Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap 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:	03.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 28.07.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	9 375	57 500
Sum kostnader		**9 375**	**57 500**
Driftsresultat		**-9 375**	**-57 500**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	3	14 522 179	0
Utbytte	3	58 000 000	0
Sum finansinntekter		**72 522 179**	**0**
Rentekostnad til foretak i samme konsern	3	6 341 559	8 113 745
Annen finanskostnad			2 030
Sum finanskostnader		**6 341 559**	**8 115 775**
Netto finans		**66 180 620**	**-8 115 775**
Ordinært resultat før skattekostnad		**66 171 245**	**-8 173 275**
Skattekostnad på ordinært resultat	4	1 797 673	-1 797 673
Ordinært resultat etter skattekostnad		**64 373 572**	**-6 375 602**
Årsresultat		**64 373 572**	**-6 375 602**
Overføringer og disponeringer			
Ordinært utbytte	5	96 853 522	
Overføringer til/fra annen egenkapital	5	-32 479 950	-6 375 602
Sum overføringer og disponeringer		**64 373 572**	**-6 375 602**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4	0	1 797 673
Sum immaterielle eiendeler		**0**	**1 797 673**
Finansielle anleggsmidler			
Investering i datterselskap	6	125 205 784	125 205 784
Lån til foretak i samme konsern	3	72 789 058	10 395 432
Sum finansielle anleggsmidler		**197 994 842**	**135 601 216**
Sum anleggsmidler		**197 994 842**	**137 398 889**
Omløpsmidler			
Varer			
Sum omløpsmidler		**0**	**0**
SUM EIENDELER		**197 994 842**	**137 398 889**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	5,7	3 330 000	3 330 000
Overkurs	7	10 561 137	10 561 137
Sum innskutt egenkapital		**13 891 137**	**13 891 137**
Opptjent egenkapital			
Annen egenkapital	7	-10 561 137	-10 561 137
Sum opptjent egenkapital		**-10 561 137**	**-10 561 137**
Sum egenkapital		**3 330 000**	**3 330 000**
Gjeld			

Balanse

Beløp i: NOK	Note	2022	2021
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	3	41 109 572	101 588 938
Sum annen langsiktig gjeld		**41 109 572**	**101 588 938**
Sum langsiktig gjeld		**41 109 572**	**101 588 938**
Kortsiktig gjeld			
Utbytte	3	96 853 522	
Kortsiktig konserngjeld	3	56 701 748	
Sum kortsiktig gjeld		**153 555 270**	
Sum gjeld		**194 664 842**	**101 588 938**
SUM EGENKAPITAL OG GJELD		**197 994 842**	**104 918 938**

Annual report 2022

Onyx Norway Holding AS

The Board of Director's report 2022 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 expectations for 2023 are positive, mainly due to the future growth and profitability expectations in the subsidiary. The market again increased from the effects of the Corona virus and now has minimal impact on the business. There will however always be uncertainty related to the financial effects of any future events.

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 fully 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.

The company has paid interest of NOK 6,3 mill for a long-term loan based on a NOK 200 mill dividend decided in 2020. High income from subsidiaries has resulted in a profit of NOK 64,4 mill. in 2022, compared to a loss of NOK 6,4 mill. in 2021.

The Company has no liquidity reserve as of 31.12.2022. The business activity does not require significant payment of operating expenses. Further repayment of the 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 31.12.2022 with its most liquid assets.

Main risk for the company is the business of its wholly owned subsidiary Onyx CenterSource AS. In its regular business operations Onyx CenterSource AS is exposed to a variety of risks, and the Board of Directors is committed to ensuring that risk is managed in a systematic and structured manner. Key operational risks relate to system process failure, corporate compliance and reputation. From a financial perspective, the main risk is related to currency exchange rates. The risk for losses on receivables is low and the Company has not yet experienced such losses.

The working environment, diversity and discrimination

The Company has no employees. The board has four members, three men and one woman.

There is no insurance in place for board members.

