pandemic has led to a major slowdown in the economic growth during 2020 and the beginning of 2021, partly due to the spread of the virus itself, but even more so due to the political decisions enacted across different nations in order to try to contain the virus, such as quarantines, lockdowns and restrictions on mobility. As of the date of this Prospectus, the further economic consequences of Covid-19 are uncertain. The outbreak of Covid-19 has negative effects on markets where Loyal Solutions operates. The airline and hospitality industries have suffered with cancelled flights, closed hotels, and cancelled events and malls have been forced to shut down. As a consequence, there has been a decrease in travels, hotel reservations, events and shopping. The effect on the Company has been a loss of revenue relative to budgeted revenue. The Company earns a recurring percentage of sales and has therefore been negatively impacted on revenue. However, most client contracts have a minimum monthly revenue guarantee which has constituted the Company's revenue during the pandemic. It is uncertain when the market for airlines and hospitality will have fully recovered and whether the spread of Covid-19 will continue delay or cancel events. The revenues of Loyal Solutions' clients are mainly driven by their users' disposable incomes. There is a risk that the prevailing unfavourable economic conditions due to the outbreak of Covid-19 reduce users' disposable incomes, which could lead to companies' revenues decreasing. In turn, this may lead to a decrease in revenue from customers and customers losses for Loyal Solutions. Accordingly, negative developments in the global economy that adversely affect the demand for Loyal Solutions' services would have a material adverse effect on the Company's operations, earnings and financial position.

It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, Loyal Solutions considers the potential negative impact to be high.

Competitors

Loyal Solutions competes with both new and established local and international companies in the SaaS loyalty industry. In addition, the SaaS loyalty industry is characterised by rapid technical changes, new launches and constant improvements of solutions and services. There is a risk that substantial investments and product development by competitors will result in a less favourable situation in terms of sales or revenue opportunities, as the competitor may develop solutions that outperform the Company's, thereby taking market shares from the Company. Furthermore, companies with global operations currently working within similar adjacent fields could decide to establish themselves within the same business area as Loyal Solutions. There is a risk that increased competition would lead to negative impacts on sales and profits for the Company in the event competitors develop

products with better function and/or better quality. Loyal Solutions has to offer and develop new features on a continuous basis and perform regular system updates that will continue to attract new customers to its solution in order to generate revenue. There is a risk that failure by Loyal Solution to compete effectively results in a decrease in the Company's revenues. Furthermore, there is a risk that competition results in customers wanting to negotiate lower fixed payments, commissions, revenue sharing arrangements or other fees received by Loyal Solutions. If the risks would materialise, it could have a material adverse effect on the Company's operations and earnings.

It is the Company's assessment that the probability of the risk occurring is moderate. If the risk would materialise, Loyal Solutions considers the potential negative impact to be medium.

Dependence on laws, regulations and licences

Loyal Solutions operate in a number of different countries on different continents. There is a risk that changes in laws, global payment regulations, customs duties, exchange rates and other conditions for foreign companies will adversely affect the Company's business operations. The Company is also affected by political and economic uncertainties in these countries. There is a risk that the Company will be adversely affected by possible domestic political decisions. A risk that the above results in negative consequences for the Company's business activities and its earnings are present.

Loyal Solutions is also dependent on the global payment industry. The laws and regulations that affect the global payment industry are complex and constantly evolving. Furthermore, Loyal Solutions are dependent on complying with regulations such as the GDPR and other privacy and "store on soil" regulations, the EU PSD2 directive (Open banking directive), and PCI DSS. Different countries and continents may have different regulations. This means that Loyal Solutions' prospects for future growth depend on the ability to continue to adapt to different local and regional regulations.

There is also a risk that the payment scheme operators, which are also the Company's customers, will not obtain the required licences or that licences obtained are withdrawn, which could have a negative effect on the Company's ability to conduct its business. Furthermore, there is a risk that operators in breach of such laws and regulations are subject to coercive measures taken by governmental or other public authorities against any operator which is a customer of Loyal Solution, whether current or future. This could result in the Company's revenue streams from such customer are frozen or otherwise adversely affected. A governmental or other public authority can also claim that the same or similar coercive measures should be taken against a third party promoting the business of such operator, resulting in a risk that Loyal Solutions is affected as well which, in turn, would have a material adverse effect on the Company's operations, earnings and financial position.

Furthermore, there is a risk that the scope of laws and/or new laws and regulations in the future could be extended to include the Company's operations. Changes in the regulatory environment in which Loyal Solutions operates could result in additional administrative costs for the Company, for example, with the need to implement additional and more advanced internal controls to ensure that the Company complies with such laws. Such changes could also lead to that the Company may have to change, limit or cease altogether with carrying out business in certain jurisdictions. There is also a risk that Loyal Solutions may not obtain licenses necessary to operate in certain jurisdictions. The aforementioned could have an adverse effect in the Company's operations, earnings and financial position.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be high.

Processing of personal data

Loyal Solutions may handle and processes personal data in the ordinary course of business and in respect of its employees. The data the Company processes and stores is in the majority of cases owned by the individual client of the Company. In May 2018, the General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR") entered into force in the EU to ensure that the data protection for individuals is strengthened and unified. The Company has implemented and refined the SaaS platform LoyalTfacts®, provided to clients, as well as its own data protection policies and programmes in order to comply with the GDPR. Since the GDPR was relatively recently adopted, there is a risk that the Company's or its client's processing of personal data may be non-compliant with

the requirements set out in the GDPR, or that measures taken to comply with the GDPR may be insufficient, which may lead to, for example, data breaches, disputes, damaged reputation, fines and increased supervision.

Furthermore, there are risks pertaining to the Company's operations in jurisdictions not covered by the GDPR, since it is required by the GDPR that measures are taken in order to make sure that equivalent data protection applies to operations carried out in "third countries", i.e., countries not covered by GDPR. The Company also operates in countries outside the EU, where the Company and its clients are required to be compliant with any and all privacy and "store on soil" regulations.

There is a risk that the Company or its clients are unable to comply with the measures and requirements set out in the GDPR, and such non-compliance could lead to significant administrative fines. Should such risks materialise, it could have a material negative impact on Loyal Solutions' financial position.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be high.

PCI DSS

Loyal Solutions is required to be PCI DSS compliant. PCI DSS is a very comprehensive and demanding IT security standard, controlled and implemented by the large global payment schemes. The requirement for PCI DSS compliance is imposed by the payment schemes and is a precondition for using the payment schemes services. Further, as the Company's clients are large global brands, the clients also require the Company to maintain PCI DSS compliance at all times. It is therefore business critical for the Company to maintain compliance. There is a risk that failure to maintain PCI DSS compliance will impact the Company on the client's side, the supplier side or both as the Company is contractually obligated to maintain compliance.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be high.

Key individuals and employees

As at the date of this Prospectus, Loyal Solutions' organisation consists of twelve (12) full-time employees. The key personnel have extensive and broad expertise and experience within the Company's business area and have built up an in-depth knowledge of the platform and good relationships with the Company's customers. Loyal Solutions is, therefore, dependent on these key personnel to a certain degree, particularly as a large share of the Company's business is based on short decision-making processes, close relationships with different market operators and in-depth knowledge of platform- and IT development as well as the different markets and geographical areas in which the Company operates. In the event one or several key employees chooses to leave their employment with the Company, there is a risk that such a loss for the Company could have adverse consequences for its business operations and its potential earnings. There is a risk that Loyal Solutions will need to recruit and hire personnel to replace key people, which may be a costly process, both in terms of time and money. There is also a risk that Loyal Solutions will not be able to find a suitable replacement for the former employee. The risk that the Company will be unable to protect itself against unauthorized disclosure of information is also present, which could result in competitors receiving information about, and take advantage of and benefit from, the know-how that has been developed by the Company. There is a risk that via the use of such dissemination of information, Loyal Solutions' competitors will further develop their products and thereby that the Company faces increased competition, which may adversely affect the Company's business operations, financial position, and earnings.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be high.

Financing needs and capital

Loyal Solutions is continually developing its platform LoyalTfacts®. There is a risk that delays in platform development will result in that cash flow is generated later than planned. Furthermore, there is a risk that Loyal Solutions' targets will not be achieved within the timeframe determined and that it takes longer than planned to reach the milestones determined by the Board of Directors of the Company. A situation may arise where Loyal Solutions may need to acquire additional capital in the future, depending upon how much revenue the Company is able to generate in relation to its expenses. There is a risk however that such additional capital may not be able to

be acquired. There is a risk that this results in that the development is temporarily halted or that the Company is forced to conduct its business operations at a slower pace than desired, which can lead to delays or that the commercialization is not implemented, and that no revenue is obtained.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be medium.

Clients and suppliers

Loyal Solutions has a working relationship with global payment systems and companies around the world. If one or more of the Company's partners choose to cease their cooperative efforts with the Company, there is a risk that this will adversely affect Loyal Solutions, their competitiveness and/or earnings. There is also a risk that Loyal Solutions' clients do not satisfy the quality standards, which the Company has established. There is a risk that the establishment of relationships with new clients will be more costly and/or take longer than the Company calculates. In the event of a suspension or the ending of the working relationship with a client, there is a risk that Loyal Solutions will need to spend resources on establishing new working partnerships. There is a risk that such a process becomes costly and as a result that the Company's operating profit will decrease.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be medium.

Client agreements

There is a risk that the Company's revenue stream is affected by a general decline in the business of its clients or by any of its clients terminating their respective agreements with the Company. Loyal Solutions client agreements contain various provisions whereby the clients can terminate their agreements with the Company. For instance, client agreements can be terminated by either party without cause at any time. The term of notice is usually 6-12 months. Decreased revenue from clients and client losses due to clients cancelling their agreements could have a material adverse effect on the Company's operations, earning and financial position.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be medium.

IT-systems

Loyal Solutions' capability to effectively manage the business operations is dependent on properly functioning IT systems. For example, Loyal Solutions is dependent on the Company and its customers having the ability to securely handle and store data from the Company's platform LoyalTfacts®. Thus, Loyal Solutions is dependent on maintaining the functionality and operation of IT systems, including customers' ability to do so. Any interruptions or errors in internal and external IT systems that are critical to the Company's or customers' operations could cause a significant decrease in the ability of Loyal Solutions and/or its customers to supply services. Furthermore, there is a risk of information security intrusions, such as cyber-attacks, data breaches or fraud, in Loyal Solutions' IT systems, including in external IT systems and websites. Such security intrusion could disrupt the Company's or customers' business and lead to leakage of confidential or proprietary information or other trade secrets. If information on, for example, Loyal Solutions' customer data is unlawfully disclosed, distributed or used in violation of relevant laws and regulations, there is a risk that the Company would be subject to both legal sanctions and impaired reputation. If Loyal Solutions fails to maintain and develop the functionality and operation of its business-critical IT systems, including if customers fail to do so, this would have a material adverse effect on the Company's operations and financial position.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be medium.

Increased exposure to macroeconomic factors

As Loyal Solutions establishes and develops an in-house sales and marketing organization in certain selected markets in Europe, EMEA and APAC, the Company becomes more exposed than ever before to external macroeconomic factors such as supply and demand, economic booms and recessions, inflation and changes in interest rates. Such external factors may, among other things, have impacts on Loyal Solutions' operating expenses,

sales prices and the ability to market the Company's products in certain jurisdictions, such as those in the EU, EMEA and APAC. Thus, there is a risk that any of these factors could have an adverse effect on Loyal Solutions operations, financial position and earnings.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be low.

Foreign exchange risk

A portion of Loyal Solutions' future capital raises and future sales revenues may be received, and costs may be incurred, in various currencies other than DKK, including SEK, EUR, NOK and USD. Exchange rates can change substantially. There is a risk that the Company's costs and future revenues are adversely impacted by fluctuations in exchange rates which the Company may not be able to hedge against. If, for instance, the Danish kroner (which is the Company's accounting currency), increases in value, there is a risk that the Company's future sales will decrease. This, in turn, will lead to a decrease in revenue and reduced operating profits for the Company. Loyal Solutions current cost base is in DKK, but most of the Company's revenues are earned in DKK and EUR. As more and more revenue will later be earned in USD or other currencies the foreign exchange risk will increase.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be low.

Insurance risk

Loyal Solutions has business insurance, which includes property damage and business interruption loss, legal liability and product liability coverage, as well as general liability insurance. However, the business insurance coverage is limited in amount and coverage. There is a risk that the Company will suffer injury or loss, or incur a liability for compensation for damages, which is not covered or only partially covered by the insurance, and there can be no assurance that the Company's insurance coverage will continue to be available on reasonable commercial terms or continue to be adequate, which may adversely affect the Company's business operations, earnings and financial position. In the event that Loyal Solutions will have to pay damages or repairs via its own cash, this could result in a deteriorating financial position for the Company.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be low.

Disputes and legal claims

There is a risk that Loyal Solutions may become involved in disputes within the framework of its ordinary business activities and may also be subject to claims concerning contractual issues, product liability and alleged problems or mistakes in deliveries of the Company's product LoyalTfacts®. Disputes could concern claims from customers, merchants or suppliers to Loyal Solutions. There is a risk that such disputes and claims will be time consuming for the Company, its management and employees, disrupt business operations, involve significant amounts and negatively impact Loyal Solutions' relationships. It is not possible to anticipate in advance the outcome of complex disputes, and there is thus a risk that disputes will have a material adverse impact on the Company's business operations, earnings and financial position.

It is the Company's assessment that the probability of the risk occurring is low. If the risk would materialise, Loyal Solutions considers the potential negative impact to be low.

