



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 913 250 508  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ONYX NORWAY HOLDING AS  
Forretningsadresse: Træleborgodden 6  
3112 TØNSBERG

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Henning Eie Sudland  
Dato for fastsettelse av årsregnskapet: 12.05.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 28.06.2022



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Annen driftskostnad	2	108 937	53 813
<b>Sum kostnader</b>		<b>108 937</b>	<b>53 813</b>
<b>Driftsresultat</b>		<b>-108 937</b>	<b>-53 813</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	5	7 146 233	1 776 180
Annen finansinntekt		20 705 961	70 000 000
<b>Sum finansinntekter</b>		<b>27 852 194</b>	<b>71 776 180</b>
Rentekostnad til foretak i samme konsern	5	11 240 033	1 315 888
Annen finanskostnad			406 479
<b>Sum finanskostnader</b>		<b>11 240 033</b>	<b>1 722 367</b>
<b>Netto finans</b>		<b>16 612 161</b>	<b>70 053 813</b>
<b>Ordinært resultat før skattekostnad</b>		<b>16 503 224</b>	<b>70 000 000</b>
Skattekostnad på ordinært resultat		709	2 739
<b>Ordinært resultat etter skattekostnad</b>		<b>16 502 515</b>	<b>69 997 261</b>
<b>Årsresultat</b>		<b>16 502 515</b>	<b>69 997 261</b>
<b>Overføringer og disponeringer</b>			
Tilleggsutbytte			200 000 000
Overføringer til/fra annen egenkapital		16 502 515	-130 002 739
<b>Sum overføringer og disponeringer</b>		<b>16 502 515</b>	<b>69 997 261</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	7	125 205 784	125 205 784
Lån til foretak i samme konsern	5	25 181 491	103 269 693
<b>Sum finansielle anleggsmidler</b>		<b>150 387 275</b>	<b>228 475 477</b>
<b>Sum anleggsmidler</b>		<b>150 387 275</b>	<b>228 475 477</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Sum omløpsmidler</b>		<b>0</b>	<b>0</b>
<b>SUM EIENDELER</b>		<b>150 387 275</b>	<b>228 475 477</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	3,4	3 330 000	3 330 000
Overkurs	4	10 561 137	10 561 137
<b>Sum innskutt egenkapital</b>		<b>13 891 137</b>	<b>13 891 137</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	4	31 084 116	14 581 601
<b>Sum opptjent egenkapital</b>		<b>31 084 116</b>	<b>14 581 601</b>
<b>Sum egenkapital</b>		<b>44 975 253</b>	<b>28 472 738</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Langsiktig konserngjeld	5	105 411 313	0
<b>Sum annen langsiktig gjeld</b>		<b>105 411 313</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>105 411 313</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Betalbar skatt	6	709	2 739
Utbytte			200 000 000
<b>Sum kortsiktig gjeld</b>		<b>709</b>	<b>200 002 739</b>
<b>Sum gjeld</b>		<b>105 412 022</b>	<b>200 002 739</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>150 387 275</b>	<b>228 475 477</b>



# Annual report 2020

## **Onyx Norway Holding AS**

Directors' report

Annual statement

- Statement of profit and Loss
- Balance Sheet
- Cash flow statement
- Notes

Auditors' report



## **The Board of Director's report 2020 for Onyx Norway Holding AS**

### **Operations and locations**

Onyx Norway Holding AS ("the Company") main business is investment in companies. The Company is situated in Tønsberg, Norway, where also the subsidiary is located. Onyx Norway Holding AS is a part of the consolidated financial statement of Paycom Intermediate Holdings, Inc. The company is situated in Dallas, Texas, US.

### **Going concern**

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern.

### **Future prospects**

The market expectations for 2021 are still heavily affected by the spread of the Corona virus. The travel market industry is hit by restrictions taken by governments all over the world. The length of the restrictions, and the spread of the virus, will cause a decline in commission-based bookings for travel agents throughout 2021. This will also have a negative effect on the company's revenue. The roll-out of vaccines all over the world will be helpful for the recovery of business travel.

### **Financial position, capital structure and risk**

The Company was established in 2014 with the purpose of investing in other companies. Currently, the only investment is the full owned subsidiary, Onyx CenterSource AS. Onyx CenterSource AS offers a commission tracking reconciliation and payment solution for travel management companies, travel agencies and other accommodation bookers. Investment in Onyx CenterSource AS has in 2020 generated income from a dividend of 16.5 mill. plus a group contribution of NOK 7,1 mill.

The company has paid interests of NOK 11,2 mill for a long term loan based on a NOK 200 mill dividend decided in 2020. From receivables on it's subsidiary, the company has received interests of NOK 4,2 mill.

The Company has no liquidity reserve as of 31.12.2020. The business activity does not require significant payment of operating expenses. Further repayment of loan and interest on the loan will be performed through group contribution from Onyx CenterSource AS. The Company's financial position is sound and adequate to settle short-term debt as of 31.12.2020 with its most liquid assets.

### **The working environment, diversity and discrimination**

The Company has no employees and all Board Members are men.

### **Environmental report**

The Company's operations do not result in pollution or spillage harmful to the external environment.



Tønsberg, Norway, May 6<sup>th</sup>, 2021  
Board of directors at Onyx Norway Holding AS

Henning Ele Sudland  
Chairman

Mark S. Dubrow  
Board member

Johannes Akseli Huttunen  
Board member

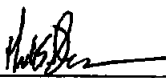
Todd Joseph Ofenloch  
Board member

Side 2 av 2



Tønsberg, Norway, May 6<sup>th</sup>, 2021  
Board of directors at Onyx Norway Holding AS

\_\_\_\_\_  
Henning Ele Sudiand  
Chairman

  
\_\_\_\_\_  
Mark S. Dubrow  
Board member

\_\_\_\_\_  
Johannes Aksell Huttunen  
Board member

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Todd Joseph Ofenloch  
Board member

Side 2 av 2



Tønsberg, Norway, May 6<sup>th</sup>, 2021  
Board of directors at Onyx Norway Holding AS

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Henning Eie Sudland  
Chairman

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Mark S. Dubrow  
Board member

  
\_\_\_\_\_  
Johannes Akseli Huttunen  
Board member

\_\_\_\_\_  
Todd Joseph Ofenloch  
Board member

Side 2 av 2



## Onyx Norway Holding AS

Org.nr.: 913 250 508

### Profit and loss statement

NOK	NOTE	2020	2019
<b>OPERATING REVENUE AND OPERATING EXPENSES</b>			
Other operating expenses	2	108,937	53,813
<b>Total operating expenses</b>		<b>108,937</b>	<b>53,813</b>
<b>Operating loss</b>		<b>-108,937</b>	<b>-53,813</b>
<b>FINANCIAL INCOME AND FINANCIAL EXPENSES</b>			
Income from subsidiaries and associated companies	5	7,146,233	1,776,180
Other financial income		20,705,961	70,000,000
Interest paid to group companies	5	-11,240,033	-1,315,888
Other financial expenses		0	-406,479
<b>Financial items, net</b>		<b>16,612,161</b>	<b>70,063,813</b>
<b>Profit / Loss before taxation</b>		<b>16,503,224</b>	<b>70,000,000</b>
Income tax	6	709	2,739
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>16,502,515</b>	<b>69,997,261</b>
<b>ALLOCATION OF NET LOSS AND EQUITY TRANSFERS</b>			
Transferred to other equity		16,502,515	0
Transferred from other equity		0	-130,002,739
Extraordinary dividend approved January 2020		0	200,000,000
<b>Total allocations</b>		<b>16,502,515</b>	<b>69,997,261</b>