Environmental report

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

Tønsberg, Norway, May 3rd, 2023
Board of directors at Onyx Norway Holding AS

Henning Eie Sudland Chairman	Mark S. Dubrow Board member
Adam Michael Weinstock Board member	Esther Jane Dickinson Gawen Board member

Environmental report

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Chairman

Mark S. Dubrow
Board member

Adam Michael Weinstock
Board member

Esther Jane Dickinson Gawen
Board member

Onyx Norway Holding AS

Org.nr.: 913 250 508

Profit and loss statement

NOK	NOTE	2022	2021
OPERATING REVENUE AND OPERATING EXPENSES			
Other operating expenses	2	9,375	57,500
Total operating expenses		**9,375**	**57,500**
Operating loss		**-9,375**	**-57,500**
FINANCIAL INCOME AND FINANCIAL EXPENSES			
Income from subsidiaries and associated companies	3	14,522,179	0
Other financial income	3	58,000,000	0
Interest paid to group companies	3	-6,341,559	-8,113,745
Other financial expenses		0	-2,030
Financial items, net		**66,180,620**	**-8,115,775**
Profit / Loss before taxation		**66,171,245**	**-8,173,275**
Income tax	4	1,797,673	-1,797,673
PROFIT FOR THE FINANCIAL YEAR		**64,373,572**	**-6,375,602**
ALLOCATION OF NET LOSS AND EQUITY TRANSFERS			
Transferred from other equity	5	-32,479,950	-6,375,602
Dividend	5	96,853,522	0
Total allocations		64,373,572	-6,375,602

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

Balance sheet at 31 December

NOK	NOTE	2022	2021
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax assets	4	0	1,797,674
Total intangible assets		0	1,797,674
Tangible fixed assets			
Fixtures and fittings			
Financial non-current assets			
Investments in subsidiary companies	6	125,205,784	125,205,784
Total financial non-current assets		125,205,784	125,205,784
Total non-current assets		125,205,784	127,003,458
Current assets			
Receivables			
Other receivable group companies	3	72,789,058	10,395,431
Total receivables		72,789,058	10,395,431
Current investments			
Total current assets		72,789,058	10,395,431
TOTAL ASSETS		197,994,842	137,398,889
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital (3.330.000 shares at NOK 1)	5, 7	3,330,000	3,330,000
Share premium account	7	10,561,137	10,561,137
Total paid-in capital		13,891,137	13,891,137
Retained earnings			
Retained earnings	7	-10,561,137	21,918,813
Total retained earnings		-10,561,137	21,918,813
Total equity		3,330,000	35,809,950
Liabilities			
Provisions for liabilities and charges			
Other non-current liabilities			
Other long term loans group companies	3	41,109,572	101,588,938
Total non-current liabilities		41,109,572	101,588,938
Current liabilities			
Dividend	3	96,853,522	0
Other current liabilities group companies	3	56,701,748	0
Total current liabilities		153,555,270	0
Total liabilities		194,664,842	101,588,938
TOTAL EQUITY AND LIABILITIES		197,994,842	137,398,889

Tønsberg, Norway, May 3rd, 2023
Board of directors
Onyx Norway Holding AS

Henning Eie Sudland
Chairman

Mark Steven Dubrow
Board member

Adam Michael Weinstock
Board member

Esther Jane Dickinson Gawen
Board member

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

Balance sheet at 31 December

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ASSETS			
Non-current assets			
Intangible assets			
Deferred tax assets	4	0	1,797,674
Total intangible assets		0	1,797,674
Tangible fixed assets			
Fixtures and fittings			
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Tønsberg, Norway, May 3rd, 2023
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Onyx Norway Holding AS
Org.nr.: 913 250 508

Balance sheet at 31 December

NOK	NOTE	2022	2021
ASSETS			
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Intangible assets			
Deferred tax assets	4	0	1,797,674
Total intangible assets		0	1,797,674
Tangible fixed assets			
Fixtures and fittings			
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Tønsberg, Norway, May 3rd, 2023
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Onyx Norway Holding AS

Org.nr: 913 250 508

Cash flow statement

	2022	2021
CASH FLOW FROM OPERATIONS:		
Profit/(loss) before taxation	66,171,245	-8,173,275
Taxes paid for the period	0	-709
Changes in inter-company balances	-5,691,879	-2,789,701
Net cash flow from operations	**60,479,366**	**-10,963,685**
CASH FLOW FROM FINANCING ACTIVITIES:		
Outflow due to downpayment of non-current liabilities	-60,479,366	-3,822,375
Payments in due to group contribution	0	14,786,060
Net cash flow from financing activities	**-60,479,366**	**10,963,685**
Net change in bank deposits, cash and equivalents	0	0
Bank deposits, cash and equivalents at 1 January	0	0
Bank deposits, cash and equivalents at 31 December	**0**	**0**

Onyx Norway Holding AS
Org.nr: 913 250 508

Note 1 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 fiscal year 2014 is covering the period between 12.02-31.12.2014.
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 Freedway, 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.

Shares 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 acccounting 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 change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

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 2022.