RISKS SPECIFIC AND MATERIAL TO THE COMPANY'S SECURITIES AND THE ISSUE OF UNITS

Securities may fluctuate in value or liquidity

Risks and risk-taking are inevitable aspects of owning securities. Loyal Solutions' securities may be affected by significant price- and volume fluctuations that are not connected to the Company's result development. The price development can be very volatile, and its development is dependent on a number of factors, some of which are company-specific while others are tied to the stock-market as a whole. Hence, there is no guarantee regarding the future price development of the Company's securities, why the value of the investment may increase as well as decrease. Since an investment in Loyal Solutions' securities may both rise and fall in value, there is a risk that an

investor will not recover the capital invested. Limited liquidity in the Company's securities may also entail price fluctuations. Such fluctuations can occur regardless of how Loyal Solutions actually performs or the conditions in its main markets and may adversely affect the securities liquidity and price. There is a risk that the Company's securities cannot be sold for a price acceptable for the holders, or at all, at any time.

It is the Company's assessment that the probability of the risk occurring is moderate.

Psychological factors

It is impossible for Loyal Solutions to control all of the factors that may affect its share price, and consequently an investment should be preceded by careful analysis. There is a risk that the securities market is affected by psychological factors such as trends, rumours and reactions to news and events which are not directly linked to Nasdaq First North. There is a risk that psychological factors and its subsequent effects on price developments will adversely affect the market price of the Company's shares.

It is the Company's assessment that the probability of the risk occurring is moderate.

Future dividends

Historically, no dividend has been paid by Loyal Solutions and the intention is to not propose dividends to the shareholders unless and until Loyal Solutions achieves long-term profitability. Hence, there is a risk that no dividends will ever be paid in the future. The size of the future dividends, if any, will depend on Loyal Solutions' future earnings, financial position, cash flows working capital requirements and other factors.

It is the Company's assessment that the probability of the risk occurring is moderate.

Sale of shares from major shareholders, Board members and those in senior management

Major shareholders, CEO, and members of the Board of Directors of Loyal Solutions have committed, via lock-up agreements, not to sell any of their shares in the Company for a period of three months starting the first day of trading. The same parties have for an additional period of approximately nine months (until the end of the exercise period for the warrants being issued through the Issue of units) following the first three months, committed to not divest more than a maximum of 10 percent of their holdings in the Company. Notwithstanding the provisions of the lock-up agreements, the parties who have agreed to a lock-up of shares may sell shares according to the terms and conditions of a public takeover offer pursuant to the Swedish Public Takeover Bids on the Stock Market Act (*Sw. Lag om offentliga uppköpserbjudanden*). From a longer-term perspective, one should be aware that there is a risk that the parties who have agreed to a lock-up will divest part or all of their holdings in the Company, and this entails a potential risk for other shareholders, as there is a potential that this adversely affects Loyal Solutions' share price.

It is the Company's assessment that the probability of the risk occurring is moderate.

Unsecured subscription commitments

A number of investors acquired from the Company's financial advisor Sedermera Fondkommission's investor network have entered into subscription commitments whereby they have undertaken to subscribe for approximately SEK 29.9 million, corresponding to approximately 74.8 percent of the initial part of the Issue of units. However, these subscription commitments are not confirmed or secured via prior transactions, bank guarantees or similar. Consequently, there is a risk that one or several of said parties will not fulfil their respective commitments and obligations. If the abovementioned subscription commitments are not met, this could negatively impact Loyal Solutions' ability to successfully complete the Issue of units, which in turn could adversely affect the Company's business activities with negative impacts related to reduced financial resources propel the business activities forward going into the future.

It is the Company's assessment that the probability of the risk occurring is moderate.

Terms and conditions for the securities

ISSUER

Loyal Solutions A/S with corporate registration number (CVR) 28850263 and LEI code 8945000BUWXW4AVLVY67. The issuer is identical to the offeror of the units asking for admission to trading on Nasdaq First North Growth Market in Stockholm, Sweden.

RESOLUTIONS, AUTHORISATIONS AND APPROVALS

The Board of Directors of Loyal Solutions decided at a Board Meeting on 19 April 2021, with the authorization from the Extraordinary General Meeting on 17 March 2021, to carry out the Issue of units. The Offer is carried out without preferential rights for the existing shareholders. The reason to waive the shareholders' preferential right is for the Company to be able to spread the ownership and to be supplied with working capital for business development and capital for expansion of the Company's business. The New shares and Warrants are expected to be issued on 25 May 2021.

INFORMATION CONCERNING THE SECURITIES TO BE OFFERED

In this Prospectus, Loyal Solutions offers Units, each consisting of three (3) New shares and two (2) Warrants in the Company. The Offer consists of a minimum 1,299,999 New shares and maximum 1,999,998 New shares of nominally DKK 1.00 each. The Offer consists of minimum 866,666 Warrants and maximum 1,333,332 Warrants, each granting the right to subscribe for one (1) new share in the Company of nominally DKK 1.00 each. All shares belong to the same share class and carry the same rights. With a subscription of the maximum number of Units in the Offer, Loyal Solutions' share capital will increase from DKK 7,500,000 to DKK 9,499,998 and the number of shares will increase from 7,500,000 to 9,499,998 and a total of 1,333,332 Warrants of series TO 1 will be issued to the investors. With a subscription of the maximum number of Units in the Offer, the issue proceeds to be received by the Company (excluding any costs in relation the Offer) will amount to SEK 39,999,960.00.

If all the Warrants are exercised, the share capital will increase additionally with DKK 1,333,332.00 to DKK 10,833,330.00 and the subscription amount from such an exercise will be SEK 31,999,968.00.

The New shares will be traded under the International Security Identification Number (ISIN) DK0061535507 on Nasdaq First North under the code/ticker "LOYAL". The shares will have CFI code ESVUFN and FISN code Loyal/-. The Warrants will be traded under the International Security Identification Number (ISIN) DK0061549219 on Nasdaq First North under "LOYAL TO 1", and the Warrants will have CFI code RWSTCB and FISN code Loyal/Warrant.

The New shares and Warrants are issued according to the Danish Companies Act (no. 763 of 23/07/2019) and the Company's Articles of Association as at the date of this Prospectus. Loyal Solutions is, moreover, subject to general Danish legislation, including Regulation (EU) 2017/1129 and the Danish Act on Capital Markets (no. 377 of 02/04-2020). Due to its listing on Nasdaq First North, Loyal Solutions is however bound to the obligations set out in the applicable Nasdaq First North Rulebook. Such obligations include, but are not limited to, complying with disclosure and information requirements in the Swedish Securities market and the Danish Securities market. Through its listing on Nasdaq First North, the Company may also be subject to Swedish self-regulation, which implies takeover rules and recommendations on directed cash issues, while the Swedish Securities Council may, on request, decide whether a measure by the Company or its shareholders is consistent with which if the body of the Swedish self-regulating system issuing rulings, advice and inform good practice in the Swedish stock market.

The shares are registered by name (Dk "navneaktier"), and the shares and Warrants are registered electronically (by name) in VP Securities A/S (Dk. "Værdipapircentralen"), Weidekampsgade 14, 2300 København S, Denmark.

The shares and Warrants are issued in Swedish kronor (SEK).

DISTRIBUTION OF PROFIT AND VOTING RIGHTS ETC.

The New shares will have the identical rights as the existing shares. These include voting rights, right to receive dividend, the right to participate in the proceeds in case of a dissolution or liquidation of the Company, and pre-

emptive rights in connection with capital increases by cash contribution. The Warrants do not give the shareholders such rights (until these are exercised and the resulting shares are issued).

All shares in the Company carry equal right to dividends. Dividend on shares that are newly issued in the Issue of units as described in this Prospectus will be paid on the record day for the dividend that may occur after the registration of the shares in the share register kept by VP Securities A/S. The right to a dividend applies to investors who are registered as shareholders in Loyal Solutions on the record day for the distribution of dividend. There are no existing restrictions on dividends or special procedures for shareholders resident outside of Denmark, and payment of any distribution of dividend is intended to take place via VP Securities A/S in the same manner as for shareholders resident in Denmark. Dividends accrue to Loyal Solutions if it has not been claimed by the shareholder within three (3) years from the time of the declaration of the dividends.

The rights of the shareholders can only be changed in accordance with the procedures specified in the Danish Companies Act. All shares possess equal rights to profit distribution, as well as to any surplus in the event of liquidation or bankruptcy. At General Meetings, each share has one vote, and each voter can vote for their full number of shares without limitation. All shares provide shareholders with equal preferential rights to the number of shares they own.

Under the Danish Companies Act, a shareholder who holds more than 90 percent of the share capital in a company has the right to redeem the remaining shares from other shareholders in Loyal Solutions. In a corresponding manner, a shareholder whose shares can be redeemed is entitled to such redemption by a shareholder holding more than 90 percent of the share capital in a company. The shares that are newly issued in the Issue of units as described in this Prospectus are not subject to an offer that is made as a result of a bid obligation, redemption or resolution obligation.

TAKEOVER RULES

The Swedish Corporate Governance Board has issued the “takeover rules” for certain trading platforms, which are essentially equivalent to the rules that apply to companies for which shares are admitted to trading on a regulated market. The takeover rules will be applied to public takeover offers for companies in which shares are traded on Nasdaq First North. This means that, in their entirety, the rules will apply not only in cases in which the shares are traded exclusively on Nasdaq First North but also in cases in which the shares are traded on both Nasdaq First North and in a foreign marketplace. It follows from point II.21 (defensive measures) and section III (bid obligation) in the takeover rules issued by The Swedish Corporate Governance Board that these takeover rules are not applicable to Loyal Solutions, as they only apply to target companies that are Swedish limited liability companies. The takeover rules in the Danish Act on Capital Markets are not applicable to Loyal Solutions as Nasdaq First North is not a regulated market.

THE SECURITIES' TRANSFERABILITY

There are no restrictions in the transferability of the shares or warrants, except for the lock-up described under section “Terms and conditions for the offer” in this Prospectus.

TAX CONSIDERATIONS

An investment in the Issue of units may result in tax consequences for the investor. Loyal Solutions A/S is a Danish registered company that has unlimited tax liability in Denmark. The Company's shares and Warrants are expected to be traded on Nasdaq First North, a multilateral trading platform (MTF). The tax legislation in the investor's home country and Sweden may have an effect on any income received from the Issue of units described in this Prospectus. Taxation of any dividend, as well as capital gains tax and rules regarding capital losses on sale of securities depends on the individual investors' specific situation. Shareholders may need to consult their own accountant or tax adviser for a closer assessment of tax consequences, including applicability and effect of foreign tax rules and tax treaties when being a shareholder in Loyal Solutions.

Terms and conditions for the offer

THE OFFER

Existing shareholders, the general public and professional investors in Sweden and Denmark are hereby invited to subscribe for Units in Loyal Solutions during the period from the 4th of May 2021 up to and including the 18th of May 2021. The Board of Directors of Loyal Solutions has on the 19th of April 2021, decided, with the authorization from the Extraordinary General Meeting held on the 17th of March 2021, on implementing an Issue of units and to increase Loyal Solutions' share capital by at least DKK 1,299,999.00 and a maximum of DKK 1,999,998.00 through the Issue of units of at least 1,299,999 New shares and a maximum of 1,999,998 New shares, each with a nominal value of DKK 1.00 and also issue at least 866,666 Warrants and a maximum of 1,333,332 Warrants. The total initial volume of the Issue of units amounts to a minimum of SEK 25,999,980.00 and a maximum of SEK 39,999,960.00. The subscription price per Unit is SEK 60.00, which corresponds to a price per New share of SEK 20.00.

The Issue of units is conducted without preferential rights for existing shareholders. The reason to waive the shareholders preferential rights is that the Company shall be able to spread the ownership and to supply working capital for business development and capital for expansion of the Company's business.

A maximum of 666,666 Units will be issued and the subscription price in the Issue of units is SEK 60.00 per Unit. One (1) Unit consists of three (3) New shares and two (2) Warrants of series TO 1, issued free of payment. One (1) Warrant gives the right to subscribe for one (1) new share at a price of SEK 24.00 during the subscription period for the Warrants.

SUBSCRIPTION PRICE AND VALUATION

The subscription price is SEK 60.00 per Unit. Brokerage fee may occur. The minimum subscription post is 100 Units, which corresponds to SEK 6,000.00 and thereafter subscription may be made in any number of Units.

Loyal Solutions' pre-money valuation amounts to approximately SEK 150 million. The valuation has been determined by the Board of Directors of Loyal Solutions in consultation with Sedermera Fondkommission and is based on discussions on the Company's existing operations, future potential, objectives and long-term business prospects. The assessment has also considered the market price of comparable publicly traded companies. In connection with the discussions, the Company has received pre-subscription commitments corresponding to approximately 74.8 percent of the initial part of the Issue of units. In light of this, the subscription price is considered to be market-based.

WARRANTS OF SERIES TO 1

One (1) Warrant gives the right to subscribe for one (1) new share at a price of SEK 24.00 per share during the subscription period for the Warrants, which is set to take place from 4th of May 2022 until 25th of May 2022. If all Warrants are exercised during this period, the Company will receive an additional of approx. SEK 32 million before issue costs.

SUBSCRIPTION PERIOD

Subscription of Units will take place within the period from 4th of May 2021 up to and including 18th of May 2021.

When subscribing via your bank, the last subscription date may vary. You should therefore contact your bank early in the subscription period to subscribe or get information about their last day for subscription.

PRE-SUBSCRIPTION COMMITMENTS

Loyal Solution has received legally binding pre-subscription commitments amounting to approximately SEK 29.9 million, which corresponds to approximately 74.8 percent of the initial part of the Issue of units. These commitments have not been secured through advance transaction, bank guarantee or similar. The subscription commitments were entered into in April 2021. The full list of pre-subscribers and their subscription amounts are set out in the table following this section. Any investors, who have committed themselves to subscribe for more than five (5) percent of the Offer, will also appear in the table following this section. All legal and natural persons who have entered into subscription commitments may be reached via the Company's address.