Onyx Norway Holding AS  
Org.nr. 913 250 508

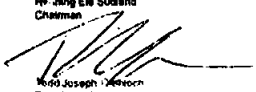
Balance sheet at 31 December

NOK	NOTE	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Tangible fixed assets</b>			
Patents and rights			
<b>Financial non-current assets</b>			
Investments in subsidiary companies	7	125 205 784	125 205 784
<b>Total financial non-current assets</b>		125 205 784	125 205 784
<b>Total non-current assets</b>		125 205 784	125 205 784
<b>Current assets</b>			
<b>Receivables</b>			
Other receivable group companies	5	25 181 291	16 182 021
<b>Total receivables</b>		25 181 291	16 182 021
<b>Current investments</b>			
<b>Total current assets</b>		25 181 491	16 182 021
<b>TOTAL ASSETS</b>		150 387 275	141 387 805
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital (3 330 000 shares of NOK 1)	3, 4	3 330 000	3 330 000
Share premium account	4	11 261 137	11 261 137
<b>Total paid-in capital</b>		14 591 137	14 591 137
<b>Retained earnings</b>			
Retained earnings	4	31 084 118	14 895 661
<b>Total retained earnings</b>		31 084 118	14 895 661
<b>Total equity</b>		45 675 255	29 486 798
<b>Liabilities</b>			
<b>Provisions for liabilities and charges</b>			
<b>Other non-current liabilities</b>			
Other long term loans group companies	5	105 311 311	0
<b>Total non-current liabilities</b>		105 311 311	0
<b>Current liabilities</b>			
Dividend		0	200 000 000
Current income taxes payable	6	709	2 739
<b>Total current liabilities</b>		709	200 002 739
<b>Total liabilities</b>		105 312 020	200 002 739
<b>TOTAL EQUITY AND LIABILITIES</b>		150 387 275	141 387 805

Onyx Norway Holding AS  
Org.nr. 913 250 508

Tansberg, Norway, May 6th, 2021  
Board of directors  
Onyx Norway Holding AS

  
Erling Eiv Sjøland  
Chairman

  
Odd Joseph Kvern  
Board member

Mark Dubrow  
Board member

Johannes Aksell Hestnes  
Board member

Onyx Norway Holding AS  
Org.nr.: 913 250 508

## Balance sheet at 31 December

NOK	NOTE	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Tangible fixed assets</b>			
Fixtures and fittings			
<b>Financial non-current assets</b>			
Investments in subsidiary companies	7	125,205,794	125,205,794
Total financial non-current assets		125,205,794	125,205,794
Total non-current assets		125,205,794	125,205,794
<b>Current assets</b>			
<b>Receivables</b>			
Other receivable group companies	6	25,181,491	103,269,893
Total receivables		25,181,491	103,269,893
<b>Current investments</b>			
Total current assets		25,181,491	103,269,893
<b>TOTAL ASSETS</b>		<b>150,387,275</b>	<b>228,475,677</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital (3,330,000 shares at NOK 1)	3,4	3,330,000	3,330,000
Share premium account	4	10,581,137	10,581,137
Total paid-in capital		13,911,137	13,911,137
<b>Retained earnings</b>			
Retained earnings	4	31,064,118	14,881,401
Total retained earnings		31,064,118	14,881,401
Total equity		44,975,255	28,792,538
<b>Liabilities</b>			
<b>Provisions for liabilities and charges</b>			
<b>Other non-current liabilities</b>			
Other long term loan's group companies	5	185,411,213	0
Total non-current liabilities		185,411,213	0
<b>Current liabilities</b>			
Dividend		0	200,000,000
Current income taxes payable	6	708	2,739
Total current liabilities		708	200,002,739
Total liabilities		185,412,022	200,002,739
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>150,387,275</b>	<b>228,475,477</b>

Onyx Norway Holding AS  
Org.nr.: 913 250 508Tansberg, Norway, May 6th, 2021  
Board of directors  
Onyx Norway Holding ASHermann Eie Sudland  
ChairmanMark Dubrow  
Board memberTodd Joseph Oleniuch  
Board memberJohannes Akseli Huhtanen  
Board member



Orlyx Norway Holding AS			
Orlyx AS 913 250 508			
Balance sheet at 31 December			
	NOTE	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible fixed assets			
Patents and licenses			
Financial non-current assets			
Investments in subsidiary companies	7	126,205,784	126,200,784
Total financial non-current assets		126,205,784	126,200,784
Total non-current assets		126,205,784	126,200,784
<b>Current assets</b>			
Receivables			
Other receivables group companies	5	22,181,592	103,209,683
Total receivables		22,181,592	103,209,683
Current investments			
Total current assets		22,181,481	103,209,683
<b>TOTAL ASSETS</b>		<b>148,387,275</b>	<b>229,410,467</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid-up capital			
Share capital (3,30 000 shares at NOK 1)	3,4	3,300,000	3,300,000
Share premium account	4	10,281,137	10,281,137
Total paid-up capital		13,581,137	13,581,137
Retained earnings			
Reserve earnings	6	31,884,138	14,341,150
Total retained earnings		31,884,138	14,341,150
Total equity		45,465,275	27,922,287
<b>Liabilities</b>			
Provisions for liabilities and charges			
Other non-current liabilities			
Other long term loans group companies	5	105,413,313	0
Total non-current liabilities		105,413,313	0
<b>Current liabilities</b>			
Dividend		0	2,735
Current income taxes payable	6	709	200,000,232
Total current liabilities		709	200,002,967
Total liabilities		105,414,022	200,005,702
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>148,387,275</b>	<b>229,410,467</b>

Orlyx Norway Holding AS  
Orlyx AS 913 250 508

Tromsø, Norway, May 09, 2021  
Board of Directors  
Orlyx Norway Holding AS

Hervang Eiv Suckano  
Chairman

Mark Dubrow  
Board member

Todd Joseph O'Brien  
Board member

John A. O'Brien  
Board member



## Onyx Norway Holding AS

Org.nr: 913 250 508

### Cash flow statement

	2020	2019
<b>CASH FLOW FROM OPERATIONS:</b>		
Profit/(loss) before taxation	16,503,224	70,000,000
Taxes paid for the period	-2,739	-18,278,992
<b>Net cash flow from operations</b>	<b>16,500,485</b>	<b>61,721,008</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Outflow due to downpayment of non-current liabilities	-94,588,687	-40,381,400
Payments in due to group contribution	78,088,203	-11,339,609
<b>Net cash flow from financing activities</b>	<b>-16,500,485</b>	<b>-51,721,008</b>
Net change in bank deposits, cash and equivalents	0	0
Bank deposits, cash and equivalents at 1 January	0	0
<b>Bank deposits, cash and equivalents at 31 December</b>	<b>0</b>	<b>0</b>



## Onyx Norway Holding AS

Org.nr. 913 250 808

### Note 4 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway. The Company is part of the consolidated financial statement of Pegasus Business Intelligence (UK) Limited. Group report can be collected at Two Lincoln Centre, Suite 900, 5420 LBJ Freeway, Dallas

#### Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

#### Share in subsidiaries

Subsidiaries investments are carried at cost. A write down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Received dividends and group contributions are recognised as other financial income.

#### Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

#### Receivables

Other receivables are recognised at nominal value.

#### Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and charge in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.



**Onyx Norway Holding AS**

Org.nr: 913 250 508

**Note 2 Payroll costs, number of employees, benefits, loans to employees etc.**

The Company has no employees and in accordance with the Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon") the Company is not required to have an occupational pension plan.

No payroll or other benefits are paid to the board in 2020

**Auditor**

Remuneration to Deloitte AS and their associates is as follows:

	2020	2019
Statutory audit	18,750	11,250
Other assurance services	35,000	42,563
Other non-auditing services	27,500	-

Value added tax is included in the auditors fee

**Note 3 Share capital and shareholder information**

The share capital in the company at 31 December 2020 consists of the following classes:

	Number	Nominal amount	Carrying value
Ordinary shares	3,330,000	1	3,330,000

Ownership structure as of 31 December 2020:

	Ordinary shares	Ownership share	Voting share
Net Trans (UK) Ltd	3,330,000	100%	100%

**Note 4 Equity**

	Share capital	Share premium	Retained earnings	Total
Paid in equity				
Equity at 31 December 2019	3,330,000	10,561,137	14,561,601	28,452,738
Profit			16,502,515	16,502,515
Dividend				
Equity at 31 December 2020	3,330,000	10,561,137	31,064,116	44,955,253

**Note 5 Related party transactions and balances**

Related party transactions, profit and loss

Transaction/transaction type	Belongs to P&L line	Counterpart	2020	2019
Interest cost	Other financial exp.	Paycom Acquisition Corp		
Dividend	Other financial income	Onyx CenterSource AS	16,500,000	70,000,000
Group contribution	Other financial income	Onyx CenterSource AS	7,146,233	1,776,180
<b>Total</b>			<b>23,646,233</b>	<b>71,776,180</b>

Related party balance items

Counterpart	Relationship to the counterpart	Accounts receivables		Other receivables	
		2020	2019	2020	2019
Onyx CenterSource AS	Daughter	-	-	24,914,812	103,002,814
Pegasus Business Intelligence Inc	Indirect owner	-	-	266,879	266,879
Counterpart	Relationship to the counterpart	Other short term debt		Other long term debt	
		2020	2019	2020	2019
Onyx CenterSource AS	Daughter	-	-	-	-
Net Trans Limited (UK)	Mother	200,000,000	-	105,411,313	-
Paycom Acquisition Corp	Indirect owner	-	-	-	-

Promissory note was entered into by the parties April 2020.

Interest rate has been set based on an internal assessment of the lender's borrowing capacity and credit rating.

Interest expenses in 2020 was NOK 11,240,033

The note is unsecured and no covenant requirement exists



**Onyx Norway Holding AS**

Org.nr: 913 250 508

**Note 6 Income tax expense**

Specification of income tax expense:	2020	2019
Tax effect of group contribution	-	-
Current income tax payable	709	2,739
Effect of changes in tax regulations	-	-
Changes in deferred taxes	-	-
<b>Tax on profits/loss</b>	<b>709</b>	<b>2,739</b>

Specification of current income tax payable:	2019	2019
This year's payable income tax expense	709	2,739
Income tax on given group contribution	-	-
<b>Current income tax payable in the balance sheet</b>	<b>709</b>	<b>2,739</b>

Reconciliation from nominal to real income tax rate:

	2020	2019
<b>Profit / Loss before taxation</b>	<b>16,603,224</b>	<b>70,000,000</b>
Estimated income tax according to nominal tax rate (22%)	3,630,708	15,400,000
The tax effect of the following items		
Tax-free dividends	-	-
Interest limitation	-3,830,000	-15,400,000
Other non-deductible expenses	-	-
<b>Income tax expense</b>	<b>709</b>	<b>2,739</b>
<b>Effective income tax rate</b>	<b>8%</b>	<b>0%</b>

Specification of deferred tax

Temporary differences	2019	2019
Interest limitation carried forward	-	-
Reduction of interest limitation on losses carried forward	-	-
Losses carried forward	-	-
<b>Net temporary differences</b>	<b>-</b>	<b>-</b>
Tax effect temporary differences	-	-
Tax effect temporary differences not included in the balance sheet	-	-
<b>Deferred tax asset recognised in the balance sheet</b>	<b>-</b>	<b>-</b>

Tax effect of changes in accounting principles is recognized through equity  
The deferred tax benefit is included in the balance sheet on the basis of future income

**Note 7 Investments in subsidiaries**

Company	Date of acquisition	Registered office	Voting share	Ownership share
Onyx CenterSource AS AS	10.09.2014	Tønsberg	100%	100%

Company	Equity latest financial statements	Profit/loss latest financial statements
Onyx CenterSource AS	15,504,375	8,388,881

**Note 8 Corona virus**

The market expectations for 2021 are still heavily affected by the spread of the Corona virus. The travel market industry is hit by restrictions taken by governments all over the world. The length of the restrictions, and the spread of the virus, will cause a decline in commission-based bookings for travel agents throughout 2021. This continues to have a negative effect on the company's revenue. With vaccination programs being rolled out all over the world it is expected that market will recover steadily over the last half of 2021.



**Deloitte.**

Deloitte AS  
Ramborgveien 1  
Postboks 24  
NO-3119 Tønsberg  
Norway

Tel: +47 33 00 39 00  
www.deloitte.no

To the General Meeting of Onyx Norway Holding AS

INDEPENDENT AUDITOR'S REPORT

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Onyx Norway Holding AS showing a profit of NOK 16 502 515. The financial statements comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

**Basis for Opinion**

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors for the Financial Statements**

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Finansregnskapet for Onyx Norge Holding AS for regnskapsåret 2020



## Deloitte.

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Independent Auditor's Report -  
Onyx Norway Holding AS

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

### **Report on Other Legal and Regulatory Requirements**

#### **Opinion on the Board of Directors' report**

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

#### **Opinion on Registration and Documentation**

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Regnskapsdokument for 2020, 913250508, 27/05/21





## PENNEO

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"By my signature I confirm all dates and content in this document."

**Svein Kenneth Karlsen**  
State Authorised Public Accountant (Norway)  
Serial number: 9578-5999-4-1017637  
IP: 85.164.xxx.xxx  
2021-05-21 11:01:27Z



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Skattedirektoratet

Saksbehandler  
Rune Tystad

Deres dato  
04.05.2015

Vår dato  
12.05.2015

Telefon  
977 59 464

Deres referanse  
Maria Tho

Vår referanse  
2015/445865

Net Trans Services as  
Rambergveien 1  
3115 TØNSBERG

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Onyx Norway Holding AS med datterselskaper, samt fritak for konsernregnskapsplikten for underkonsernet Onyx Norway Holding AS

Vi viser til deres brev av 4. mai 2015 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for

Onyx Norway Holding AS,	org.nr. 913 250 508
Net Trans Services Americas AS,	org.nr. 998 641 187
Net Trans Online Travel AS,	org.nr. 987 096 985
Net Trans Services AS,	org.nr. 883 430 972

I tillegg søkes det om fritak fra plikten til å utarbeide konsernregnskap for Onyx Norway Holding AS.