Auditor
Remuneration to Deloitte AS and their associates is as follows:

	2022	2021
Statutory audit	9,375	57,500

Value added tax is included in the auditors fee.

Onyx Norway Holding AS
Org.nr: 913 250 508

Note 3 Related party transactions and balances

Related party transactions, profit and loss

Transaction/transaction type	Belongs to P&L line	Counterpart	2022	2021
Interest cost	*Other financial exp.*	*Net Trans Limited (UK)*	6,341,559	-
Dividend	*Other financial income*	*Onyx CenterSource AS*	58,000,000	-
Group contribution	*Other financial income*	*Onyx CenterSource AS*	14,522,179	-
Total			**78,863,738**	**-**

Related party balance items

Counterpart	Relationship to the counterpart	Accounts receivables 2022	Accounts receivables 2021	Other receivables 2022	Other receivables 2021
Onyx CenterSource AS	Daughter		-	72,522,179	10,128,552
Pegasus Business Intelligence Inc	Indirect owner			266,879	266,879

Counterpart	Relationship to the counterpart	Other short term debt 2022	Other short term debt 2021	Other long term debt 2022	Other long term debt 2021
Onyx CenterSource AS	Daughter		-	-56,701,748	
Net Trans Limited (UK)	Mother			41,109,572	101,588,938
Paycom Acquision 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 2022 was NOK 6.341.559.

The note is unsecured and no covenant requirement exists.

Note 4 Income tax expense

Specification of income tax expense:	2022	2021
Tax effect of group contribution	-	-
Current income tax payable	-	-
Effect of changes in tax regulations	-	-
Changes in deferred taxes	-1,797,673	-1,797,673
Tax on profit/loss	**-1,797,673**	**-1,797,673**

Specification of current income tax payable:

	2022	2021
This year's payable income tax expense	-	-
Income tax on given group contribution	-	-
Current income tax payable in the balance sheet	**-**	**-**

Reconciliation from nominal to real income tax rate:

	2022	2021
Profit / Loss before taxation	66,171,245	-8,173,275
Estimated income tax according to nominal tax rate (22%)	14,557,674	-1,798,121
The tax effect of the following items:		
Tax-free dividends	-12,760,000	-
Interest limitation	-	-
Changes in deferred tax assets	-	-
Other non-deductible expenses	-	447
Other non-taxable income	-	-
Losses carried forward	-	-
Income tax expense	1,797,673	-1,797,673
Effective income tax rate	**3%**	**22%**

Specification of deferred tax

Temporary differences	2022	2021
Reduction of interest limitation on losses carried forward	-	-
Losses carried forward	-	8,171,245
Net temporary differences	**-**	**8,171,245**
Tax effect temporary differences	-	1,797,674
Tax effect temporary differences not included in the balance sheeet	-	-
Deferred tax asset recognised in the balance sheet	**-**	**1,797,674**

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.

Onyx Norway Holding AS
Org.nr: 913 250 508

Note 5 Equity

Paid in equity	Share capital	Share premium	Retained earnings	Total
Equity at 31 December 2021	**3,330,000**	**10,561,137**	**21,918,813**	**35,809,950**
Profit	-	-	64,373,572	64,373,572
Dividend			-96,853,522	-96,853,522
Correction related to previous year			-	-
Equity at 31 December 2022	**3,330,000**	**10,561,137**	**-10,561,137**	**3,330,000**

Note 6 Investments in subsidiaries

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

Company	Equity latest financial statements	Profit/loss latest financial statements
Onyx CenterSource AS	2,919,766	49,458,094
	-	-

Note 7 Share capital and shareholder information

The share capital in the company at 31 December 2022 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 2022:

	Ordinary shares	Ownership share	Voting share
Net Trans (UK) Ltd	3.330.000	100%	100%

Deloitte.

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NO-3736 Skien
Norway

Tel: +47 23 27 90 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 (the Company), which comprise the balance sheet as at 31 December 2022, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance 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 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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

The Board of Directors and the Managing Director (management) are responsible for the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information. The purpose is to consider if there is material inconsistency between the other information and the financial statements or our knowledge obtained in the audit, or whether the other information appears to be materially misstated. We are required to report if there is a material misstatement in the other information. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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.

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.

Deloitte.

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 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 ISAs, we exercise professional judgment and maintain professional scepticism 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 the Board of Directors 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.