As far as Loyal Solutions is aware, no major shareholder or member of the Company's management, supervisory or administrative bodies intends to subscribe in the Offer.

APPLICATION FOR SUBSCRIPTION OF UNITS

Application for subscriptions of Units shall be made via your bank/trustee by following their routines and guidelines. Please note that not all banks/trustees offer their customers to subscribe in the Issue of units. The minimum subscription is 100 Units, which corresponds to SEK 6,000.00. Thereafter, subscription takes place in any number of Units. It is only allowed to submit one subscription form per subscriber. In case several subscription forms are submitted, only the last received will be considered. Incomplete or incorrectly completed subscription forms may be disregarded. No additions and changes may be made in the text printed on the subscription form.

The Board of Directors of Loyal Solutions reserves the right to extend the subscription period and the due date for payments. The offer is conditional on the fact that no circumstances occur which may result in the timing of the Issue of units being deemed inappropriate and that spread requirement is met. Such circumstances may, for example, be of an economic, financial or political nature and may relate to circumstances in Sweden or Denmark as well as abroad, as well as the interest in participating in the Issue of units is deemed insufficient by the Board of Directors in Loyal Solutions. In such cases, the Board of Directors will not complete the Issue of units. If the offer is revoked, this will be published through a press release no later than before the settlement notes are sent, which is scheduled to take place by the end of May 2021.

Please note that the subscription is binding.

SUBSCRIPTION - VIA NORDNET

If you are a customer of Nordnet in Sweden or Denmark, you can subscribe via Nordnet's webservice. The subscription can be made from 4 May 2021. In order not to lose the right to any allotment, Nordnet customers must have sufficient cash available on the account from 18 May 2021 until the settlement date, which is estimated to be 26 May 2021. Only one application form per investor is allowed and in the case of more submitted applications, Nordnet reserves the right to consider only the most recent. Please note that the subscription is binding. More information on how to become a customer of Nordnet and information on the subscription procedure can be found at www.nordnet.se or at www.nordnet.dk. In the event of allotment, Nordnet will, for those customers that have an Investment Savings Account at Nordnet, purchase the equivalent number of shares in the Offer and resell the shares to the customer at a price corresponding to the Offer.

Nordnet – Information about the processing of personal data

In connection with acquiring shares in the Offer through Nordnet's webservice, personal data may be submitted to Nordnet. Personal data submitted to Nordnet will be processed and stored in data systems to the extent required to provide services and administer customer arrangements. Personal data obtained from other than the customer in question may also be processed. Personal data may also be processed in the data systems of companies or organizations with which Nordnet cooperates. All relevant personal data will be deleted when the customer relationship ends, in accordance with applicable law. Information on processing of personal data is provided by Nordnet, which also accepts requests for correction of personal data. For further information on how Nordnet processes and stores personal data, please contact Nordnet's customer service, e-mail: info@nordnet.se or nordnet@nordnet.dk.

SUBSCRIPTION - VIA AVANZA

If you are a customer of Avanza, you can subscribe via Avanza's website. The subscription can be made from 4 May 2021. In order not to lose the right to any allotment, there must be sufficient cash available on the account from 18 May 2021 until the settlement date, which is estimated to be 26 May 2021. Only one application form per investor is allowed and in the case of more submitted applications, Avanza reserves the right to consider only the most recent. Please note that the subscription is binding. More information on how to become a customer of Avanza and information on the subscription procedure can be found at www.avanza.se

SUBSCRIPTION FOR MORE THAN EUR 15,000

In the event that the subscription amounts to or exceeds EUR 15,000, a money laundering form must be completed and submitted to Nordic Issuing pursuant to Act (2017:630) on measures against money laundering and terrorist financing. Please note that Nordic Issuing cannot guarantee that the subscription form is taken into account if a correct money laundering form is not sent to Nordic Issuing during the subscription period.

PUBLICATION OF THE OUTCOME OF THE NEW ISSUE

As soon as possible after the subscription period has ended, Loyal Solutions will disclose the outcome of the Issue of units. The publication is scheduled to 21 May 2021 and will be made through a press release, which will be available on Loyal Solutions' website.

ALLOCATION

Allocation of Units will be decided by Loyal Solutions' Board of Directors, with the following principles;

- a) full allocation shall be made to the parties who have signed subscription commitments;
- b) it is necessary to broaden Loyal Solutions' shares prior to the planned listing and, as far as possible, the Board of Directors will ensure that each subscriber receives at least 100 Units; and
- c) that it is necessary to meet the marketplace's requirements for distribution regarding warrants of series TO 1, where the requirement means that the Company must have at least 100 qualified option holders with an option holding of at least 500 euros respectively (where the value of a warrant is calculated at the same price as subscription price per share in the issue); and
- d) creating investment space for certain parties, which, according to the Board's assessment, can specifically contribute strategic values to Loyal Solution or is part of the Loyal Solutions' financial adviser's investment network. In the event of an oversubscription, no more than 10 % of the Issue of units amount can be allocated to these investors.

If the number of subscribers in the Issue of units is exceeding the possible number of shareholders, and thus making it impossible to allocate each subscriber the minimum amount of units, allotment of units will be decided by drawing of lots, which means that allocation can partly or entirely be made through random selection. This is a computerised process which relies on algorithms that randomly execute the drawing of lots and will be executed by the issuing agent in the Issue of units. This further means that allocation may happen with fewer units than subscribed for on the subscription form or no units at all.

Allocation is not dependent on when the subscription form is submitted during the subscription period.

NOTIFICATION OF ALLOCATION AND PAYMENT

Allocation of Units is scheduled to happen as soon as possible after terminated subscription period and the notification will be received from your bank/trustee around the 21 May 2021 by booking the allotted number of New shares and Warrants against debit of payment in the specified account.

If a correct account number is not available on the last day of the subscription period, the 18 May 2021, there is a risk that allotted units won't be delivered in time for the listing date or that the units are transferred to another party.

ALLOCATION AND PAYMENT - VIA NORDNET OR AVANZA

Those who have subscribed through Nordnet's or Avanza's Internet service will receive notification of allocation through a subscription of Units with immediate payment from given depot, which is scheduled to take place in the end of May 2021. Please note that cash for the payment of allotted shares and warrants must be available from 18 May 2021 to 26 May 2021.

DELIVERY OF SHARES AND WARRANTS

New shares and Warrants will be delivered to after the Issue of units has been registered with the Danish Business Authority (Erhvervsstyrelsen), which is scheduled to happen on 21 May 2021.

Since Loyal Solutions is a Danish public limited liability company, all of the Company's shares and warrants are issued through, and hence registered in, the VP-Securities system. In order to trade the New shares and Warrants on Nasdaq First North, clearing need to occur within the Euroclear-system which means that the New shares and

Warrants must be registered in Euroclear. All existing and New shares and Warrants registered in Sweden are mirrored in the Euroclear-system from VP-Securities. This means that Euroclear is registered as owner of the shares on behalf of underlying shareholders, in the shareholder register kept by VP-Securities in Denmark.

COMMENCEMENT OF TRADING

At the time of the publication of the Prospectus, Loyal Solutions has been approved for listing by Nasdaq First North, with reservation for the spread requirement. Loyal Solutions' shares will be traded on Nasdaq First North under the label LOYAL and with ISIN code DK0061535507. The New shares (as well as existing shares) have CFI code ESVUFN and FISN code Loyal/-. Loyal Solutions' Warrants will be traded on Nasdaq First North under the label LOYAL TO 1 and with ISIN code DK0061549219. All shares and Warrants in Loyal Solutions are scheduled to be admitted to trading on 3 June 2021. Trading takes place in SEK. Prerequisite for listing is (i) Nasdaq First North's spread requirements are met and (ii) the lowest level of SEK 25,999,980.00 for the implementation of the initial part of the Issue of units is achieved.

RIGHT TO DIVIDEND

The New shares entitle the shareholder to a dividend the first time after the Issue of units has been registered with the Danish Business Authority. Any dividends are paid in SEK and is decided at the Annual General Meeting. The payment is provided by Euroclear or for nominee registered holdings in accordance with the respective trustee's routines. Dividend is paid to the person who on the record day of the shareholders' meeting was registered as a shareholder in the shareholder register held by Euroclear.

APPLICABLE LAW

The shares and Warrants are subject to the Danish Companies Act (Selskabsloven) (equivalent to the Swedish Companies Act) and governed by Danish law. However, under Swedish law, the Company is entitled, in relevant respects, directly attributable to Nasdaq First North Growth Market's listing agreement and Swedish stock exchange regulations.

SHAREHOLDER'S REGISTER

Loyal Solutions' shares and Warrants are affiliated to Euroclear. The Company's shareholder register is handled and administered by Euroclear, with the address Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden.

SHAREHOLDER'S RIGHTS

Shareholders' rights regarding distribution of profits, voting rights, pre-emption rights for subscription of shares, etc. are governed by Loyal Solutions' Articles of Association, which are available through Loyal Solutions' website as well as by the Danish Companies Act.

SHAREHOLDER'S REPORT OBLIGATION

All shareholders in Loyal Solutions have an obligation to comply with the reporting rules to the Danish "Public Ownership Register". The registration of holdings shall be made to Loyal Solutions within 14 days after the registration obligation has been actualized (when the holding amounts to or exceeds five percent in Loyal Solutions and/or passes some other thresholds).

See www.erhvervsstyrelsen.dk for more information about the rules regarding "The Public Shareholder's Register".

RESTRICTIONS REGARDING PARTICIPATION IN THE OFFER

Due to restrictions in applicable law in the United States, Canada, Australia, Hong Kong, Singapore, South Africa, Switzerland, New Zealand, Japan or other countries where participation requires further prospectuses, registrations or actions other than those under Swedish and Danish law, the offer to subscribe for Units is not directed at persons or others with registered address in any of these countries.

LOCK-UP

All current shareholders of Loyal Solutions and the Board of Directors participating in the offer have, prior to the Issue of units, entered lock-up agreements ("**lock-up**"). The lock-up has been agreed with ATS Finans AB, under the

auxiliary business name Sedermera Fondkommission. The lock-up includes the number of shares set out below. The lock-up period extends until the Warrant exercise is completed, however not earlier than twelve (12) months from the first day of trading on Nasdaq First North Growth Market. During this period, the parties have agreed not to sell any shares and/or Warrants or execute other transactions with equivalent effect as a sale without, in each case, having first obtained a written consent from Sedermera Fondkommission.

The decision to issue such written consent is decided entirely at the discretion of the Company's financial advisor Sedermera Fondkommission and an assessment is made in each individual case. Decisions to grant such an exemption can be based on both personal and business reasons. The lock-up agreements comprise 100 percent of all the shares and Warrants of the current shareholders. In total, the number of shares under lock-up comprises 7,500,000 shares, corresponding to approximately 79.3 percent of the shares in the Company after the initial part of the Issue of units has been implemented, provided that it is fully subscribed. The table below contains information on all the shares of the parties that have concluded lock-up agreements. After the end of the respective lock-up period, the shares may be offered for sale, which may affect the market price of the share if applicable. Exceptions to the lock-up may be made by Sedermera Fondkommission and/or as a result of mandatory requirements under applicable securities laws and regulations.

| Name | Number of shares | Share of ownership (%) | Expected expiration date |
|----------------------------|-------------------------|-------------------------------|---------------------------------|
| LH-Bien 2 ApS | 3,858,730 | 51.45 | 26 th of May 2022 |
| LH-Rams Holding A/S | 1,803,516 | 24.05 | 26 th of May 2022 |
| LH-RHN Holding af 2015 ApS | 1,541,932 | 20.56 | 26 th of May 2022 |
| ABSI Group Holding ApS | 295,822 | 3.94 | 26 th of May 2022 |

DILUTION

The New shares in the Issue of units will result in the Company's share capital increasing by nominally DKK 1,299,999.00 with minimum subscription, and nominally DKK 1,999,998.00 with maximum subscription. The existing shares, which have been issued as at the date of this Prospectus, will be diluted by the Issue of units.

Following the completion of the Issue of units, the existing shares, which have been issued as at the date of this Prospectus, will make up 85.2 percent of the Company's total share capital with minimum subscription and 78.9 percent with maximum subscription.

ADDITIONAL INFORMATION

All New shares and Warrants that are offered through this Issue of units will be newly issued. There are no natural or legal persons offering to sell or loan shares or Warrants in the Issue of units.

In case any subscriber pays an excess amount for subscribed Units, the exceeding amount will be refunded to the subscriber. Amounts below SEK 100.00 will not be refunded.

ISSUING AGENT AND FINANCIAL ADVISOR

Nordic Issuing is acting as issuing agent in connection with current Issue of units. Sedermera Fondkommission is acting as financial advisor.