Skattedirektoratet finner med hjemmel i regnskapsloven av 17. juni 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Onyx Norway Holding AS. Skattedirektoratet gir videre på bakgrunn av en konkret helhetsvurdering de ovennevnte selskapene tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Onyx Norway Holding AS ble etablert i 2014 som et ledd i overtagelse av Net Trans Services AS, Net Trans Online Travel AS og Net Trans Services Americas AS i september 2014 hvor Paycom Intermediate Holdings Inc var overtagende part gjennom Pegasus Business Intelligence Limited. Paycom Intermediate Holdings Inc er et privat eid selskap tilhørende i Dallas, USA, og utarbeider konsernregnskap som omfatter Onyx Norway Holding AS og dets datterselskaper. Dette konsernregnskapet er avgitt i henhold til US GAAP og blir utarbeidet på engelsk.

Som følge av oppkjøpet, består det norske konsernstyret i hovedsak av utenlandske styremedlemmer og den løpende finansielle rapportering og øvrig kommunikasjon foregår på

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at det norske konsernstyret i hovedsak består av utenlandske styremedlemmer og at den løpende finansielle rapporteringen og øvrig kommunikasjon foregår på engelsk. Videre er det vektlagt at markedene til selskapene i hovedsak er i utlandet.

Vennligst oppgi vår referanse ved henvendelser i saken.



Med hilsen

Torstein Kinden Helleland  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Rune Tystad



*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



**ONYX CENTERSOURCE, INC. AND SUBSIDIARIES**

Consolidated Financial Statements with  
Independent Auditor's Report

Years Ended December 31, 2020 and 2019



ONYX CENTERSOURCE, INC. AND SUBSIDIARIES  
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**INDEPENDENT AUDITOR'S REPORT**

Onyx CenterSource, Inc.  
Dallas, Texas

We have audited the accompanying consolidated financial statements of Onyx CenterSource, Inc. and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations, changes in stockholders' deficit and comprehensive income(loss), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Onyx CenterSource, Inc. and Subsidiaries as of December 31, 2020 and 2019, and the results of their operations and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Armanino LLP  
Dallas, Texas

June \_\_, 2021





## ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Consolidated Balance Sheets  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 31,041,406	\$ 62,227,532
Restricted cash	156,749	162,185
Commissions receivable, net	12,189,063	29,023,053
Prepaid expenses	1,279,368	900,178
Income tax receivable	680,987	1,410,533
Other current assets	1,251,946	514,722
<b>Total current assets</b>	<b>46,599,519</b>	<b>94,238,203</b>
Property, equipment and software, net	16,209,902	17,263,103
Goodwill and intangibles, net	96,553,746	99,669,258
Other assets	487,437	30,316
<b>Total assets</b>	<b>\$ 159,850,604</b>	<b>\$ 211,200,880</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,493,015	\$ 1,454,767
Commissions payable	29,015,894	61,466,673
Accrued expenses	5,280,241	8,241,122
Accrued interest	9,280,140	-
Uncleared commission checks, current	7,010,063	5,862,087
Current portion of long-term debt	216,359,002	1,436,433
<b>Total current liabilities</b>	<b>268,438,355</b>	<b>78,461,082</b>
Uncleared commission checks, less current portion	3,649,559	3,343,781
Long-term debt, less current portion	-	207,734,002
Deferred tax liabilities	594,496	4,055,737
Deferred rent	407,735	652,948
<b>Total liabilities</b>	<b>273,090,145</b>	<b>294,247,550</b>
<b>Commitments and contingencies (Note 6)</b>		
<b>Stockholders' deficit:</b>		
Common stock; \$.01 par value, 100 shares authorized, 100 shares issued and outstanding	1	1
Treasury stock	(221,009)	(221,009)
Additional paid-in capital	(87,787,436)	(87,787,436)
Cumulative translation adjustment	(2,584,760)	(4,580,894)
Retained earnings	(22,646,337)	9,542,668
<b>Total stockholders' deficit</b>	<b>(113,239,541)</b>	<b>(83,046,670)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 159,850,604</b>	<b>\$ 211,200,880</b>



## ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Consolidated Statements of Operations  
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Revenue:</b>		
Processing fees	\$ 35,684,640	\$ 92,182,192
Other revenue	994,143	1,115,098
<b>Total revenue</b>	<b>36,678,783</b>	<b>93,297,290</b>
<b>Cost of revenue:</b>		
Processing expense	18,174,753	21,884,709
Other expense	6,956,711	12,396,654
<b>Total cost of revenue</b>	<b>25,131,464</b>	<b>34,281,363</b>
<b>Gross profit</b>	<b>11,547,319</b>	<b>59,015,927</b>
<b>Operating expenses:</b>		
General and administrative	14,144,808	10,994,222
Research and development	2,042,426	3,777,187
Sales and marketing	1,877,629	4,151,187
Depreciation and amortization	11,098,002	9,804,277
<b>Total operating expenses</b>	<b>29,162,865</b>	<b>28,726,873</b>
<b>Operating income (loss)</b>	<b>(17,615,546)</b>	<b>30,289,054</b>
<b>Other income (expenses):</b>		
Management fees	(250,000)	(1,000,000)
Interest expense, net	(18,620,798)	(19,306,729)
Intercompany debt remeasurement	396,350	(391,931)
Other	383,433	(463,623)
<b>Total other expenses, net</b>	<b>(18,091,015)</b>	<b>(21,162,283)</b>
<b>Income (loss) before income tax provision</b>	<b>(35,706,561)</b>	<b>9,126,771</b>
Income tax benefit (expense)	3,517,548	(4,609,231)
<b>Net income (loss)</b>	<b>\$ (32,189,013)</b>	<b>\$ 4,517,540</b>



ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Deficit and Comprehensive Income (Loss)  
Years Ended December 31, 2020 and 2019

	Common Stock		Treasury Stock		Accumulated Comprehensive Loss	Retained Earnings (Accumulated Deficit)	Total
	Number of Shares	Amount	Number of Shares	Amount			
<b>Balance at December 31, 2018</b>	<b>100</b>	<b>\$ 1</b>	-	<b>\$ (221,009)</b>	<b>\$ (3,862,779)</b>	<b>\$ 5,025,136</b>	<b>\$ (86,846,087)</b>
Common stock repurchases	-	-	-	-	-	-	-
Dividend to shareholders	-	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	(718,115)	-	(718,115)
Net income	-	-	-	-	-	4,517,540	4,517,540
<b>Total comprehensive income</b>						<b>4,517,540</b>	<b>3,799,425</b>
<b>Balance at December 31, 2019</b>	<b>100</b>	<b>\$ 1</b>	-	<b>\$ (221,009)</b>	<b>\$ (4,580,894)</b>	<b>\$ 9,542,676</b>	<b>\$ (83,046,662)</b>
Common stock repurchases	-	-	-	-	-	-	-
Dividend to shareholders	-	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	1,996,134	-	1,996,134
Net loss	-	-	-	-	-	(32,189,013)	(32,189,013)
<b>Total comprehensive loss</b>						<b>(32,189,013)</b>	<b>(30,192,879)</b>
<b>Balance at December 31, 2020</b>	<b>100</b>	<b>\$ 1</b>	-	<b>\$ (221,009)</b>	<b>\$ (2,584,760)</b>	<b>\$ (22,646,337)</b>	<b>\$ (113,239,541)</b>



ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows  
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Net Income (Loss)	\$ (32,189,013)	\$ 4,517,540
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,964,934	9,532,592
Amortization of debt issue costs	813,567	756,118
Deferred rent	(245,213)	230,290
Deferred income taxes	(3,459,347)	1,256,344
Changes in operating assets and liabilities:		
Restricted cash	9,060	568,763
Commissions receivable	16,742,703	(5,885,684)
Commissions payable	(32,529,367)	3,249,985
Prepaid expenses	(366,204)	82,406
Accounts payable and accrued expenses	(2,269,784)	86,637
Accrued interest	9,280,140	-
Other assets & liabilities	(420,476)	284,971
Deposits	(1,274,204)	-
Income taxes	(823,626)	932,366
Rebates payable	981,596	(581,724)
Uncleared commission checks	1,453,753	922,768
<b>Net cash provided by (used in) operating activities</b>	<b>(33,331,481)</b>	<b>15,953,372</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, equipment and software	(3,770,851)	(7,887,214)
<b>Net cash used in investing activities</b>	<b>(3,770,851)</b>	<b>(7,887,214)</b>
<b>Cash flows from financing activities:</b>		
Revolver draw	7,500,000	-
Principal payments on long-term debt	(1,125,000)	(8,377,109)
<b>Net cash provided by (used in) financing activities</b>	<b>6,375,000</b>	<b>(8,377,109)</b>
Effect of exchange rate changes on cash and cash equivalents	(458,795)	(280,168)
<b>Net decrease in cash</b>	<b>(31,186,127)</b>	<b>(591,118)</b>
<b>Cash, beginning of year</b>	<b>\$ 62,227,533</b>	<b>\$ 62,818,651</b>
<b>Cash, end of year</b>	<b>\$ 31,041,406</b>	<b>\$ 62,227,532</b>
<b>Supplemental cash flow disclosure:</b>		
Interest paid	\$ 8,739,326	\$ 19,056,191
Income tax paid, net of refunds	\$ 1,180,251	\$ 2,416,777



## ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

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### **Note 1 - Business Description and Summary of Significant Accounting Policies**

#### ***Business description***

Onyx CenterSource, Inc. is a Delaware corporation formed in April 2013 which acts as a holding company over the principal operating subsidiaries in our relevant jurisdictions. Onyx CenterSource, Inc.'s direct or indirect subsidiaries conduct all of our businesses worldwide. In these consolidated financial statements, references to "Onyx," the "Company," "we," "our," "ours," and "us" refer to Onyx CenterSource, Inc. and its consolidated subsidiaries unless otherwise stated or the context otherwise requires.

The leading provider of commission solutions to the hospitality industry, Onyx assists hotels and travel distributors by offering an end-to-end solution for their business-to-business payments, including data analytics and business insights that help improve their business performance and profitability.

#### ***Principles of consolidation***

The consolidated financial statements include all accounts of the Company. All significant intercompany accounts and transactions have been eliminated in consolidation.

#### ***Basis of presentation and use of estimates***

The accompanying consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). These principles require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates include, but are not limited to, the useful lives of long-lived assets, recoverability of deferred tax assets, impairment of long-lived assets, and certain accrued liabilities. Actual results could differ from those estimates. The following paragraphs of Note 1 summarize the more significant accounting policies used in preparing the consolidated financial statements.

#### ***Foreign currencies, currency translation and re-measurement***

The Company's functional currency for each significant operating location is as follows:

- United States of America: U.S. Dollar
- Norway: Norwegian Krone
- Spain: Euro

Due to the nature of the business, the Company transacts in many currencies, but its reporting currency is the U.S. Dollar. Assets and liabilities held by the foreign subsidiaries are translated into U.S. Dollars using exchange rates in effect at the balance sheet date. Results of operations and cash flows are translated into U.S. Dollars using average exchange rates during the reporting period. All translation gains and losses that result from translating the financial statements of the Company's foreign subsidiaries from their respective functional currencies into the U.S. dollar reporting currency are recognized within the cumulative translation adjustment (CTA) account, which is a component of accumulated comprehensive loss within stockholders' deficit.



ONYX CENTERSOURCE, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

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**Note 1 - Business Description and Summary of Significant Accounting Policies - (Continued)**

***Foreign currencies, currency translation and re-measurement - continued***

Where applicable, fluctuations in currency exchange rates relative to the business' functional currency result in the realization of foreign exchange gains and losses when assets and liabilities are re-measured and settled in rates different than those that the assets and liabilities were originally recorded. These foreign currency gains and losses are included in the consolidated statements of operations.

The Company has intercompany debt with its subsidiaries that is denominated in the U.S. Dollar, which is a currency other than the subsidiaries' functional currency. As such, the intercompany debt transactions create foreign currency gains and losses that survive consolidation, while the intercompany debt eliminates upon consolidation. As a result, the Company recognized a gain of approximately \$396,000 and a loss of \$392,000 in intercompany debt remeasurement during the years ended December 31, 2020 and 2019, respectively. The gain or loss is presented within other expense in the accompanying consolidated statements of operations.

Cash flow from the Company's operations included in the consolidated statements of cash flows is calculated based upon the functional currencies using the average translation rates. As a result, amounts related to assets and liabilities reported on the consolidated statements of cash flows will not necessarily agree with arithmetical changes in the corresponding balances on the consolidated balance sheets.

***Cash***

In the ordinary course of business, depending on the timing of the commission cycle, the Company may have significant cash on-hand which represents commissions to be paid within 30 days associated with the services the Company provides. The balance of this cash at December 31, 2020 and 2019 was approximately \$16,400,000 and \$32,700,000, respectively.

Additionally, the Company houses certain cash balances in a separate for-benefit-of (FBO) account over which the Company has limited control, and which acts as a pass-through for commission payments from hotels to agents. The balance of this cash is recorded as part of commissions receivable rather than cash on-hand, and was approximately \$2,900,000 and \$9,900,000 at December 31, 2020 and 2019, respectively.

The Company also had approximately \$157,000 and \$162,000 of restricted cash at December 31, 2020 and 2019, respectively, primarily related to cash securitization of certain letters of credit and payroll taxes to be passed on to local tax jurisdictions on behalf of employees in Norway.

***Concentrations***

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and commissions receivable. The nature of the Company's business requires that the Company regularly have cash balances in excess of any insurance, such as FDIC coverage, that would protect deposits from loss. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant risk on cash.

While no one hotel or agency customer provides an individually significant portion of earnings, the Company has natural concentrations by the fact that it operates in one market (commissions paid by hotels to agencies) which has its own concentrations.



## ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

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### **Note 1 - Business Description and Summary of Significant Accounting Policies - (Continued)**

#### ***Commissions receivable and payable***

As part of the normal business cycle, the Company records commissions receivable from hotels and the associated commissions payable to agencies. A majority of the amounts presented as such on the consolidated balance sheets at any time largely represent the activity of the current cycle of commissions that are collected from hotels and subsequently passed through to agencies.

Due to the pass-through nature of the Company's business, the impact for losses on un-collected amounts has historically been immaterial.

The Company does periodically assess all receivables for collectability and maintains reserves based on historical experiences as well as for specific situations as they arise. The total allowance for uncollectible accounts at December 31, 2020 and 2019 was approximately \$110,000 and \$130,000, respectively.