Skien, 03 May 2023
Deloitte AS

Hilde S. Bruseth Knudsen
State Authorised Public Accountant

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Hilde Synnøve Bruseth Knudsen
State Authorised Public Accountant (Norway)
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Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	04.05.2015	12.05.2015
Telefon	Deres referanse	Vår referanse
977 59 464	Maria Tho	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 konsern-regnskapsplikten 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

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Postboks 9200 Grønland
0134 Oslo

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Se www.skatteetaten.no
Org.nr: 996250318
E-post: 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 finasielle 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

December 31, 2022 and 2021

armanino

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Onyx CenterSource, Inc.
Dallas, Texas

Opinion

We have audited the accompanying consolidated financial statements of Onyx CenterSource, Inc. (a California corporation) and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 (Successor) and 2021 (Predecessor), and the related consolidated statements of operations, changes in stockholders' equity (deficit), and cash flows for the period from July 20, 2022 (Successor Period), for the period from January 1, 2022 to July 19, 2022 and for the year ended December 31, 2021 (Predecessor periods) and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Onyx CenterSource, Inc. and Subsidiaries as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of Onyx CenterSource, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Armanino LLP

Armanino LLP
Los Angeles, California

April 6, 2023

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Consolidated Balance Sheets
December 31, 2022 and 2021

	Successor 2022	Predecessor 2021
ASSETS		
Current assets:		
Cash	$ 65,088,255	$ 45,718,941
Restricted cash	155,480	148,283
Commissions receivable, net	22,432,306	16,091,918
Prepaid expenses	1,695,189	1,309,823
Income tax receivable	-	3,544
Other current assets	854,682	310,560
Total current assets	**90,225,912**	**63,583,069**
Property, equipment and software, net	12,624,267	13,510,617
Goodwill and intangibles, net	262,739,329	87,929,904
Deferred tax assets	-	1,323,622
Right-of-use assets - operating leases	3,530,027	-
Other assets	511,701	536,602
Total assets	**$ 369,631,236**	**$ 166,883,814**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 2,074,506	$ 1,242,110
Commissions payable	78,910,799	50,617,545
Accrued expenses	8,157,366	8,186,391
Accrued interest	-	32,440,169
Uncleared commission checks, current	5,709,767	4,240,881
Operating lease liabilities, current	412,526	-
Current portion of term loan	359,771	216,999,976
Total current liabilities	**95,624,735**	**313,727,072**
Uncleared commission checks, less current portion	1,780,789	2,856,070
Term loan, less current portion	119,186,616	3,480,326
Deferred tax liabilities	2,536,705	-
Operating lease liabilites, less current portion	3,520,417	-
Deferred rent	-	159,189
Total liabilities	**222,649,262**	**320,222,657**
Commitments and contingencies (Note 7)		
Stockholders' equity (deficit):		
Common stock; $.01 par value, 128,246 shares authorized, 128,246 shares issued and outstanding	1,282	1
Treasury stock	-	(221,009)
Additional paid-in capital	158,861,885	(87,787,436)
Cumulative translation adjustment	(126,725)	(3,976,106)
Retained earnings (accumulated deficit)	(11,754,468)	(61,354,293)
Total stockholders' equity (deficit)	**146,981,974**	**(153,338,843)**
Total liabilities and stockholders' equity (deficit)	**$ 369,631,236**	**$ 166,883,814**

See accompanying notes to consolidated financial statements.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Consolidated Statements of Operations
Successor for the period from July 20, 2022 to December 31, 2022
Predecessor for the period from January 1, 2022 to July 19, 2022 and for the year ended December 31, 2021

	Successor	Predecessor	
	Period from July 20, 2022 to December 31, 2022	**Period from January 1, 2022 to July 19, 2022**	**Year Ended December 31, 2021**
Revenue:			
Processing fees	$ 35,792,742	$ 36,259,900	$ 37,700,535
Other revenue	175,566	283,245	421,267
Total revenue	**35,968,308**	**36,543,145**	**38,121,802**
Cost of revenue:			
Processing expense	9,753,233	11,652,975	17,254,233
Other expense	5,195,498	5,588,042	6,428,071
Total cost of revenue	**14,948,731**	**17,241,017**	**23,682,304**
Gross profit	**21,019,577**	**19,302,128**	**14,439,498**
Operating expenses:			
General and administrative	8,284,373	7,099,859	8,885,903
Research and development	226,359	954,493	1,961,317
Sales and marketing	1,027,476	1,876,755	2,334,245
Depreciation and amortization	14,789,488	6,796,687	11,751,226
Total operating expenses	**24,327,696**	**16,727,794**	**24,932,691**
Operating income (loss)	**(3,308,119)**	**2,574,334**	**(10,493,193)**
Other income (expenses):			
Interest expense, net	(7,452,330)	(13,350,376)	(23,182,005)
Intercompany debt remeasurement	337,973	(2,322,449)	(1,313,199)
Other	(638,183)	(2,577,926)	(4,377,078)
Total other expenses, net	**(7,752,540)**	**(18,250,751)**	**(28,872,282)**
Loss before income tax provision	**(11,060,659)**	**(15,676,417)**	**(39,365,475)**
Income tax benefit (expense)	(693,809)	(686,262)	1,767,672
Net loss	**$ (11,754,468)**	**$ (16,362,679)**	**$ (37,597,803)**