QUESTIONS WITH REGARDS TO THE ISSUE OF UNITS CAN BE ASKED TO

Nordic Issuing

Telephone: +46 (0)40-632 00 20

E-mail: info@nordic-issuing.se

Loyal Solutions A/S

Telephone: +45 33 26 78 31

E-mail: info@loyalsolutions.eu

LIST OF PRE-SUBSCRIBERS

| Subscriber | Org. no | | Amount (SEK) |
|------------------------------------|-------------|--|----------------------|
| Erik Hydeskov | | | 6,999,960.00 |
| Jens Olsson | | | 3,000,000.00 |
| Polynom Investment AB | 559123-7606 | Rostvingegatan 19, 218 33 Bunkeflostrand, Sweden | 3,000,000.00 |
| Richard Kilander | | | 2,499,960.00 |
| Jimmie Landerman | | | 999,960.00 |
| Gerhard Dal | | | 999,960.00 |
| Somscan ApS | 37703435 | Marielystvej 11, 2000 Frederiksberg, Denmark | 999,960.00 |
| Rickard Danielsson | | | 799,980.00 |
| Per Vasilis | | | 750,000.00 |
| Christian Duus Holding ApS | 29239746 | Bakkegårds Allé 38, 6000 Kolding, Denmark | 679,980.00 |
| Strategic Wisdom Nordic Aktiebolag | 556543-2472 | Norrsviksvägen 24 A, 181 65 Lidingö, Sweden | 549,960.00 |
| Thomas Klitbo | | | 499,980.00 |
| Jonatan Forsberg | | | 499,980.00 |
| Peter Mörsell | | | 499,980.00 |
| Nils-Holger Olsson | | | 499,980.00 |
| Kent Eklund | | | 399,960.00 |
| Thomas Feldthus | | | 399,960.00 |
| Simon Hammarström | | | 399,960.00 |
| Jakob Svensson | | | 399,960.00 |
| Rune Löderup | | | 399,960.00 |
| Henrik Amilon | | | 349,980.00 |
| Henrik Andreasson | | | 300,000.00 |
| Peter Rundlöf | | | 300,000.00 |
| Erik Sedenberg | | | 300,000.00 |
| Ark Invest ApS | 39722232 | Vingårds Allé, 2900 Hellerup, Denmark | 300,000.00 |
| JSH Biotech ApS | 25220129 | Vingårds Allé, 2900 Hellerup, Denmark | 300,000.00 |
| Christian Månsson | | | 300,000.00 |
| Tonoy Sayeed | | | 300,000.00 |
| Jens Miöen | | | 300,000.00 |
| Fredrik Åhlander | | | 249,960.00 |
| Peter Fæster | | | 199,980.00 |
| Johan Larsholm | | | 199,980.00 |
| John Moll | | | 199,980.00 |
| Stefan Hansson | | | 199,980.00 |
| Patric Blomdahl | | | 199,980.00 |
| Johan Stein | | | 150,000.00 |
| Jacob Andersson | | | 150,000.00 |
| SVTB Holding Aktiebolag | 556753-1909 | Reimersholmsholmsgatan 8, 117 40 Stockholm, Sweden | 150,000.00 |
| Johan Landén | | | 99,960.00 |
| Niklas Engman Aktiebolag | 556523-9455 | Sten Bergmans väg 25, 121 46 Johanneshov, Sweden | 99,960.00 |
| Total subscription | | | 29,929,200.00 |

Board of Directors and executive management

BOARD OF DIRECTORS

Pursuant to clause six (6) of Loyal Solutions' Articles of Association, the Board of Directors shall consist of at least four (4) and no more than eight (8) members elected by the General Meeting. As at the date of this Prospectus, the Board of Directors consists of five (5) members elected by the Annual General Meeting held on 19 October 2020 for the period until the end of the next Annual General Meeting. All members of the Board of Directors may be contacted at the Company's address, Robert Jacobsens Vej 68, 2300 Copenhagen S, Denmark.

Being a Company registered with an AISP license and approved under EUs PSD2 directive for Open Banking, all members of the Board of Directors maintain a "Fit & Proper" approval as required by the DFSA.

The table below contains information about the members of the Board of Directors, their year of birth, each member's position, the year they were elected as board members for the first time, and whether they are considered to be independent in relation to the Company and its executive management, and major shareholders. The table is followed by individual information regarding each board member as well as their shareholdings and potential stock options in the Company as at the date of this Prospectus.

| Name | Year of birth | Position | Member of the Board since | Independent in relation to: | |
|----------------|---------------|----------|---------------------------|--|--------------------|
| | | | | The Company and its executive management | Major shareholders |
| Frank Hansen | 1964 | Chairman | 2011 | Yes | No |
| Henrik Nielsen | 1964 | Member | 2015 | Yes | Yes |
| Keld Strudahl | 1959 | Member | 2012 | Yes | Yes |
| Morten Hershøj | 1972 | Member | 2011 | Yes | Yes |
| Peter Kisbye | 1956 | Member | 2011 | No | No |

Information on the members of the Board of Directors



Frank Hansen, born 1964

Chairman of the Board of Directors since 2015

Education: Cand Jur. (Law degree), Copenhagen University, Denmark

About: Frank Hansen is partner in the law firm Hansen Thomsen & Birkenfeldt Advokatpartnerselskab based in Copenhagen. Hansen has interests in a variety of investments in Scandinavia, Germany and the United Kingdom. Areas include real estate, IT and general venture capital.

Other ongoing assignments: Member of the Board of Directors of Loyalty Holdings A/S, Jens G. Andersen A/S, absi anpartsselskab, Foreign Property Value ApS, Ejendomsselskabet Kubehusene A/S, Dogley ApS, Ferrari 10 ApS, Bymidten 70 ApS and Nosco ApS, Chairman of the Board of Directors of K/S UK Properties II, K/S UK Properties IV, GlycoSpot ApS, Container Living Holding ApS, Kenya Property Holding ApS, Hansen Thomsen & Birkenfeldt Advokatpartnerselskab, Container Living Musicon ApS and BID Frederiksberggade 1459 F.M.B.A, Director of Anpartsselskabet af 10. September 2018, Niord Venture ApS, Kenya Investment DK ApS, Advokat F. Hansen ApS, HT UK Investment ApS, Anpartsselskabet af 4. april 2016, Ejerlejlighedsselskabet af marts 2016 ApS, FHM Invest ApS, Ejendomsselskabet Matr.nr. 32 Vester Kvarter ApS, WF Loaninvest ApS, Glycospot Invest ApS, GFP Invest ApS, Bien 2 ApS, FJC Finans ApS, HTB Komplementar ApS. CEO of VP Hamborg I ApS, VP Hamborg II ApS, VP Frankfurt II-A ApS and Ejendomsselskabet Østergade 15 ApS, Owner of KR 362 ApS.

Shareholding in the Company: LH-Bien 2 ApS owns 3,858,730 shares in the Company. LH-Bien 2 ApS is owned by Bien 2 ApS, which is ultimately owned to 50 percent by the company KR 362 ApS (of which Frank Hansen owns 100 percent) and 50 percent by Ejendomsanpartsselskabet Kratmosehøj (owned by Helle Bernstorff Hydeskov (50 percent) and Martin Bernstorff Hydeskov (50 percent)). In addition, KR362 Aps owns 26.1 percent of the company ABSI Group Holding ApS, which owns 295,822 shares in Loyal Solutions. In addition, Frank Hansen owns 22,500

warrants (from the incentive program decided on 17 March 2021,) which can be exercised in two different tranches, 3 June 2021 and 3 June 2022.



Keld Strudahl, born 1959

Member of the Board of Directors since 2012

Education: Cand.merc. (Master of Business Administration) in Marketing, Copenhagen Business School, Copenhagen, Denmark

About: Keld Strudahl has served 15 years as global marketing director for Carlsberg A/S and has extensive management experience and an impressive global network.

Other ongoing assignments: CEO at BrandActivators, member of the Board of Directors of My4 ApS and Fonden Climate Planet Foundation.

Shareholding in the Company: Keld Strudahl owns 5,625 warrants (from the incentive program decided on 17 March 2021), which can be exercised on 3 June 2022.



Morten Hershøj, born 1972

Member of the Board of Directors since 2011

Education: Graduate Diploma in Marketing, Copenhagen Business School, Copenhagen, Denmark.

About: Morten Hershøj is co-founder of Another, a leading digital agency in Denmark. Morten is recognized as a leading authority in digital marketing and branding in Scandinavia. Prior to his current position, Morten has held several managerial positions in the marketing field, both on the agency and customer side.

Other ongoing assignments: Managing Director & Partner, Another CPH ApS, member of the Board of Kreativitet & Kommunikation and owner of Anna M APS.

Shareholding in the Company: Morten Hershøj owns 5,625 warrants (from the incentive program decided on 17 March 2021), which can be exercised on 3 June 2022.



Henrik Nielsen, born 1964

Member of the Board of Directors since 2015

Education: BA in Commerce, La Commerciale, Bellinzona Switzerland, BSc in Business Administration, Loyola Marymount University, California, USA and MSc in Financial Economics, University of Delaware, Delaware, USA. Certified Investment Management Analyst, The Wharton School of the University of Pennsylvania, USA.

About: Henrik Nielsen is Group First Vice President at GNH capital/Wells Fargo Advisors San Francisco. Prior to GNH capital, Henrik was VP at Merrill Lynch.

Other ongoing assignments: Member of the Board of Directors of Loyalty Holdings A/S, RHN Invest A/S and absi anpartsselskab, Chairman of the Board of Directors of Bjerregård Strand Invest A/S, Plantagehusene ved Frederikssund A/S, Planet Living Blistrup A/S, Planet Holding Danmark A/S, Planet Produktion A/S, Planet Living A/S, Planet-Projekt A/S, Planet Invest A/S, Planet-Ejendomsinvest A/S, Planet Holding A/S and Planet Huse A/S, Director of Nielsen Inter-Consult ApS and RHN Holding af 2015 ApS.

Shareholding in the Company: Henrik Nielsen owns 5,625 warrants (from the incentive program decided on 17 March 2021), which can be exercised on 3 June 2022.



Peter Kisbye, born 1956

Member of the Board of Directors since 2011

Education: BA in Management, California State University, Northridge (CSUN), USA

About: Upon returning from the US, Peter joined the family travel agency and built it from one office with three employees to a nationwide company with 55 employees. The company was acquired by TUI (at the time “Fritidsresor”), for which Peter stayed on and became CEO. After the company later was acquired by the Swiss listed Kuoni Group, Peter became its CEO in Denmark and COO in the Nordics. Kuoni’s Scandinavian operations had 1.000+ staff, several market leading brands incl. Apollo and an airline. Thus, Peter brings extensive entrepreneur and

management resources, having spent the previous 25+ years as CEO in private and publicly traded companies. Peter Kisbye joined Loyalty Holdings A/S as its first venture investor and CEO in July 2003 and started Loyal Solutions A/S in 2009.

Other ongoing assignments: Member of the Board of Directors of Billetkontoret A/S, Rams Holding A/S, and absi anpartsselskab, Director of Niord Venture ApS.

Shareholding in the Company: LH-Rams Holding A/S owns 1,803,516 shares in the Company. LH-Rams Holding A/S is owned by Rams Holding A/S, which is ultimately owned 100 percent by Peter Kisbye. In addition to this, Rams Holding A/S owns 26,9 percent of the company ABSI Group Holding ApS, which owns 295,822 shares in Loyal Solutions. Peter Kisbye also owns 75,000 warrants (from the incentive program decided on 17 March 2021,) which can be exercised in two different tranches, on 3 June 2021 and 3 June 2022.

Information about planned changes to the Board of Directors

Contingent on a successful Issue of units, the Company plans the following changes to the Board of Directors. Peter Kisbye will step down as board member and focus solely on his role as CEO. Henrik Nielsen will step down from the Board of Directors, due to rules at Wells Fargo & Co., where Nielsen is International Wealth Management Advisor and Keld Strudahl will step down as Board Member. An Extraordinary General Meeting where these changes to the Board of Directors are enacted is planned prior to the listing at Nasdaq First North.

Candidates for the Board of Directors, to be elected prior to the listing and to join Frank Hansen and Morten Hershøj as board members are to be presented spring 2021. One of these candidates will be Thomas Klitbo (presented below). If Thomas Klitbo is elected as board member, Klitbo will be independent in relation to the Company and its executive management, as well as in relation to the Company's major shareholders.

Thomas A. Klitbo, born 1980

Education: M.Sc. in Economics, University of Aarhus School of Economic and Management, Aarhus, Denmark.

About: Thomas Klitbo is a professional investor and has served almost 14 years in various managerial positions at IK Investment Partner, for the last six years as partner. Before joining IK Investment Partners, Thomas served almost two years as consultant at Boston Consulting Group and has extensive experience in venture capital and scaling up companies.

Other ongoing assignments: FREC Holding, Director and owner.

Shareholding in the Company: Thomas Klitbo owns 5,625 warrants (from the incentive program decided on 17 March 2021), which can be exercised on 3 June 2022.

EXECUTIVE MANAGEMENT

All persons discharging managerial responsibilities in Loyal Solutions may be contacted at the Company's address, Robert Jacobsens Vej 68, 2300 Copenhagen S, Denmark.

Being a Company registered with an AISP license and approved under EUs PSD2 directive for Open Banking, all CVR registered members of the executive management, as at the date of this Prospectus the CEO Peter Kisbye, maintain a "Fit & Proper" approval as required by the DFSA.

The table below contains information about the executive management of Loyal Solutions, their year of birth, current position and the year the person became a member of the executive management. The table is followed by individual information regarding each person as well as their shareholdings and potential stock options in the Company as at the date of this Prospectus.

| Name | Year of birth | Position | Member of executive management since |
|-------------------------------|---------------|----------|--------------------------------------|
| Peter Kisbye | 1956 | CEO | 2005 |
| Jens Augustenborg | 1967 | CTO | 2010 |
| Jane Bang Stoltze | 1989 | COO | 2017 |
| Pernille Normand Farup-Hansen | 1980 | CFO | 2020 |

Information on the executive management

Peter Kisbye, born 1956

Chief Executive Officer, CEO

See "Information on the members of the Board of Directors" above.



Jane Bang Stoltze, born 1989

Chief Operating Officer, COO

Education: Professional Bachelor (PBA) Leisure Management, University College Sjælland, Denmark and Mini MBA, Aros Copenhagen, Denmark.

About: Jane Bang Stoltze has over 10 years of project coordination experience mainly from the event industry. She has been part of Loyal Solutions since 2015 and is responsible for every aspect of the day-to-day operations and ensuring that clients across the world experience world class performance and service.

Shareholding in the Company: Jane Bang Stoltze owns a total of 45,000 warrants (from the incentive program decided on 17 March 2021,) which can be exercised in two different tranches, on 3 June 2021 (22,500 warrants) and 3 June 2022 (22,500 warrants).



Jens Augustenborg, born 1967

Chief Technical Officer, CTO

Education: Datamatiker in Computer Science, Niels Brock, Copenhagen University, Denmark.