#### ***Capitalized software costs***

The Company has incurred costs to both acquire and develop software for internal use. Research and development (R&D) costs related to these efforts, including any product discovery and pre-application development, are expensed as incurred. Software developed for internal use may be capitalized for the full costs incurred during the software development stage. The Company's capitalized costs for internally developed software consist substantially of personnel-related costs associated with the development and enhancement of core applications and costs paid to third parties for licenses. Capitalized software costs are depreciated using the straight-line method over three to five years, which approximates the estimated economic life of that version of the product. Software costs of approximately \$3,540,000 and \$6,770,000 were capitalized during the years ended December 31, 2020 and 2019, respectively.

#### ***Property and equipment***

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives, ranging from three to seven years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the life of the lease. Any gain or loss resulting from the retirement or sale of an asset is credited or expensed to operations.

#### ***Goodwill and intangibles***

Goodwill represents the excess of purchase price over the fair value of identified tangible and intangible assets acquired, less liabilities assumed. Goodwill is considered to have an indefinite life and, therefore, is not subject to amortization.

Intangible assets consist of customer relationships, technology, trademark and trade names, and non-compete agreements and are amortized over their respective estimated useful lives, which range from 2 to 10 years. Amortization is computed on a straight-line basis, which approximates the timing of the economic benefits generated by the assets.



**ONYX CENTERSOURCE, INC. AND SUBSIDIARIES**  
Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

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**Note 1 - Business Description and Summary of Significant Accounting Policies - (Continued)**

***Impairment of long-lived assets and goodwill***

The Company reviews long-lived assets, such as property, equipment, and software and intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of, if material, would be separately presented in the consolidated balance sheets and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated.

In a similar way, goodwill is reviewed at least annually for the existence of facts and circumstances, both internal and external, which may suggest impairment.

Upon review, the Company determined that no impairment existed on either long-lived assets or goodwill for the year ended December 31, 2019. Additionally, while there was a triggering event during 2020 related to the impact of the COVID-19 pandemic on its results, the Company completed an analysis to confirm that the implied fair value of its long-lived assets and goodwill exceeded the carrying value, and therefore no impairment existed on either long-lived assets or goodwill for the year ended December 31, 2020.

***Revenue recognition***

The Company earns revenue by charging each participating travel agency a fee equal to a percentage of that agency's commission volumes from the Company's hotel customers. In many cases, those travel agencies purchase commission reconciliation and tracking services as well, revenues of which are typically recognized on a per confirmed, commissionable room-night basis. The Company also earns a fee from contracted hotels which is typically associated with the number of commissionable transactions processed.

Revenues from travel agency fees can vary substantially from period to period based on a number of factors, including but not limited to, the types of hotels at which reservations are made, fluctuations in overall room rates and commission percentages paid by hotels to travel agencies as well as currencies involved in the underlying hotel stay. The Company recognizes revenues when the commission is calculated, processed, and or reconciled.

***Advertising***

Advertising is expensed as incurred. Advertising costs for the years ended December 31, 2020 and 2019 were approximately \$197,000 and \$794,000, respectively.

***401(k) and defined contribution pension plans***

The Company maintains a 401(k) Plan, whereby eligible US employees may contribute up to 92% of their eligible compensation, subject to limitations established by the Internal Revenue Code. The Company may contribute a discretionary matching contribution semi-monthly equal to 100% of each participant's deferred compensation up to the first 3% of their annual eligible compensation

The Company has a Group Personal Pension Plan (GPPP) for employees in the UK, whereby eligible employees may contribute a portion of their compensation, subject to their age and other limitations established by HM Revenue & Customs. The Company contributes 6% of the employee's annual compensation as long as the individual contributes a minimum of 3% of their annual compensation to the plan.



## ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

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### **Note 1 - Business Description and Summary of Significant Accounting Policies - (Continued)**

#### ***401(k) and defined contribution pension plans - continued***

The Company is required by Singapore government regulation to pay a certain percentage, approximately 15% of gross salary, to the Central Provident Fund for the benefit of the Company's Singapore employees.

The Company has an agreement regarding mandatory pension with Nordea Liv for its Norwegian employees. The agreement meets the minimum Norwegian statutory requirements for such an arrangement. The Company contributed 4% and 3% of each Norwegian employee's base salary for those associated with the pension program in 2020 and 2019, respectively.

The Company is required by Spanish government regulation to pay a certain percentage, approximately 32% of gross salary, to the Social Security System for the benefit of its Spanish employees. This amount covers regular taxes as well as the retirement and pension benefit.

The Company has a benefit plan in Manila (covering approximately 45 employees) which was converted from a defined benefit to a hybrid plan and fully funded in 2018. Both the ongoing cost and liability associated with this plan are immaterial to the consolidated financial statements at December 31, 2020.

All expenses incurred by the Company in conjunction with the plans and agreements described above were immaterial to the consolidated financial statements for the years ended December 31, 2020 and 2019.

#### ***Income taxes***

Deferred income tax assets and liabilities are recognized for the differences between the financial and income tax reporting bases of assets and liabilities based on enacted tax rates and laws. The deferred income tax expense or benefit generally reflects the net change in deferred income tax assets and liabilities during the year. The current income tax provision reflects the tax consequences of revenues and expenses currently taxable or deductible on income tax returns for the year reported. A valuation allowance is established when it is more likely than not that deferred tax assets will not be realized.

The Company accounts for uncertain tax positions, when applicable, through the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740-10-25 (ASC 740), *Income Taxes*, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. ASC 740 also provides guidance on de-recognition of income tax assets and liabilities and accounting for interest and penalties associated with tax positions. At December 31, 2020 and 2019, no uncertain tax positions have been identified and the Company is no longer subject to tax examinations by tax authorities for years prior to 2016. If applicable, interest and penalties related to uncertain tax positions will be recognized in income tax expenses as incurred. No such amounts were recognized during 2020 or 2019.



ONYX CENTERSOURCE, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements  
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**Note 1 - Business Description and Summary of Significant Accounting Policies - (Continued)**

***Income taxes –continued***

In response to the COVID-19 pandemic, the CARES Act was signed into law on March 27, 2020. The CARES Act provided numerous tax provisions and other stimulus measures, including temporary changes regarding the prior and future utilization of net operating losses, temporary changes to the prior and future limitations on interest deductions, temporary suspension of certain payment requirements for the employer portion of Social Security taxes, technical corrections from prior tax legislation for tax depreciation of certain qualified improvement property, and the creation of certain refundable employee retention credits. The Company did not benefit from the temporary five-year net operating loss carryback provision but did benefit from the technical correction for qualified leasehold improvements, which changes 39-year property to 15-year property and makes them eligible for 100 percent tax bonus depreciation. Applying the technical correction to 2019 has resulted in reporting additional tax depreciation of \$229,518. No qualified leasehold improvements were placed in service in the 2020 tax year. The results of the technical correction are reflected in the deferred tax assets and liabilities as of December 31, 2020.

The Consolidated Appropriations Act, 2021 (the “Act”), which includes the COVID-related Tax Relief Act of 2020 and the Taxpayer Certainty and Disaster Tax Relief Act of 2020, was passed and signed into law the last week of 2020. Among others, the provisions in the Act included items such as guidance on expenses associated with forgiven Paycheck Protection Program loans, business meals deductions, individual tax rebates and unemployment benefits. The Company did take advantage of refundable employee retention credits during 2020.