See accompanying notes to consolidated financial statements.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity (Deficit) and Comprehensive Loss
Successor for the period from July 20, 2022 to December 31, 2022
Predecessor for the period from January 1, 2022 to July 19, 2022 and for the year ended December 31, 2021

	Common Stock			Treasury Stock				
	Number of Shares	Amount	Additional Paid-in Capital	Number of Shares	Amount	Accumulated Comprehensive Loss	Retained Earnings (Accumulated Deficit)	Total
Predecessor								
Balance at December 31, 2020	**100**	**1**	**(87,787,436)**	-	**(221,009)**	**(2,584,760)**	**(23,756,490)**	**(114,349,694)**
Currency translation adjustment	-	-	-	-	-	(1,391,346)	-	(1,391,346)
Net loss	-	-	-	-	-	-	(37,597,803)	(37,597,803)
Total comprehensive loss								**(38,989,149)**
Balance at December 31, 2021	**100**	**1**	**(87,787,436)**	-	**(221,009)**	**(3,976,106)**	**(61,354,293)**	**(153,338,843)**
Currency translation adjustment	-	-	-	-	-	(1,860,277)	-	(1,860,277)
Net loss	-	-	-	-	-	-	(16,362,679)	(16,362,679)
Total comprehensive loss								**(18,222,956)**
Balance at July 19, 2022	**100**	**1**	**(87,787,436)**	-	**(221,009)**	**(5,836,383)**	**(77,716,972)**	**(171,561,799)**
Successor								
Debt-to-equity exchange	128,146	1,281	140,215,790	-	-	-	-	140,217,071
Exchange adjustment to equity			87,787,436	-	221,009	5,836,383	77,716,972	171,561,800
Fair value adjustment at Exchange	-	-	18,646,095	-	-	-	-	18,646,095
Currency translation adjustment	-	-	-	-	-	(126,725)	-	(126,725)
Net loss	-	-	-	-	-	-	(11,754,468)	(11,754,468)
Total comprehensive loss								**318,543,773**
Balance at December 31, 2022	**128,246**	**1,282**	**158,861,885**	-	-	**(126,725)**	**(11,754,468)**	**146,981,974**

See accompanying notes to consolidated financial statements.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Successor for the period from July 20, 2022 to December 31, 2022
Predecessor for the period from January 1, 2022 to July 19, 2022 and for the year ended December 31, 2021

	Successor	Predecessor	
	Period from July 20, 2022 to December 31, 2022	**Period from January 1, 2022 to July 19, 2022**	**Year Ended December 31, 2021**
Cash flows from operating activities:			
Net Loss	$ (11,754,468)	$ (16,362,679)	$ (37,597,803)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	14,789,487	6,796,687	11,631,618
Amortization of operating right of use assets	122,299	156,105	-
Foreign currency differences associated with certain operating right-of-use assets and corresponding lease liabilities	41,033	45,743	-
Amortization of debt issue costs	122,848	113,636	926,352
Write-off of debt issue costs, old term loan	501,535	-	-
Deferred rent	(150,070)	(171,654)	(274,366)
Non-cash paid-in-kind interest	2,048,620	221,297	194,948
Deferred income taxes	86,486	85,668	(1,916,533)
Changes in operating assets and liabilities:			
Commissions receivable	(397,377)	(6,076,559)	(3,924,670)
Prepaid expenses	126,629	(536,575)	(43,499)
Income taxes	688,811	456,298	211,172
Accounts payable and accrued expenses	2,231,448	(2,065,007)	3,542,319
Commissions payable	1,244,761	29,310,718	22,496,786
Accrued interest	-	13,108,065	22,049,875
Uncleared commission checks	1,147,635	(754,030)	(3,562,671)
Rebates payable	(26,758)	32,618	(437,811)
Deposits	-	(15,476)	821,062
Operating lease liabilities	(163,333)	(201,846)	-
Other assets & liabilities	(344,825)	454,072	(398,589)
Net cash provided by operating activities	**10,314,761**	**24,597,081**	**13,718,190**
Cash flows from investing activities:			
Purchases of property, equipment and software	(2,817,590)	(2,487,017)	(3,021,251)
Net cash used in investing activities	**(2,817,590)**	**(2,487,017)**	**(3,021,251)**
Cash flows from financing activities:			
Debt issue costs	(5,523,013)	-	(750,000)
Proceeds from borrowing on new term loan	-	-	3,750,000
Principal payments on new term loan	(3,750,000)	-	-
Net cash used in financing activities	**(9,273,013)**	-	**3,000,000**
Effect of exchange rate changes on cash and cash equivalents	208,978	(1,166,687)	972,130
Net increase (decrease) in cash and restricted cash	**(1,566,864)**	**20,943,377**	**14,669,069**
Cash and restricted cash, beginning of year	$ 66,810,601	$ 45,867,224	$ 31,198,155
Cash and restricted cash, end of year	$ **65,243,737**	$ **66,810,601**	$ **45,867,224**
Cash and restricted cash consisted of the following:			
Cash	$ 65,088,255	$ 66,729,460	$ 45,718,941
Restricted cash	155,480	81,141	148,283
	$ **65,243,735**	$ **66,810,601**	$ **45,867,224**