About: Jens Augustenborg has over 20 years of IT experience from large organizations such as Berlingske Media A/S, Scanjour A/S, Scanpix A/S and A+ Arrowne A/S. In his current position as CTO at Loyal Solutions, Jens Augustenborg is responsible for the long-range direction of the organization's technology function and maintains technology standards for the organization.

Shareholding in the Company: Jens Augustenborg owns a total of 45,000 warrants (from the incentive program decided on 17 March 2021,) which can be exercised in two different tranches, on 3 June 2021 (22,500 warrants) and 3 June 2022 (22,500 warrants).



Pernille Normand Farup-Hansen, born 1980

Chief Financial Officer, CFO

Education: Graduate Diploma in Business Administration, Copenhagen Business School, Denmark and MSc in Business Administration and Auditing, Copenhagen business School, Denmark.

About: Pernille Normand Farup-Hansen is a Certified Public Accountant and holds more than 15 years of experience as an auditor including 4 years at the supervisory authority (Revisortilsynet) under the Danish Business Authority. Before joining Loyal Solutions, Pernille Normand Farup-Hansen held the position as CFO at LiveTiles Europe A/S, previously listed on ASX (Australian Securities Exchange), and for a period also the position as managing director.

Shareholding in the Company: As a result of the incentive program decided on 17 March 2021, Pernille Normand Farup-Hansen owns 11,250 warrants, which can be exercised on 3 June 2021 and 11,250 warrants which can be exercised over a period of 36 months starting 3 December 2021.

ADDITIONAL INFORMATION ABOUT THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

All members of the Board of Directors are elected until the following Annual General Meeting. Members of the Board of Directors may resign from their position at any time. The division of responsibilities between the CEO and the Board of Directors is defined in the Board of Directors' rules of procedure as well as the CEO instructions and delegation of authority established by the Board of Directors. Both the rules of procedure as well as the CEO instructions are determined annually by the Company's Board of Directors. Issues related to audit and compensation matters are decided directly by the Board of Directors. The Company is not obligated to follow the Swedish Code of Corporate Governance and has not voluntarily pledged to follow this.

No member of the Board of Directors or the executive management has, during the past five years, been convicted in any fraud-related case, nor been subject to any prohibition of engaging in commercial activities. There exist no sanctions or allegations from the competent authorities (including approved professional bodies) against these persons and no member of the Board of Directors or the executive management has, in the past five years, been disqualified by a court from holding a position on an administrative, management or supervisory body or from holding an executive or senior position at a company. No member of the Board of Directors or the executive management has, during the past five years, been declared bankrupt or in liquidation, nor been involved in any bankruptcy or mandatory liquidation proceedings in relation to companies they have represented in the past five years.

There are no family ties between any of the members of the Board of Directors or executive management. No member of the Board of Directors or executive management has any conflicts of interest in which private interests would conflict with the Company's interests. Further, no member of the Board of Directors or the executive management has entered into any agreement with the Company that would entitle to post-employment benefits, other than what is set forth in this Prospectus. However, certain members of the Board of Directors and the executive management have financial interests in the Company as a consequence of their shareholdings, see table below:

| | Number of shares | Number of warrants |
|-----------------------------------|------------------|--------------------|
| <i>Board of Directors</i> | | |
| Frank Hansen | | 22,500 |
| <i>LH-Bien 2 ApS*</i> | 3,827,153 | - |
| <i>ABSI Group Holding ApS**</i> | 310,082 | - |
| Keld Strudahl | - | 5,625 |
| Morten Hershøj | - | 5,625 |
| Henrik Nielsen | - | 5,625 |
| Peter Kisbye | | 75,000 |
| <i>LH-Rams Holding A/S***</i> | 1,823,703 | - |
| <i>ABSI Group Holding ApS****</i> | 310,082 | - |
| <i>Executive management</i> | | |
| Peter Kisbye | | 75,000 |
| <i>LH-Rams Holding A/S***</i> | 1,823,703 | - |
| <i>ABSI Group Holding ApS****</i> | 310,082 | - |
| Jane Bang Stoltze | - | 45,000 |
| Jens Augustenborg | - | 45,000 |
| Pernille Normand Farup-Hansen | - | 22,250 |

* Wholly owned by Bien 2 ApS, which is ultimately owned to 50 percent by the company KR 362 ApS (of which board member Frank Hansen owns 100 percent) and 50 percent by Ejendomsanpartsselskabet Kratmosehøj (owned by Helle Bernstorf Hydeskov (50 percent) and Martin Bernstorf Hydeskov (50 percent)).

** KR362 ApS, wholly owned by board member Frank Hansen, owns 26.1 percent of the company ABSI Group Holding ApS

*** LH-Rams Holding A/S is owned by Rams Holding A/S, which is ultimately owned 100 percent by Peter Kisbye.

**** Rams Holding A/S, wholly owned by CEO and board member Peter Kisbye, owns 26,9 percent of the company ABSI Group Holding ApS

REMUNERATION TO THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Remuneration for the Board of Directors are determined by the General Meeting. The Annual General Meeting held in October 2020 resolved that an annual fee of DKK 150,000 shall be paid to the Chairman of the Board of Directors of the Company and an annual fee of DKK 50,000 shall be paid to each other board member. Remuneration to members of the executive management comprises a fixed monthly salary, warrant program, bonus, pension, and other benefits.

The table below presents remuneration paid to members of the Board of Directors and executive management during the financial year 2019/2020 ending 30 June 2020. Loyal Solutions has no reserved amounts for pension or similar benefits following the resignation of a Board member or a member of the executive management.

| DKK | Remuneration/ Salary | Other remuneration | Pension | Total |
|---------------------------------|---------------------------------|-------------------------------|----------------|--------------|
| <i>Board of Directors</i> | | | | |
| Frank Hansen | 150,000 | 0 | 0 | 150,000 |
| Henrik Nielsen | 0 | 0 | 0 | 0 |
| Keld Strudahl | 50,000 | 0 | 0 | 50,000 |
| Morten Hershøj | 50,000 | 0 | 0 | 50,000 |
| Peter Kisbye | 0 | 0 | 0 | 0 |
| <i>Executive management</i> | | | | |
| Peter Kisbye* | 320,000 | 83,030.74 | 19,200 | 422,230.74 |
| Jens Augustenborg | 930,000 | 165,439.03 | 55,800 | 1,151,239.03 |
| Jane Bang Stoltze | 633,600 | 163,245.55 | 38,016 | 834,861.55 |
| Pernille Normand Farup-Hansen** | 0 | 0 | 0 | 0 |

* During the scale up phase, Peter Kisbye has not claimed his full contracted salary, and no back salary is due as a result of this. From 2020 Peter Kisbye is remunerated according to the employment contract (DKK 1.800.000 annually plus benefits, bonus and warrants)

** Pernille Normand Farup-Hansen started her role as company CFO in December 2020

Selected financial information

INTRODUCTION

Loyal Solutions is not part of any group and does not have any subsidiaries. Therefore, the financial information in this Prospectus applies exclusively to Loyal Solutions A/S, with corporate registration number (CVR) 28850263.

The financial information incorporated in this Prospectus by reference includes the annual reports for the financial years 2019/2020 and 2018/2019 and interim accounts pertaining to the financial period 1 July 2020 to 31 March 2021, with comparative accounts for the period 1 July 2019 to 31 March 2020, which have been prepared in accordance with the provisions of the Danish Financial Statements Act governing enterprises of reporting class B. The annual reports have been audited by the Company's independent auditor as set forth in their audit report included therewith. The interim accounts pertaining to the financial period 1 July 2020 to 31 March 2021, including comparative figures for the corresponding period from the previous financial year as well as cash flow figures for the periods pertaining to the historical financial information included in this Prospectus, have been prepared for the purpose of being included in this Prospectus and have not been audited or reviewed by the Company's auditor.

FINANCIAL INFORMATION INCORPORATED BY REFERENCE

The following documents incorporated by reference herein are available at Loyal Solutions office (Robert Jacobsens Vej 68, 2300 Copenhagen S, Denmark) and website www.loyalsolutions.eu. The pages that are not incorporated below are not relevant or are presented elsewhere in this Prospectus.

Loyal Solutions unaudited interim accounts for the period July 2020–March 2021

Income statement, page 1

Balance sheet, pages 2-3

Cash flow statement, pages 4-5

Statement of changes in equity, pages 6-7

Loyal Solutions audited annual report for the financial year 2019/2020

Independent auditor's report, pages 5-8

Income statement, page 14

Balance sheet, pages 15-18

Notes to the financial statements, pages 19-20

Loyal Solutions audited annual report for the financial year 2018/2019

Independent auditor's report, pages 4-7

Income statement, page 13

Balance sheet, pages 14-16

Notes to the financial statements, page 17

AUDITING OF FINANCIAL INFORMATION

The annual reports for the financial years 2019/2020 and 2018/2019 have been audited by Aaen & Co. statsautoriserede revisorer p/s, without negative observations or comments.

Notes to the financial statements can be found in the audited annual reports for the financial years 2019/2020 and 2018/2019, which have been incorporated into the Prospectus by reference, see section "Documents incorporated by reference". Unless otherwise stated, no other information in the Prospectus has been audited or reviewed by the Company's auditor.

As at the date of this Prospectus, Beierholm, Statsautoriseret Revisionspartnerselskab with corporate registration number (CVR) 32895468 and visiting address Knud Højgaards Vej 9, 2860 Søborg, Denmark, is the Company's independent auditor. Henrik Agner Hansen, Partner and State Authorised Public Accountant and members of FSR - Danish Auditors, is the auditor in charge.

Previously, Loyal Solutions' independent auditor was Aaen & Co. statsautoriserede revisorer p/s with corporate registration number (CVR) 33241763 and visiting address Kongevejen 3, 3000 Helsingør, Denmark. As Aaen & Co. does not audit listed companies, the role was given to Beierholm upon the decision to do an IPO.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

As at the date of this Prospectus, no significant changes with respect to the Company's financial position has occurred since 31 March 2021.

DIVIDEND POLICY

Loyal Solutions does not have a dividend policy. The Board of Directors of Loyal Solutions intends to finance development, operations, and growth with possible profits. As a consequence, the Board of Directors does not expect to declare dividends for the financial years 2020/2021 and 2021/2022. Any future dividends, and the amount of such, are dependent on, among other things, the Company's future earnings, financial condition, working capital requirements and liquidity. Dividends are decided by the Annual General Meeting based on a proposal from the Board of Directors.

Legal issues, ownership structure and additional information

SHARE INFORMATION

As of 31 March 2021, the Company's registered share capital amounts to DKK 7,500,000.00 divided among 7,500,000 shares, corresponding to the share capital amount and number of shares at the beginning of the year, 1 January 2021. As of 1 January 2020, the Company's registered share capital amounted to DKK 7,500,000.00 divided among 7,500,000 shares, corresponding to the share capital amount and number of shares at the end of the year, 31 December 2020. There is only one class of shares and the nominal value of each share is DKK 1.00. According to Loyal Solutions' Articles of Association, adopted by the Extraordinary General Meeting on 17 March 2021, the authorised share capital of the Company is DKK 7,500,000.00 divided into 7,500,000 shares. Loyal Solutions shares have been issued pursuant to Danish law and are denominated in DKK. The shares have been fully paid and are freely transferrable.

The Issue of units, upon registration, will result in the Company's share capital increasing from DKK 7,500,000.00 to DKK 9,499,998.00 and the number of shares increasing from 7,500,000 shares to 9,499,998 shares. The currency of the Issue of units is SEK. The dilution after the initial IPO of units (provided that it is fully subscribed) is approximately 21 percent. The dilution after the warrant exercise (provided that all warrants are exercised) is approximately 12.3 percent. Provided that the IPO of units is fully subscribed, and all warrants are exercised the total dilution is approximately 30.7 percent.

OWNERSHIP STRUCTURE

The table below sets forth information about the shareholders of Loyal Solution as at the date of this Prospectus. There is only one class of shares and each share carries one (1) vote at general meetings. As at the date of this Prospectus, the Board of Directors is not aware any directly or indirectly controlling parties or of any such agreements that can change the control of the Company. Except for what is presented in the table below, there are no, according to the Company's knowledge, natural or legal persons owning more than five (5) percent of the votes and capital.

| Part | Number of shares | Percentage of votes and capital (%) |
|---|------------------|-------------------------------------|
| LH-Bien2 ApS ¹ | 3,827,152 | 51.0287 |
| LH-Rams Holding A/S ² | 1,823,704 | 24.3161 |
| LH-RHN Holding af 2015 ApS ³ | 1,539,062 | 20.5208 |
| ABSI Group Holding ApS ⁴ | 310,082 | 4.1344 |
| Total | 7,500,000 | 100.0000 |

¹ Owned by Bien 2 ApS, which is ultimately owned by the company KR 362 ApS (of which Chairman of the Board Frank Hansen owns 100 percent) and Ejendomsanpartsselskabet Kratmosehøj (owned by Helle Bernstorff Hydeskov (50 percent) and Martin Bernstorff Hydeskov (50 percent)).

² Owned by Rams Holding A/S, which is ultimately owned by CEO and board member Peter Kisbye.

³ Owned by RHN Holding af 2015 ApS, which is ultimately owned by Rudi Poula Raasthøj Nielsen, parent to board Member Henrik I Nielsen.

⁴ Owned by Rams Holding, RHN Holding af 2015, KR 362 Apps, and PH Holding Vedbæk Aps.