***Adoption of New Accounting Rules***

On February 25, 2016, the FASB issued ASU No. 2016-02, Leases (“ASC 842”). Lessees will need to recognize almost all leases on their balance sheet as a right-of-use asset and a lease liability. It will be critical to identify leases embedded in a contract to avoid misstating the lessee’s balance sheet. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines. The Company is required to adopt the guidance in fiscal year 2022 using a modified retrospective approach and is still determining the effect of the standard on our ongoing financial reporting. As a result of the new standard, all of our leases greater than one year in duration, primarily leases of office space, will be recognized on our Consolidated Balance Sheets as both operating lease liabilities and right-of-use assets upon adoption of the standard.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (“ASC 606”). This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The Company adopted this standard on January 1, 2019, using the retrospective method of adoption. The timing of revenue recognition was not affected by the new standard.



**ONYX CENTERSOURCE, INC. AND SUBSIDIARIES**  
Notes to Consolidated Financial Statements  
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**Note 2 - Property, Equipment and Software**

Property, equipment and software consists of the following:

	<u>Estimated Useful Life</u>		<u>2020</u>		<u>2019</u>
Software	3 to 5 years	\$	31,176,289	\$	27,450,279
Computer and network equipment	3 years		2,950,281		2,597,454
Leasehold improvements	Term of Lease		1,858,220		1,839,903
Furniture and fixtures	7 years		1,059,913		1,051,992
<b>Total property, equipment and software</b>			<b>37,044,703</b>		<b>32,939,628</b>
Less accumulated depreciation			(20,834,801)		(15,676,525)
<b>Total property, equipment and software, net</b>		<b>\$</b>	<b>16,209,902</b>	<b>\$</b>	<b>17,263,103</b>

Depreciation expense for the years ended December 31, 2020 and 2019 was approximately \$5,125,000 and \$3,770,000, respectively.

**Note 3 - Goodwill and Intangible Assets**

**Goodwill**

The Company generated goodwill from its historical business combinations.

The table below presents the year over year changes in goodwill:

<b>Balance at December 31, 2018</b>	<b>\$ 74,598,405</b>
Impact of foreign currency translation	(514,984)
<b>Balance at December 31, 2019</b>	<b>74,083,421</b>
Impact of foreign currency translation	2,223,288
<b>Balance at December 31, 2020</b>	<b>\$ 76,306,709</b>



## ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

### **Note 3 - Goodwill and Intangible Assets - (Continued)**

#### **Intangible Assets**

The Company has recorded identifiable intangible assets in connection with its historical acquisitions which are amortized on a straight-line basis over their respective estimated useful lives.

Intangible assets consist of the following:

	<b>Estimated Useful Life</b>	<b>2020</b>	<b>2019</b>
Customer relationships	10 years	\$ 56,003,791	\$ 54,561,881
Acquired technology	10 years	8,484,917	8,372,140
Trademark and tradename	5 years	211,300	201,062
Non-compete agreements	2 years	1,427,260	1,398,453
		<b>66,127,268</b>	<b>64,533,536</b>
Less accumulated amortization		(45,880,231)	(38,947,699)
		<b>\$ 20,247,037</b>	<b>\$ 25,585,837</b>

Amortization expense for the years ended December 31, 2020 and 2019 was approximately \$5,974,000 and \$6,032,000, respectively.

Estimated amortization expense for each of the next five years and thereafter is as follows for the years ending December 31:

2021	\$ 6,152,557
2022	6,152,557
2023	4,302,115
2024	1,932,882
2025 and thereafter	1,706,926
<b>Total future amortization</b>	<b>\$ 20,247,037</b>

### **Note 4 - Debt**

#### **Senior Secured Loan Agreement**

As of December 31, 2018, the Company had a Senior Secured Loan Agreement (Term Loan) that was secured by substantially all assets of the Company and provided for a term loan of \$225,000,000 and a revolver of \$7,500,000. The Term loan bore interest at a rate of LIBOR with a 1% floor plus a margin of 6.25% (effectively 9.25% at December 31, 2020) and required quarterly interest payments, quarterly principal payments of \$563,000, and an additional annual principal payment based on excess cash flow through maturity in December 2021.



ONYX CENTERSOURCE, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

**Note 4 – Debt - (Continued)**

**Senior Secured Loan Agreement- continued**

Below is a summary of the Company's outstanding debt at December 31:

	<u>2020</u>	<u>2019</u>
Long-term debt:		
Term Loan	\$ -	\$ 208,578,973
Less: Long-term portion of capitalized loan cost, net	<u>-</u>	<u>(844,971)</u>
<b>Total long-term debt</b>	<b>214,953,973</b>	<b>207,734,002</b>
Short-term debt:		
Current portion of term loan	217,203,973	2,250,000
Less: Current portion of capitalized loan cost, net	<u>(844,971)</u>	<u>(813,567)</u>
<b>Total short-term debt</b>	<b>216,359,002</b>	<b>1,436,433</b>
<b>Total debt</b>	<b>\$ 216,359,002</b>	<b>\$ 209,170,435</b>

In connection with the original issuance of the Term Loan and subsequent amendments, the Company capitalized loan origination costs of \$3,762,500. The Company amortized \$814,000 and \$756,000 of capitalized loan origination costs to interest expense during the years ended December 31, 2020 and 2019, respectively.

During the year ended December 31, 2020, due to worldwide travel restrictions imposed in response to the COVID-19 pandemic and the resulting impact on the Company's operations, the Company was not able to make the required quarterly principal and interest payments required by the Term Loan during the second half of the year. Further, the pandemic's impact on operations caused the Company to be out of compliance with certain key financial ratios related to the Term Loan covenants as of December 31, 2020, and therefore, the Company was in default on the loan per the Term Loan agreement.

In December 2020, the Company reached an agreement with its lenders whereby the lenders agreed to convert approximately \$60 million of the total outstanding balance of the Term Loan to an equivalent amount of a combination of the Company's common stock and newly issued preferred stock, which represents a majority of the Company's outstanding equity. In connection with this agreement, the maturity date of the remaining principal balance of the Term Loan and the outstanding balance on the revolver was extended through 2024. Final ratification of the agreement was pending regulatory approval at the time these financial statements were ready and available to be issued.

The estimated fair value of the Company's indebtedness under the Term Loan at December 31, 2020 was \$226,000,000, and approximates the carrying value of the Term Loan plus the accrued but unpaid interest thereon. As of December 31, 2019, the fair value of the Term Loan approximated the carrying value of approximately \$210,800,000, based upon borrowing rates currently available to the Company.



**ONYX CENTERSOURCE, INC. AND SUBSIDIARIES**  
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**Note 5 - Income Taxes**

The Company and its subsidiaries' primary tax jurisdictions are the U.S., Spain, and Norway. Certain other subsidiaries included in these financial statements are subject to income taxes in the U.K., the Philippines and Singapore.