See accompanying notes to consolidated financial statements.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (continued)

Successor for the period from July 20, 2022 to December 31, 2022

Predecessor for the period from January 1, 2022 to July 19, 2022 and for the year ended December 31, 2021

	Successor		Predecessor			
	Period from July 20, 2022 to December 31, 2022		Period from January 1, 2022 to July 19, 2022		Year Ended December 31, 2021	
Supplemental cash flow disclosure:						
Interest paid	$	4,913,189	$	-	$	-
Income tax (received) paid, net of refunds	$	(85,303)	$	147,613	$	(186,530)
Supplemental section on noncash operating and financing activities:						
Right of use assets through adoption of ASC 842	$	2,452,041	$	1,356,390	$	-
Reduction of ROU asset due to construction allowance	$	489,690	$	-	$	-
Operating lease liabilities through adoption of ASC 842	$	2,941,732	$	1,356,390	$	-
Debt-to-equity exchange	$	140,215,790	$	-	$	-
Adjustment for fair value of Equity interest at Exchange	$	18,646,095	$	-	$	-
Proceeds from debt refinance	$	125,000,000	$	-	$	-
Payments through debt refinance	$	(125,000,000)	$	-	$	-

See accompanying notes to consolidated financial statements.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

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.

On July 19, 2022, an Exchange Agreement (the Exchange) and accompanying amendment to the Company's existing loan agreement was executed wherein a debt-for-equity exchange occurred that resulted in a change in control from the previous majority investor to the Company's majority debt holder at the time of the exchange. See Note 2 for additional details.

Principles of consolidation
The consolidated financial statements include all accounts of the Company and its wholly-owned subsidiaries. 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' equity (deficit).

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

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 $338,000 and a loss of $2,322,000 from intercompany debt remeasurement for the periods from July 20, 2022 through December 31, 2022 (Successor) and January 1, 2022 to July 19, 2022 (Predecessor), respectively. The Company recognized a loss from intercompany debt remeasurement of approximately $1,313,000 for the year ended December 31, 2021. The loss or gain 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 and statements of operations.

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, 2022 and 2021 was approximately $54,500,000 and $34,300,000, 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 $12,450,000 and $9,490,000 at December 31, 2022 and 2021, respectively.

The Company also had approximately $155,000 and $148,000 of restricted cash at December 31, 2022 and 2021, 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, 2022 and 2021

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 was $125,000 at both December 31, 2022 and 2021.

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 as well as costs paid to third party resources for project management and development. 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 $2,300,000 and $2,200,000 were capitalized during the periods from July 20, 2022 through December 31, 2022 (Successor) and January 1, 2022 through July 19, 2022 (Predecessor), respectively. Software costs of approximately $2,870,000 were capitalized during the year ended December 31, 2021.

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. During 2022, following the Exchange and resulting goodwill, the Company adopted ASU 2014-02, *Accounting for Goodwill*, whereby the Company's applicable goodwill balance is amortized on a straight-line basis over an estimated useful life of 10 years.

Intangible assets consist of customer and banking 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, 2022 and 2021

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

Goodwill and intangibles – continued
The Company reviews its 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. Upon review, the Company determined that no impairment existed on long-lived assets for the periods from July 20, 2022 to December 31, 2022 (Successor) and from January 1, 2022 to July 19, 2022 (Predecessor) or the year ended December 31, 2021.