LOCK-UP UNDERTAKINGS

Major shareholders, CEO, and members of the Board of Directors of Loyal Solutions have committed, via lock-up agreements, not to sell any of their shares in the Company for a period of three months starting the first day of trading. The same parties have for an additional period of approximately nine months (until the end of the exercise period for the warrants being issued through the Issue of units) following the first three months, committed to not divest more than a maximum of 10 percent of their holdings in the Company. Notwithstanding the provisions of the

lock-up agreements, the parties who have agreed to a lock-up of shares may sell shares according to the terms and conditions of a public takeover offer pursuant to the Swedish Public Takeover Bids on the Stock Market Act (Sw. *Lag om offentliga uppköpserbjudanden*). Apart from the lock-up agreements, there are no limitations to freely transfer shares in the Company. For additional information on the lock-up agreements, please refer to the section “Terms and conditions for the offer – Lock-up” in this Prospectus.

MATERIAL CONTRACTS

Cooperation agreement with Mastercard

The Company has, since 16 December 2019, a service agreement with Mastercard Europe S.A. (“Mastercard”). The agreement applies “Card linked services”, which enables the Company to connect LoyalTfacts to the Mastercard systems, infrastructure and APIs in order to facilitate loyalty solutions on any Mastercard. The agreement applies to Scandinavia, Australia, Canada, the United States, and the United Kingdom. Mastercard provides the Company access to the data owned and held by Mastercard, data which the Company needs in order to connect payments by card to the collecting of bonus points. For this, the Company pays both fixed and variable costs to Mastercard. The agreement is a standard agreement from Mastercard’s side with an initial period of 36 months and then a termination for convenience with twelve (12) months’ notice.

In December 2020 the cooperation was expanded to cover Mastercard globally with an agreement between the Company and Mastercard Asia/Pacific Pte Ltd on same standard terms as the initial contract. The agreements enable the Company to operate globally in cooperation with Mastercard.

Cooperation agreement with NETS

The agreement with NETS enables solutions with Danish domestic payment scheme (Dankort) and other NETS business areas. For this, the Company pays a fixed monthly fee to NETS. The agreement was signed in November 2020 and may be terminated for convenience with six (6) months’ notice, with effect no earlier than December 2023. The agreement is a standard agreement for “card linking” on the Danish domestic scheme, Dankort.

Service agreement with Visa

The Company has, since 8 April 2015, a service agreement with Visa. The agreement regulates data transferring between cards and terminals concerning payments. Visa allows the Company to use Visa’s network in connection with the Company’s collection of data, to manage the Company’s collection of bonus points. The Company pays Visa a subscription fee as well as variable costs. For the Company to be able to work with other actors, consent is required between the Company, Visa, and the third party of interest. This is a requirement if the Company wants to be able to use its technology and connect card usage to the bonus point system. The agreement is ongoing with a notice period of three months. As of 31 August 2020, the Company notified Visa that it will discontinue to use Visa’s services for SAS. It is solely the usage connecting Visa, the Company, and SAS that will cease to apply. In other aspects, the service agreement between the Company and Visa applies as previously described. The cooperation between Visa and the Company has evolved over time with additional amendments and agreements being implemented, allowing the Company to utilize a wide range of different solutions provided by Visa, including but not limited to Visa VLPS, VOP and VTS which all are Visa proprietary IT systems. Per August 2020 the Company has a global agreement with Visa enable “Card linking” to any Visa card globally.

Cooperation agreement with American Express

The Company has, since October 2019, a service agreement with American Express Payments Europe S-L (“AMEX”). The agreement applies to the connection between payment through credit card and the Company’s technical solution regarding their bonus point-system. The Company has the right to expand its usage towards other actors within Sweden, Denmark, Norway, the UK and the US, and their bonus point-systems. The Company pays both fixed and variable fees to AMEX. The agreement is a standard agreement from AMEX side with an initial period of 36 months and then a termination for convenience with three (3) months’ notice.

Resale agreement with Bright Insights

The Company has, since 28 April 2020, a resale agreement with Bright Insights Consulting FZE (“**Bright**”). The agreement is an exclusive agreement meaning Bright has the exclusive rights to sell and market the Company in the United Arab Emirates, Kuwait, Oman, Bahrain, Qatar, Greece, and other countries that the parties agree on throughout the agreement period. Bright also has the right to sell the Company's technology at a higher price, compared to the price that Bright pays the Company. In situations where Bright sells the technology to a customer, they are obligated to transfer the regular resale price to the Company. Bright is also entitled to a commission of 10 percent of all fees incurred for the end customer. The agreement has a six-month notice period and can be terminated by both parties. The agreement complies with English law, and any dispute is required to be resolved in English court. In cases where Bright is caused any damage, and/or their management, employees, agents, and/or end consumers, the Company is responsible for all compensation.

Cooperation agreement with Google Cloud Platform (GCP)

The Company can deploy LoyalTfacts® at any PCI DSS complaint data center globally, but the preference is using Google Cloud Platform (“**GCP**”). The agreement applies to the Company's data storage regarding Google's cloud services. In the agreement, there is a reference to Google's “Data and Processing and Security Terms”, which is designed in accordance with the EU Data Protection Regulation (“GDPR”) and contains the standard agreement clauses approved by the European Commission that allows the storage and transfer of personal data outside the EU/EEA. There is no notice period, and the agreement can only be ended if Loyal Solutions is breaking the law.

Apart from above, the Company has not entered into any other material contracts for the year immediately preceding the date of publication of the Prospectus other than contracts entered into in the ordinary course of business.

CONFLICTS OF INTERESTS

No member of the Board of Directors or executive management has any private interests which might conflict with the Company's interests. However, certain members of the Board of Directors and executive management have financial interests in Loyal Solutions as a consequence of their direct or indirect shareholdings in the Company, see section “*Board of Directors and executive management*” in this Prospectus. No member of the Board of Directors or executive management has been elected as a result of agreements or arrangements with shareholders, customers suppliers or other parties.

Except for what is stated above, there are no conflicts of interest and family ties within administrative, management and supervisory bodies, nor with other individuals in senior positions in the Company. In addition, there are no other natural persons or legal entities involved in the Issue of units that have financial or other relevant interests in Loyal Solutions.

CONVERTIBLE SECURITIES, EXCHANGEABLE SECURITIES AND SECURITIES WITH WARRANTS

The Extraordinary General Meeting on 17 March 2021 decided to implement a warrant program for key personnel and members of the Board of Directors. The warrant program gives the parties the right to subscribe for in total a maximum of 375,000 new shares, of which 228,750 new shares can be subscribed at a share price of SEK 26.60 per new share and the remainder 146,250 new shares can be subscribed at a share price of SEK 13.30 per new share. The warrants can be subscribed during the exercise period, which runs from 1 January 2024 until 31 December 2026. Out of the 375,000 warrants 318,750 warrants have been granted at the date of this prospectus. The remainder 56,250 warrants are reserved for new key personnel and new members of the Board of Directors. If all warrants are exercised, the dilution stemming from the exercise of the warrants of this warrant program will be 4.76 percent, based on the number of outstanding shares in the Company at the date of this prospectus. Please note that the warrant program might be subject to recalculation due to share split or other corporate actions taken by the Company. The warrant program will be made in accordance with standard rules and regulations for warrant programs in Denmark.

Apart from above, there are no outstanding warrants, convertibles or similar that will affect the number of shares in the Company in the future.

RELATED-PARTY TRANSACTIONS

The table below set forth transactions between Loyal Solutions and closely related parties during the financial years 2018/2019 and 2019/2020 and between 1 July 2020 and the date of this Prospectus. Except for what is presented in the table below, the Company has not, during the period covered by the historical financial information and up until the date of this Prospectus, been a party to any related-party transactions, which individually or together are material to the Company. For information on remuneration to the members of the Board of Directors and executive management, see section "Board of Directors and executive management – Remuneration to the Board of Directors and executive management".

| DKK | Loans | Purchase of services from | Sales of services to | Sales of services in turnover (%) |
|--------------------------|-------------------|---------------------------|----------------------|-----------------------------------|
| FY 2018/2019 | | | | |
| Absi ApS* | 0 | 506,267 | 2,498,727 | 21.02 |
| Loyalty Holdings A/S** | -1,074,638 | 1,076 | 1,732,666 | 14.57 |
| Trine K Travel Design*** | 0 | 185,256 | 127,176 | 1.07 |
| Total year | -1,074,638 | 692,600 | 4,358,569 | 36.66 |
| FY 2019/2020 | | | | |
| Absi ApS* | 0 | 365,576 | 1,464,856 | 12.00 |
| Loyalty Holdings A/S** | 1,474,694 | 1,076 | 1,275,085 | 10.44 |
| Trine K Travel Design*** | 0 | 148,893 | 153,389 | 1.26 |
| Total year | 1,474,694 | 515,545 | 2,893,330 | 23.70 |
| July 2020- 29 April 2021 | | | | |
| Absi ApS* | 0 | 318,520 | 971,816 | 8.63 |
| Loyalty Holdings A/S** | -4,122,747 | 0 | 0 | 0.00 |
| Trine K Travel Design*** | 0 | 90,408 | 67,623 | 0.60 |
| Total year | -4,122,747 | 408,928 | 1,039,439 | 9.23 |

* Former sister company of Loyal Solutions

** Former mother company of Loyal Solutions

*** Owned by Trine Nyholm Kisbye, spouse of CEO Peter Kisbye

**** Board member Morten Hershøj is the Managing Director and Partner of Another CPH ApS

AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION

Loyal Solutions has not been a party to any legal, arbitration or governmental proceedings (including pending cases or such that the Company is aware may arise), during a period covering at least the previous 12 months, that have had or could have significant effects on the Company's financial position or profitability. Nor has the Company been informed of claims that could lead to Loyal Solutions becoming a party to such a process or arbitration. There are no arrangements, known to the issuer, which may at a subsequent date result in or prevent a change in control of the issuer.

MISCELLANEOUS

There exists no provision of the Company's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.

Documents available for inspection

The below documents are available in electronic form on the Company's website www.loyalsolutions.eu. Printed copies of the documents are also available during ordinary office hours at Loyal Solutions' main office, Robert Jacobsens Vej 68, 2300 Copenhagen S, Denmark, during the period of validity of this Prospectus.

- Memorandum of Association (Constituent Document; Stiftelsesdokument)
- Articles of Association (Corporate Bylaws)

Appendices

| | |
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| APPENDIX C - SWEDISH TRANSLATION OF SUMMARY | 64-69 |

APPENDIX A – ABBREVIATIONS

| | |
|--|--|
| “APAC” | refers to the Asia-Pacific Region. |
| the “Company” or “Loyal Solutions” | refers to Loyal Solutions A/S, corporate registration number (CVR) 28850263. |
| “CEMEA” | refers to Central Europe, Middle East and Africa. |
| “DKK” | refers to the currency Danish kroner. |
| “EU” | refers to the European Union. |
| “EUR” | refers to the currency Euro. |
| “Euroclear” | refers to Euroclear Sweden AB. |
| “GBP” | refers to the currency British pound. |
| “Nasdaq First North” | refers to Nasdaq First North Growth Market Stockholm. |
| the “New Shares” | refers to the shares offered in the Issue of units described in this Prospectus. |
| the “Offer” or “Issue of units” | refers to the offer described in this prospectus, to subscribe for Units, consisting of New shares and Warrants and the admission to trading on Nasdaq First North Growth Market Stockholm |
| “Prospectus” | refers to this EU Growth Prospectus. |
| “SEK” | refers to the currency Swedish krona. |
| the “Units” | refers to shares and free of charge warrants that are issued in connection with the issue of units that are described in this Prospectus |
| “USD” | refers to U.S. dollars. |
| “VP Securities” | refers to VP Securities A/S. |
| “Warrants” | refers to the warrants offered in the Issue of units described in this Prospectus. |

APPENDIX B – LIST OF DEFINITIONS

Software as a Service (“SaaS”)

SaaS is a method of software delivery that allows data to be accessed from any device with an internet connection and a web browser. In this web-based model, software vendors host and maintain the servers, databases, and the code that makes up an application.

PCI DSS

The Payment Card Industry Data Security Standard is an information security standard for organizations that handle branded credit cards from the major card schemes. The PCI Standard is mandated by the card brands but administered by the Payment Card Industry Security Standards Council.

EU PSD2

The Revised Payment Services Directive (PSD2, Directive (EU) 2015/2366, which replaced the Payment Services Directive (PSD), Directive 2007/64/EC[2]) is an EU Directive, administered by the European Commission (Directorate General Internal Market) to regulate payment services and payment service providers throughout the European Union (EU) and European Economic Area (EEA). The PSD's purpose was to increase pan-European competition and participation in the payments industry also from non-banks, and to provide for a level playing field by harmonizing consumer protection and the rights and obligations for payment providers and users. The key objectives of the PSD2 directive are creating a more integrated European payments market, making payments safer and more secure and protecting consumers.

Account Information Solution Provider (AISP)

AISP – Stands for Account Information Service Provider. PISP – Stands for Payment Initiation Service Provider. What can AISP's do? Being an authorised AISP means that business can ask for permission to connect to a bank account and use that bank account information to provide a service.

Artificial Intelligence (“AI”)

Artificial intelligence is intelligence demonstrated by machines, unlike the natural intelligence displayed by humans and animals, which involves consciousness and emotionality.

Machine learning (“ML”)

Machine learning is the study of computer algorithms that improve automatically through experience and by the use of data. It is seen as a part of artificial intelligence.

Hosting solutions

Hosted services are applications, IT infrastructure components or functions that organizations access from external service providers, typically through an internet connection. Hosted services cover a wide spectrum of offerings, including web hosting, off-site backup and virtual desktops. Cloud services also fall within the hosted services category, although not every hosted service resides in the cloud. A customer, for example, may access an application from a hosting provider's dedicated server.

Stored on soil

“Stored on soil” refers to national and/or regional data privacy laws requiring that data on citizens is to be stored in the country of residence. The EU GDPR regulations is the leading example but similar exists in Australia, India, Russia and other countries.