The allocation of income (loss) from continuing operations before taxes is as follows:

	<u>2020</u>	<u>2019</u>
Domestic income (loss) before taxes	\$ (31,273,880)	\$ (4,055,094)
Foreign income (loss) before taxes	<u>(4,434,566)</u>	<u>13,213,893</u>
<b>Total income (loss) before taxes</b>	<b>\$ <u>(35,708,446)</u></b>	<b>\$ <u>9,158,799</u></b>

The components of income tax (expense) benefit were as follows:

	<u>2020</u>	<u>2019</u>
Current (expense) benefit:		
Federal	\$ 99,395	\$ (267,890)
State	8,021	(21,783)
Foreign	<u>(208,811)</u>	<u>(3,010,768)</u>
<b>Total current expense</b>	<b>(101,395)</b>	<b>(3,300,441)</b>
Deferred (expense) benefit:		
Federal	2,584,922	(395,185)
Foreign	<u>1,034,021</u>	<u>(913,605)</u>
<b>Total deferred (expense) benefit</b>	<b><u>3,618,943</u></b>	<b><u>(1,308,790)</u></b>
<b>Income tax (expense) benefit</b>	<b>\$ <u>3,517,548</u></b>	<b>\$ <u>(4,069,231)</u></b>



ONYX CENTERSOURCE, INC. AND SUBSIDIARIES  
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**Note 5 - Income Taxes – (Continued)**

The reconciliation of the U.S. federal statutory income tax provision to the income tax provision on continuing operations is as follows:

	<u>2020</u>	<u>2019</u>
Expected statutory income tax expense	\$ 7,498,774	\$ (1,923,348)
Permanent differences	(1,568,431)	(12,521)
Mandatory repatriation	-	-
Return to provision true-ups	(139,300)	(501,828)
Global intangible low-taxed income	-	(1,593,691)
State taxes, net of the federal benefit	6,336	(17,209)
Impact of foreign rate differential	107,381	(162,699)
Effect of non-US branch operations	(3,357)	(2,898)
Credits generated (mostly from foreign tax and R&D credits)	(391,473)	377,848
Usage of U.S. NOL's (remove valuation allowance)	-	(809,083)
Other change in valuation allowance	(1,992,382)	6,674
Impact of rate changes	-	29,524
<b>Income tax (expense) benefit, net</b>	<b>\$ 3,517,548</b>	<b>\$ (4,609,231)</b>

Our effective tax rate was higher than the 21% statutory rate in 2019 primarily due to earnings in foreign jurisdictions outside of the United States, mainly Norway and Spain, where the statutory income tax rates were higher. In 2020, our effective tax rate was lower than the 21% statutory rate primarily due to the reduction in revenues resulting from the COVID-19 pandemic.

As of December 31, 2020 and 2019, the significant components of our deferred tax assets and deferred tax liabilities were as follows:

	<u>2020</u>	<u>2019</u>
<b>Deferred tax assets:</b>		
Interest limitation (163j)	\$ 2,393,354	\$ 3,386,116
Tax credit carryforwards	5,735,972	5,090,132
Charitable contributions	501	-
Net operating loss carryforwards	5,996,372	123,546
<b>Total deferred tax assets</b>	<b>14,126,199</b>	<b>8,599,794</b>
Less valuation allowance	(7,099,768)	(5,107,385)
<b>Net deferred tax assets</b>	<b>7,026,431</b>	<b>3,492,407</b>



**ONYX CENTERSOURCE, INC. AND SUBSIDIARIES**  
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**Note 5 - Income Taxes – (Continued)**

**Deferred tax liabilities:**

Property and equipment	(1,976,016)	(2,243,469)
Accrued expenses	(298,398)	(60,759)
Purchased intangibles	(24,892)	(486,844)
Goodwill	(5,321,621)	(4,757,072)
<b>Total deferred tax liabilities</b>	<b>(7,620,927)</b>	<b>(7,548,144)</b>
<b>Deferred income tax liabilities, net</b>	<b>\$ (594,496)</b>	<b>\$ (4,055,737)</b>

The Company records a valuation allowance to reduce the carrying value of deferred tax assets if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. In evaluating its ability to realize the net deferred tax assets, the Company considered all available positive and negative evidence, including its past operating results and the forecast of future market growth, forecasted earnings, future taxable income, and prudent and feasible tax planning strategies.

At December 31, 2020, the Company generated U.S. federal net operating losses of approximately \$26,081,000. Additionally, the Company has approximately \$1,554,000 of R&D credits and \$1,922,000 of foreign tax credits available to be used and carried forward for use until the year 2035. The Company also generated an additional \$1,601,000 in deferred tax assets associated with a limitation on the deductibility of interest provision contained in the Tax Act. All of our operating losses and tax credit carryforwards may be subject to limitations under provisions of the Internal Revenue Code. Current evidence available, including the results of the COVID pandemic, is not deemed sufficient to overcome the need for valuation allowance in the U.S. at this time. The valuation allowance recorded for the U.S. deferred tax assets is \$6,974,000 and \$4,984,000 at December 31, 2020 and 2019, respectively. As the Company is a historical taxpayer in foreign jurisdictions, no other significant valuation allowance was deemed necessary.

**Note 6 - Commitments and Contingencies**

**Operating leases**

The Company leases office space in Norway, Manila, Spain, and Dallas – each under non-cancelable operating leases. In addition to the base rent, the Company is also responsible for a portion of the operating expenses associated with these facilities. Where operating leases contain rent escalation clauses or certain types of landlord concessions, the financial effect of these items are included in the determination of the straight-line expense over the lease term.

The current lease terms, if not extended, for our respective locations are as follows:

Manila, Philippines	2021
Tønsberg, Norway	2026
Seville, Spain	2022
Dallas, USA	2023



ONYX CENTERSOURCE, INC. AND SUBSIDIARIES  
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**Note 6 - Commitments and Contingencies – (Continued)**

**Operating leases - continued**

Future minimum lease payments required under the non-cancelable operating leases are as follows:

Years ending December 31:		
2021	\$	1,662,027
2022		1,235,804
2023		779,916
2024		136,231
2025 and thereafter		<u>140,318</u>
<b>Total future minimum lease payments</b>	<b>\$</b>	<b><u>3,954,296</u></b>

Base rent expense totaled approximately \$1,330,000 and \$1,220,000 for the years ended December 31, 2020 and 2019, respectively.

**Other service agreements**

The Company has entered into service agreements with initial minimum commitments ranging between one and three years that expire between the fiscal years 2021 and 2024 primarily related to software and technologies, the hosting of datacenters and disaster recovery. In addition to the base terms, there are certain options that extend the terms of the service agreements. Payments are fixed for the initial terms and are subject to increase in the event that the Company elects to extend the service.

**Note 7 - Related-Party Transactions**

Associated with H.I.G. Capital's (H.I.G.) equity investment in the Company in April 2013, there was an executed management agreement whereby H.I.G. will provide to the Company general business, financial and management advice. In consideration for these and other services, the Company will pay H.I.G. a quarterly management fee of \$250,000. Management fees paid were \$250,000 and \$1,000,000 for the years ended December 31, 2020 and 2019, respectively. The Company also paid a minimal amount to H.I.G. for reimbursed business expenses for the year ended December 31, 2020, and approximately \$66,000 for the year ended December 31, 2019.

**Note 8 - Subsequent Events**

The Company evaluated all events or transactions that occurred subsequent to December 31, 2020 through June XX, 2021, the date the consolidated financial statements were available to be issued.

In December 2020, the Company reached an agreement with its lenders whereby the lenders agreed to convert approximately \$60 million of the total outstanding balance of the Term Loan to an equivalent amount of a combination of the Company's common stock and newly issued preferred stock, which represents a majority of the Company's outstanding equity. In connection with this agreement, the maturity date of the remaining principal balance of the Term Loan and the outstanding balance on the revolver was extended through 2024. Final ratification of the agreement was pending regulatory approval at the time these financial statements were ready and available to be issued.