Prior to 2022, goodwill was reviewed at least annually for the existence of facts and circumstances, both internal and external, which may suggest impairment. As a result of this analysis, the Company determined that no impairment existed for the year ended December 31, 2021. Following the Exchange and subsequent adoption by the Company of *ASU 2014-02, Accounting for Goodwill*, during 2022, the need for annual reviews for impairment related to goodwill was eliminated and no triggering event was deemed to have occurred, therefore no such review was completed for the period from July 20, 2022 to December 31, 2022 (Successor).

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 periods from July 20, 2022 through December 31, 2022 (Successor) and from January 1, 2022, through July 19, 2022 (Predecessor) were approximately $217,000 and $245,000, respectively. Advertising costs for the year ended December 31, 2021 were approximately $173,000.

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 50% of each participant's deferred compensation up to the first 6% of their annual eligible compensation.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

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

401(k) and defined contribution pension plans – continued
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.

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 5% and 4% of each Norwegian employee's base salary for those associated with the pension program in 2022 and 2021, 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, 2022.

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, 2022 and 2021.

Leases
The Company leases office space in Norway, Manila, Spain, and Dallas – each under non-cancelable operating leases. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, current liabilities, and operating lease liabilities on the consolidated balance sheets. The Company does not have any finance leases.

ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the lease agreement does not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Company's lease agreements do not contain any material or residual value guarantees or material restrictive covenants.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

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

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, 2022 and 2021, no uncertain tax positions have been identified and the Company is no longer subject to tax examinations by tax authorities for years prior to 2018. 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 the periods from July 20, 2022 to December 31, 2022 (Successor) and from January 1, 2022 to July 19, 2022 (Predecessor) or the year ended December 31, 2021.

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 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 took advantage of refundable employee retention credits during the year ended December 31, 2021.

Adoption of New Accounting Rules
In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification (ASC) 842, Leases, "ASC 842") to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

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

Adoption of New Accounting Rules – continued
The Company adopted the standard effective January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in FASB ASC 840, Leases.

As a result of the adoption of the new lease accounting guidance, the Company recognized on January 1, 2022 an operating lease liability of $1,356,286, discounted using an incremental borrowing rate of 10.18%, and a right-of-use asset of $1,356,286.

The standard had a material impact on the Company's consolidated balance sheets but did not have a material impact on its consolidated income statements or consolidated statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

During the year ended December 31, 2021, the Company adopted ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash", which requires that the statement of cash flows explains the total change during the period in cash, cash equivalents, and restricted cash, and that restricted cash be included with cash and cash equivalents when reconciling the beginning and ending total balances shown on the statement of cash flows. The adoption of ASU 2016-18 did not have a material effect on the consolidated financial statements.

Note 2 – Exchange Agreement

On July 19, 2022, an Exchange Agreement (the Exchange) and accompanying third amendment to the existing Senior Secured Loan Agreement governing the remaining balance of outstanding debt, was executed. The Exchange Agreement constituted a debt-for-equity exchange which resulted in a change in control from the previous majority investor H.I.G to FitzWalter Capital, the Company's majority debt holder at the time of the exchange. At the time of the Exchange, the Company's total outstanding debt and accrued interest was $266,918,451. Upon execution of the Exchange Agreement, $103,653,410 of the total current debt was converted to equity, while the remaining $163,265,041 remained outstanding with the existing lender group.

This transaction was considered a purchase under ASC 805, *Business Combinations*, whereby FitzWalter Capital obtained majority control of Onyx CenterSource from H.I.G. The total consideration value in the transaction was approximately $276,200,000 which consisted of a combination of debt and equity, including certain working capital adjustments. The following table summarizes the recognized amounts of identifiable assets acquired and liabilities assumed:

Current Assets	$	85,298,000
Property, Plant, & Equipment		12,540,000
Goodwill		151,976,000
Intangible Assets		109,300,000
Other Noncurrent Assets		955,000
Current Liabilities		(83,450,000)
Noncurrent Liabilities		(419,000)
Total consideration value:	$	**276,200,000**

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

Note 2 – Exchange Agreement – (Continued)

The excess of purchase price over the fair value of the net assets acquired is reflected as goodwill. Goodwill arising from the acquisition consists primarily of assembled workforce and customer related intangible assets that do not qualify for or require separate recognition.