Sammanfattning

AVSNITT 1 - INLEDNING

| | | |
|------------|---|---|
| 1.1 | Värdepapperens namn och ISIN | Erbjudandet består av Units i Loyal Solutions A/S. Aktie: ISIN-kod DK0061535507, Ticker LOYAL. Teckningsoption TO 1: ISIN-kod DK0061549219, Ticker LOYAL TO 1. |
| 1.2 | Namn och kontaktuppgifter för emittenten | Loyal Solutions A/S, org.nr 28850263 och LEI-kod 8945000BUWXW4AVLVY67. Representanter för Loyal Solutions kan nås på telefonnummer +45 33 26 78 39, och via e-post info@loyalsolutions.eu. Bolagets besöksadress är Robert Jacobsens Vej 68, 2300 Köpenhamn S, Danmark och hemsidan är www.loyalsolutions.eu. |
| 1.3 | Namn och kontaktuppgifter för behörig myndighet som godkänt prospektet | Danska Finansinspektionen (på danska: <i>Finanstilsynet</i>) ("DFSA") är den behöriga myndigheten som är ansvarig för godkännandet av detta Prospekt. Besöksadressen till DFSA är Århusgade 110, 2100 Köpenhamn, Danmark, och hemsidan är www.finanstilsynet.dk. DFSA kan även nås via telefonnummer +45 33 55 82 82 och e-post finansstilsynet@ftnet.dk. |
| 1.4 | Datum för godkännande | EU-tillväxtprospektet godkändes av den danska Finansinspektionen den 29 april 2021. |
| 1.5 | Varning | Denna sammanfattning bör läsas som en introduktion till Prospektet. Varje beslut om att investera i värdepapperen bör grundas på att investeraren studerar hela Prospektet. Investeraren kan förlora hela eller delar av sitt investerade kapital. Om ett yrkande relaterat till information i Prospektet görs i domstol kan den investerare som är klagande enligt nationell lagstiftning i medlemsstaterna bli tvungen att betala kostnaden för att översätta Prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar omfattar enbart de personer som har presenterat sammanfattningen inklusive översättningar av denna, men enbart om sammanfattningen är vilseledande, felaktig eller inkonsekvent jämfört med de andra delarna av Prospektet eller om den tillsammans med andra delar av Prospektet inte ger den nyckelinformation som investerare behöver vid beslut om huruvida de ska investera i de berörda värdepapperen. |

AVSNITT 2 - NYCKELINFORMATION OM EMITTENTEN

| 2.1 | Information om emittenten av värdepapperet | Loyal Solutions bildades i Danmark och är ett danskt aktiebolag som regleras av dansk lag och den danska aktiebolagslagen (Dk. Selskabsloven). Loyal Solutions är ett dansk SaaS-bolag som engagerar sig i utveckling, implementering och drift av avancerade lojalitetslösningar. Styrelsen har sitt säte i Köpenhamn, Danmark och Peter Kisbye är Bolagets VD sedan 2005. Bolaget bildades och registrerades i juni 2005 och startade sin verksamhet inom sektorn för SaaS lojalitet 2009. Per dagen för detta Prospekt, ingår Bolaget inte i någon koncern och har inte heller några innehav i andra bolag. Följande tabell visar Bolagets största aktieägare. Styrelsen informerar om att det inte finns några aktieägaravtal eller andra överenskommelser mellan Bolagets aktieägare som försöker få gemensamt inflytande över Bolaget. | | | | | | | | | | | | | | | | | | |
|---|---|--|------------|--------------|-----------------------------------|---------------------------|-----------|---------|----------------------------------|-----------|---------|---|-----------|---------|-------------------------------------|---------|--------|---------------|------------------|-----------------|
| | | <table border="1"> <thead> <tr> <th>Aktieägare</th> <th>Antal aktier</th> <th>Procent av röster och kapital (%)</th> </tr> </thead> <tbody> <tr> <td>LH-Bien2 ApS¹</td> <td>3 827 152</td> <td>51,0287</td> </tr> <tr> <td>LH-Rams Holding A/S²</td> <td>1 823 704</td> <td>24,3161</td> </tr> <tr> <td>LH-RHN Holding af 2015 ApS³</td> <td>1 539 062</td> <td>20,5208</td> </tr> <tr> <td>ABSI Group Holding ApS⁴</td> <td>310 082</td> <td>4,1344</td> </tr> <tr> <td>Totalt</td> <td>7 500 000</td> <td>100,0000</td> </tr> </tbody> </table> | Aktieägare | Antal aktier | Procent av röster och kapital (%) | LH-Bien2 ApS ¹ | 3 827 152 | 51,0287 | LH-Rams Holding A/S ² | 1 823 704 | 24,3161 | LH-RHN Holding af 2015 ApS ³ | 1 539 062 | 20,5208 | ABSI Group Holding ApS ⁴ | 310 082 | 4,1344 | Totalt | 7 500 000 | 100,0000 |
| Aktieägare | Antal aktier | Procent av röster och kapital (%) | | | | | | | | | | | | | | | | | | |
| LH-Bien2 ApS ¹ | 3 827 152 | 51,0287 | | | | | | | | | | | | | | | | | | |
| LH-Rams Holding A/S ² | 1 823 704 | 24,3161 | | | | | | | | | | | | | | | | | | |
| LH-RHN Holding af 2015 ApS ³ | 1 539 062 | 20,5208 | | | | | | | | | | | | | | | | | | |
| ABSI Group Holding ApS ⁴ | 310 082 | 4,1344 | | | | | | | | | | | | | | | | | | |
| Totalt | 7 500 000 | 100,0000 | | | | | | | | | | | | | | | | | | |

1 Ägt av Bien 2 ApS, vilket i sin tur är ägs av bolaget KR 362 ApS (vilket ägs till 100 procent av styrelseordförande Frank Hansen) och Ejendomsanpartsselskabet Kratmosehøj ((ägt av Helle Bernstorff Hydeskov (50 procent) och Martin Bernstorff Hydeskov (50 procent)).

2 Ägt av Rams Holding A/S, vilket i sin tur är ägs av VD och styrelsemedlemmen Peter Kisbye.

3 Ägt av RHN Holding af 2015 ApS, vilket i sin tur är ägs av Rudi Poula Raasthøj Nielsen, familjemedlem till styrelsemedlem Henrik I Nielsen.

4 Ägt av Rams Holding, RHN Holding af 2015, KR 362 Apps, och PH Holding Vedbæk Aps

2.2 Finansiell nyckelinformation om emittenten

Den finansiella informationen som har blivit införlivad i detta Prospekt via hänvisning inkluderar årsredovisningarna för räkenskapsåren 2019/2020 och 2018/2019 samt delårsräkenskaper för perioden 1 juli 2020 till 31 mars 2021, med jämförande räkenskaper för perioden 1 juli 2019 till 31 mars 2020, vilka har upprättats i enlighet med den danska "årsregnskabsloven" för företag i rapporteringsklass B. Årsredovisningarna har granskats av Bolagets oberoende revisor i enlighet med inkluderad revisionsberättelse. Delårsräkenskaper för perioden 1 juli 2020 till 31 mars 2021, inklusive jämförelsetal för motsvarande period från föregående räkenskapsår samt kassaflöden för de perioder som hänför sig till den historiska finansiella informationen som ingår i detta Prospekt har förberetts i syfte att ingå i detta Prospekt och har inte granskats eller reviderats av Bolagets revisor.

Resultaträkning

| DKK | 2020-07-01 | 2019-07-01 | 2019-07-01 | 2018-07-01 |
|----------------------------|--------------|--------------|------------|------------|
| | 2021-03-31 | 2020-03-31 | 2020-06-30 | 2019-06-30 |
| | Ej reviderad | Ej reviderad | Reviderad | Reviderad |
| Bruttovinst | 2 938 318 | 2 646 990 | 4 555 083 | 4 376 916 |
| EBIT | -2 602 741 | -1 328 960 | -949 343 | 256 157 |
| Vinst/förlust för perioden | -3 276 332 | -1 935 107 | -1 143 116 | 354 495 |

Balansräkning

| DKK | 2021-03-31 | 2020-03-31 | 2020-06-30 | 2019-06-30 |
|--------------------|--------------|--------------|------------|------------|
| | Ej reviderad | Ej reviderad | Reviderad | Reviderad |
| Summa tillgångar | 16 597 608 | 14 243 888 | 18 699 543 | 16 545 908 |
| Summa eget kapital | 2 279 868 | 641 463 | 1 433 454 | 2 576 570 |

Kassaflödesanalys

| DKK | 2020-07-01 | 2019-07-01 | 2019-07-01 | 2018-07-01 |
|-------------------------|--------------|--------------|--------------|--------------|
| | 2021-03-31 | 2020-03-31 | 2020-06-30 | 2019-06-30 |
| | Ej reviderad | Ej reviderad | Ej reviderad | Ej reviderad |
| <i>Kassaflöde från:</i> | | | | |
| Löpande verksamhet | -3 088 435 | -2 577 524 | -138 282 | -5 277 690 |
| Investeringsverksamhet | 17 080 | -611 304 | -611 306 | -1 298 427 |
| Finansieringsverksamhet | 2 919 339 | -515 864 | 719 829 | 6 262 500 |

2.3 Huvudsakliga risker som är specifika för emittenten

Negativ ekonomisk utveckling och utbrottet av Covid-19

Loyal Solutions kunder verkar inom olika branscher såsom flyg- och reseindustrin, hotell- och restaurang- samt FinTech-industrin, som påverkas av allmänna ekonomiska trender och konsumenttrender utanför Bolagets kontroll. Förekomsten av extraordinära händelser, såsom naturkatastrofer och utbrott av sjukdomsepidemier, har en negativ inverkan på den globala ekonomin som helhet och kan leda till en global lågkonjunktur. Utbrottet av Covid-19-pandemin har lett till en kraftig avmattning av den ekonomiska tillväxten under 2020 och början av 2021, delvis på grund av spridningen av själva viruset, men ännu mer på grund av de politiska beslut som antagits i olika länder för att försöka begränsa viruset, såsom karantäner, nedstängningar och begränsningar i rörligheten. Per dagen för detta Prospekt är de ytterligare ekonomiska konsekvenserna av Covid-19 osäkra. Pandemin påverkar båda sidor av ekonomin, dvs. utbud och efterfrågan. Tillgången på varor och tjänster försämras på grund av att fabriker och kontor stängs ned, med minskad produktion som resultat. Efterfrågan minskar också eftersom konsumenter i stor utsträckning slutar spendera och företaget avbryter eller skjuter upp planerade investeringar. Dessutom har utbrottet av Covid-19 negativa effekter på marknaden där Loyal Solutions verkar. Flyg- och hotellbranschen har lidit med inställda flygningar, stängda hotell och inställda evenemang och gallerior har tvingats stängas. Som en konsekvens har antalet resor, hotellbokningar, evenemang och shopping minskat. Det är osäkert när marknaden för flygbolag och hotell- och restaurang kommer att ha återhämtat sig helt och om spridningen av Covid-19 kommer att fortsätta försena eller ställa in evenemang. Intäkterna för Loyal Solutions kunder drivs främst av deras användares disponibla inkomster. Det finns en risk att de rådande ogynnsamma ekonomiska förhållandena, på grund av utbrottet av Covid-19, minskar användarnas

disponibla inkomster, vilket kan leda till att företagets intäkter minskar. Detta kan i sin tur leda till minskade intäkter från kunder och kundförluster för Loyal Solutions. Följaktligen skulle en negativ utveckling i den globala ekonomin, som negativt påverkar efterfrågan på Loyal Solutions tjänster, ha en väsentlig negativ inverkan på Bolagets verksamhet, resultat och finansiella ställning.

Det är Bolagets bedömning att sannolikheten för att risken skulle uppstå är måttlig. Om risken skulle uppstå bedömer Loyal Solutions att den potentiella negativa effekten är hög.

Konkurrenter

Loyal Solutions konkurrerar med både nya och etablerade lokala och internationella bolag inom SaaS lojalitetsindustrin. Dessutom kännetecknas SaaS lojalitetsindustrin av snabba tekniska förändringar, nya lanseringar och ständiga förbättringar av lösningar och tjänster. Det finns en risk att betydande investeringar och produktutveckling bland konkurrenter leder till en mindre gynnsam situation när det gäller försäljnings- eller intäktsmöjligheter, eftersom konkurrenten kan utveckla lösningar som överträffar Bolagets och därmed tar marknadsandelar från Bolaget. Dessutom kan bolag med global verksamhet och som för närvarande arbetar inom liknande angränsande områden välja att etablera sig inom samma affärsområde som Loyal Solutions. Det finns en risk att ökad konkurrens skulle ha negativ påverkan på försäljning och vinst för Bolaget i de fall konkurrenter utvecklar produkter med bättre funktion och/eller bättre kvalitet. För att generera intäkter måste Loyal Solutions erbjuda och utveckla nya funktioner kontinuerligt samt genomföra regelbundna systemuppdateringar som kommer att fortsätta att locka nya kunder till sin lösning. Det finns en risk att ett misslyckade från Loyal Solutions sida om att konkurrera effektivt resulterar i en minskning av Bolagets intäkter. Det finns även en risk att konkurrens resulterar i att kunder vill förhandla om lägre fasta betalningar, provisioner, intäktsdelningsarrangemang eller andra avgifter som Loyal Solutions får. I det fall riskerna skulle uppstå kan det ha en väsentlig negativ inverkan på Bolagets verksamhet och resultat.

Det är Bolagets bedömning att sannolikheten för att risken skulle uppstå är måttlig. Om risken skulle uppstå bedömer Loyal Solutions att den potentiella negativa effekten är måttlig.

AVSNITT 3 - NYCKELINFORMATION OM VÄRDEPAPPEREN

3.1 Värdepapperens huvuddrag

Typ, kategori och ISIN

Det finns bara ett aktieslag i Loyal Solutions. En (1) Unit består av tre (3) Nya aktier och två (2) Teckningsoptioner av serie TO 1. ISIN-koden för de Nya aktierna är DK0061535507 och ISIN-koden för Teckningsoptionerna är DK0061549219.

Valuta, nominellt värde och antal aktier

Aktierna i Loyal Solutions är denominerade i DKK. Per dagen för detta Prospekt uppgår Bolagets registrerade aktiekapital till 7 500 000,00 DKK fördelat på 7 500 000 aktier. Det nominella värdet på varje aktie är 1,00 DKK och aktierna är fullt inbetalda. Valutan i Emissionen av units är SEK.

Rättigheter kopplade till värdepapperen

De Nya aktierna kommer att ha samma rättigheter som de befintliga aktierna. Dessa inkluderar rösträtt, rätt till vinstutdelning, rätt att få ta del av överskott i händelse av avveckling eller likvidation av Bolaget och företrädesrätt i samband med ökning av kapital genom kontant bidrag. Teckningsoptionerna ger inte aktieägarna sådana rättigheter (förrän dessa har nyttjats och den resulterande aktien har emitterats).

Loyal Solutions är ett tillväxtföretag och har sedan bildandet inte lämnat någon utdelning till aktieägarna. Bolaget har inte heller någon utdelningspolicy. Styrelsen avser att finansiera utveckling, verksamhetsdrift och tillväxt med eventuella vinstmedel. Vid eventuell utdelning berättigar Bolagets samtliga aktier till utdelning. Vinstutdelning för aktier som nyemitterats i den Emissionen av units som beskrivs i detta Prospekt ska utgå

på den avstämningsdag för utdelning som infaller efter aktiens registrering i den av VP Securities A/S förda aktieboken. Rätt till utdelning tillfaller investerare som på avstämningsdag för vinstutdelning är registrerade som aktieägare i Loyal Solutions. Det föreligger inga befintliga restriktioner för utdelning eller särskilda förfaranden för aktieägare bosatta utanför Danmark, och utbetalning av eventuell vinstutdelning är avsedd att ske via VP Securities A/S på samma sätt som för aktieägare bosatta i Danmark. Utdelning tillfaller Loyal Solutions om det inte har krävts av aktieägaren inom tre (3) år från utdelningstidpunkten.

Aktiernas överlåtbarhet

Det finns inga begränsningar att överlåta aktierna eller teckningsoptionerna, förutom den lock-up som beskrivs under avsnittet "Villkor för erbjudandet" i detta Prospekt.

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| 3.2 | Plats för handel med värdepapperen | Styrelsen i Bolaget avser att ansöka om notering av de Nya aktierna och Teckningsoptionerna på Nasdaq First North. Värdepapper som är noterade på Nasdaq First North omfattas inte av lika omfattande regelverk som de värdepapper som är upptagna till handel på reglerade marknader. |
| 3.3 | Garantier som värdepapperen omfattas av | Värdepapperen omfattas inte av garantier. |
| 3.4 | Huvudsakliga risker som är specifika för värdepapperen | <p>Värdepapper kan variera i värde eller likviditet</p> <p>Risker och risktagande är oundvikliga aspekter av att äga värdepapper. Noterade värdepapper påverkas ibland av betydande pris- och volymfluktuationer som inte är kopplade till Bolagets resultatutveckling. Prisutvecklingen för noterade bolag kan vara mycket volatil och dess utveckling är beroende av ett antal faktorer, där några är bolagsspecifika medan andra är knutna till aktiemarknaden som helhet. Det finns därför ingen garanti avseende den framtida prisutvecklingen på bolagets värdepapper, varför värdet på investeringen både kan öka och minska. Eftersom en investering i värdepapper både kan stiga och sjunka i värde, finns det en risk att en investerare inte kommer att återvinna det investerade kapitalet. Begränsad likviditet i bolagets värdepapper kan också medföra prisfluktuationer. Sådana fluktuationer kan uppstå oavsett hur Loyal Solutions faktiskt presterar eller förhållandena på dess huvudmarknader ser ut och kan påverka värdepapperens likviditet och pris negativt. Det finns en risk att Bolagets värdepapper inte kan säljas till ett pris som är acceptabelt för innehavarna, eller alls, när som helst.</p> <p>Det är Bolagets bedömning att sannolikheten för att risken skulle uppstå är måttlig.</p> <p>Psykologiska faktorer</p> <p>Det är omöjligt för ett enskilt bolag att kontrollera alla de faktorer som kan påverka dess aktiekurs, och en investering i aktier bör följaktligen föregås av noggrann analys. Det finns en risk att värdepappersmarknaden påverkas av psykologiska faktorer såsom trender, rykten och reaktioner på nyheter och händelser som inte är direkt kopplade till marknaden etc. Det finns en risk att Loyal Solutions aktie påverkas på samma sätt som alla andra värdepapper som handlas på en mängd olika listor. Det finns en risk att psykologiska faktorer och dess efterföljande effekter på prisutvecklingen kommer att påverka marknadspriset på Bolagets aktier negativt.</p> <p>Det är Bolagets bedömning att sannolikheten för att risken skulle uppstå är måttlig.</p> |

AVSNITT 4 - NYCKELINFORMATION OM ERBJUDANDET AV VÄRDEPAPPER TILL ALLMÄNHETEN

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| 4.1 | Villkor och tidsplan för att investera i värdepapperet | <p>Erbjudandet</p> <p>Styrelsen i Loyal Solutions beslutade den 19 april 2021, med stöd av bemyndigande från extra bolagsstämma som hölls den 17 mars 2021, att genomföra en Emission av units och öka Loyal Solutions aktiekapital med minst 1 299 999,00 DKK och maximalt 1 999 998,00 DKK genom Emissionen av units om minst 1 299 999 Nya aktier och maximalt 1 999 998 Nya aktier, var och en med ett nominellt värde om 1,00 DKK och även utge minst 866 666 Teckningsoptioner och maximalt 1 333 332 Teckningsoptioner.</p> |
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Den totala initiala Emissionen av units uppgår till minst 25 999 980,00 SEK och maximalt 39 999 960,00 SEK.

Maximalt 666 666 Units kommer att emitteras och teckningskursen i emissionen kommer att vara 60,00 SEK per Unit. En (1) Unit består av tre (3) Nya aktier och två (2) vederlagsfria Teckningsoptioner av serie TO 1. En (1) Teckningsoption ger rätt att teckna en (1) Ny aktie till ett pris om 24,00 SEK under nyttjandeperioden för Teckningsoptionerna.

Emissionen av units genomförs utan företrädesrätt för befintliga aktieägare.

Teckningskurs och värdering

Teckningskursen är 60,00 SEK per Unit, vilket motsvarar 20,00 SEK per Ny aktie. Courtaget kan tillkomma. Minsta teckningspost är 100 Units, motsvarande 6 000,00 SEK och därefter kan teckning ske i valfritt antal Units. Pre money-värderingen uppgår till cirka 150 miljoner SEK.

Teckningsperiod

Teckning av Units sker under perioden från 4 maj 2021 till och med 18 maj 2021.

Teckningsåtaganden

Loyal Solution har erhållit teckningsåtaganden om cirka 74,8 procent av den initiala Emissionen av units.

Tilldelning

Tilldelning av Units kommer att beslutas av styrelsen i Loyal Solutions baserat på följande principer: (a) full tilldelning ska göras till de parter som har undertecknat teckningsåtagande, (b) det är nödvändigt att bredda Loyal Solutions aktier före den planerade noteringen, och i den utsträckningen det är möjligt, kommer styrelsen i Loyal Solution säkerställa att samtliga teckningsåtagare erhåller minst 100 units vardera; och (c) skapa investeringsutrymme för parter, som enligt styrelsens bedömning, specifikt kan bidra med strategiska värden till Loyal Solution eller ingår i Loyal Solutions finansiella rådgivares investerarnätverk. För det fall den förestående emissionen blir övertecknad, kan högst 10 procent av det totala beloppet i emissionen tilldelas dessa investerare.

I det fall antalet tecknare i Emissionen av units överstiger antalet möjliga aktieägare, och därmed gör det omöjligt att tilldela varje tecknare det lägsta antalet Units, kommer beslut om tilldelning att ske genom en lottning, vilket innebär att tilldelningen helt eller delvis blir slumpmässig. Detta innebär vidare att tecknare kan tilldelas färre Units än det antal som tecknats för på anmälningssedeln, alternativt inga Units alls. Tilldelningen är inte beroende av när anmälningssedeln skickas in under teckningstiden.

Utspädning

De Nya aktierna i emissionen kommer resultera i att Bolagets aktiekapital ökar nominellt med 1 299 999,00 DKK vid lägsta teckning, och nominellt med 1 999 998,00 vid maximal teckning. De befintliga aktierna, som emitterats per dagen för detta Prospekt, kommer att bli föremål för utspädning genom Emissionen av units. Efter genomförd emission av units, kommer de befintliga aktierna som emitterats per dagen för detta Prospekt, att utgöra 85,2 procent av Bolagets totala aktiekapital med lägsta teckning, och 78,9 procent med maximal teckning.

Emissionskostnader

Loyal Solutions kostnader i samband med Emissionen av units (inklusive fullt nyttjande av TO 1), beräknas uppgå till cirka 6,5 miljoner SEK (varav cirka 3,9 miljoner SEK avser den initiala Emissionen av units och cirka 2,6 miljoner SEK avser de vidhängande Teckningsoptionerna).

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| 4.2 | Motiv för EU-tillväxtprospektet | Bakgrund och motiv Under de senaste åren har Loyal Solutions uppnått betydande tillväxt genom att anpassa sig till marknadsutvecklingen och användarnas behov samt genom att bygga en skalbar global SaaS-affärsmodell genom sin avancerade teknikplattform, LoyalTfacts®. Majoriteten av Bolagets kunder är stora globala varumärken verksamma inom olika branscher globalt. |
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Några av Loyal Solutions nuvarande kunder har ambitiösa expensionsplaner som är redo att genomföras tillsammans med Bolaget så snart Covid-19-pandemin är över. Förutom nuvarande fokusmarknader planerar Bolaget att öka sitt fokus inom sektorn för köpcentrum, baserat på det program som lanserades med ett stort köpcentrum i Förenade Arabemiraten. Ytterligare ett fokusområde är sektorn för telekommunikation, där Bolaget har fått positiv feedback i initiala dialoger med industrin, men hittills saknat de försäljningsresurser som behövs för att kunna rikta in sig på möjligheterna inom dessa sektorer. Styrelsen förutspår en betydande efterfråga på Bolagets tjänster och teknik efter Covid-19, särskilt inom flygindustrin där Covid-19-krisen mer än någonsin tidigare har kristalliserat värdet av flygbolagens lojalitetsprogram, vilka också i många fall varit betydande för flygbolagens överlevnad under krisen.

Under räkenskapsåret 2019/2020 genererade Bolaget intäkter om cirka 12,1 miljoner DKK. Enligt styrelsen är Loyal Solutions väl positionerat för framtida organisk tillväxt med ett starkt fokus på att utnyttja det momentum efter Covid-19-pandemin och skala upp befintlig verksamhet genom att öka sälj- och marknadsföringsinsatserna inom nya och befintliga vertikaler. Detta kommer kräva ytterligare försäljnings-, Key Account- och operativa resurser. Härutöver strävar Bolaget efter att lägga mer resurser inom generell FoU samt specialinsatser inom artificiell intelligens ("AI") och maskininlärning för att kunna upprätthålla LoyalTfacts® som en marknadsledande SaaS-plattform.

Mot bakgrund av ovanstående beslutade styrelsen den 19 april 2021, med stöd av bemyndigande från den extra bolagsstämman som hölls i mars 2021, att genomföra en Emission av units, omfattande maximalt 666 666 Units, bestående av 1 999 998 Nya aktier och 1 333 332 Teckningsoptioner.

Emissionen av units kan initialt tillföra Bolaget cirka 40 miljoner SEK och ytterligare cirka 32 miljoner SEK i det fall samtliga teckningsoptioner nyttjas under Q2 2022. Den totala emissionslikviden om cirka 72 miljoner SEK, före avdrag för emissionskostnader om cirka 6,5 miljoner SEK är avsett att finansiera Bolagets verksamhet åtminstone till slutet av Q2 2024, vilket inkluderar följande aktiviteter, ordnade efter prioritet:

Initial Emission av units (IPO) nettolikvid om cirka 36,1 miljoner SEK:

- Skala upp försäljningen – cirka 70 %
- Den löpande verksamheten – cirka 20 %
- Investeringar i plattformen FoU – cirka 10 %

Teckningsoptionerna (optionsinlösen) – nettolikvid om cirka 25,6 miljoner SEK*

- Skala upp försäljningen – approx. 60 %
- Den löpande verksamheten 30 %
- Investeringar i plattformen FoU – approx. 10 %

**Det avsedda utnyttjandet av intäkterna från nyttjandet av teckningsoptionerna baseras på antagandet om att samtliga Teckningsoptioner tecknas och nyttjas.*

Intressekonflikter

Sedermera Fondkommission tillhandahåller finansiell rådgivning och andra tjänster till Loyal Solutions i samband med Emissionen av units. Sedermera Fondkommission (och dess systerbolag) har under den ordinarie affärsverksamheten tillhandahållit, och kan i framtiden komma att tillhandahålla, olika bank-, finans-, investerings-, kommersiella och andra tjänster till Bolaget för vilket de har fått, och kan komma att få ersättning för.

Inga styrelseledamöter eller ledande befattningshavare har några privata intressen som kan strida mot Bolagets intressen. Vissa styrelseledamöter och ledande befattningshavare har dock ekonomiska intressen i Loyal Solutions som ett resultat av deras direkta eller indirekta aktieinnehav i Bolaget, se avsnittet "Styrelse och ledande befattningshavare" i detta Prospekt.

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