Subsequent to the date of the Exchange, measurement period adjustments in accordance with ASC 805 were made to goodwill associated with the fair value of the Company's deferred taxes and debt totaling approximately $13,500,000. The resulting adjusted balance of goodwill was approximately $165,500,000.

The Exchange was not taxable and therefore any new goodwill and intangible assets that arise out of the exchange are not deductible for tax purposes.

Note 3 – Property, Equipment and Software

Property, equipment and software consists of the following:

	Estimated Useful Life		Successor 2022		Predecessor 2021
Software	3 to 5 years	$	14,227,300	$	30,830,192
Computer and network equipment	3 years		779,687		3,123,266
Leasehold improvements	Term of Lease		273,156		1,849,257
Furniture and fixtures	7 years		77,447		1,045,851
Total property, equipment and software			**15,357,590**		**36,848,556**
Less accumulated depreciation			(2,733,323)		(23,337,949)
Total property, equipment and software, net		$	**12,624,267**	$	**13,510,617**

Following the Exchange, fixed assets were adjusted to their fair value at the time of purchase in accordance with ASC 805 (see Note 2). Depreciation expense for the periods from July 20, 2022 through December 31, 2022 (Successor) and from January 1, 2022 through July 19, 2022 (Predecessor) was approximately $2,733,000 and $3,340,000, respectively. Depreciation expense for the year ended December 31, 2021 was approximately $5,650,000.

Note 4 – Goodwill and Intangible Assets

Goodwill
The Company has generated goodwill from its historical business combinations, the balance of which was approximately $74,309,000 and $158,000,000 as of December 31, 2021 and 2022, respectively.

As a result of the Exchange, all existing goodwill was written-off and replaced by an allocated portion of the consideration value as part of the transaction which totaled an adjusted balance after closing of approximately $165,500,000. The Company subsequently adopted *ASU 2014-02, Accounting for Goodwill*, whereby this balance is amortized on a straight-line basis over an estimated useful life of 10 years. Accordingly, the Company recognized amortization during the period from July 20, 2022 through December 31, 2022 (Successor) of approximately $7,500,000.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

Note 4 – Goodwill and Intangible Assets – (Continued)

Goodwill - continued
Estimated amortization expense related to goodwill for each of the next five years and thereafter is as follows for the years ending December 31:

2023	$	16,549,548
2024		16,549,548
2025		16,549,548
2026		16,549,548
2027 and thereafter		91,812,211
Total future amortization	$	**158,010,403**

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 consisted of the following as of December 31, 2021:

	Estimated Useful Life		**Predecessor 2021**
Customer relationships	10 years	$	54,699,857
Acquired technology	10 years		8,381,625
Trademark and tradename	5 years		201,904
Non-compete agreements	2 years		1,400,783
			64,684,169
Less accumulated amortization			(51,063,097)
		$	**13,621,072**

Amortization expense related to these intangible assets for the periods from January 1, 2022 through July 19, 2022 (Predecessor) and for the year ended December 31, 2021 was approximately $3,457,000 and $6,101,000, respectively.

As a result of the Exchange, all existing intangible assets were written-off and replaced by an allocated portion of the consideration value as part of the transaction which totaled $109,300,000 as of the closing date.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

Note 4 – Goodwill and Intangible Assets – (Continued)

Intangible Assets - continued
Intangible assets consisted of the following as of December 31, 2022:

	Estimated Useful Life		Successor 2022
Customer relationships	15 years	$	45,700,000
Banking relationships	10 years		32,400,000
Developed technology	8 years		28,000,000
Trade name	10 years		3,200,000
			109,300,000
Less accumulated amortization			(4,571,074)
		$	**104,728,926**

Amortization expense related to these intangible assets for the period from July 20, 2022 through December 31, 2022 (Successor) was approximately $4,571,000.

Estimated amortization expense related to these intangible assets for each of the next five years and thereafter is as follows for the years ending December 31:

2023	$	10,106,667
2024		10,106,667
2025		10,106,667
2026		10,106,667
2027 and thereafter		64,302,258
Total future amortization	$	**104,728,926**

Note 5 – Debt

Senior Secured Loan Agreement
In 2018, the Company entered into 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, 2021), required quarterly principal and interest payments, and an additional annual principal payment based on excess cash flow through maturity in December 2021.

During 2020 due to the onset of the Covid pandemic, the Company stopped servicing this debt and was therefore considered in default with respect to the loan agreement. In December 2020, the Company reached a contingent agreement with its lenders whereby the lenders agreed in principle to convert a portion of the outstanding balance of the Term Loan and revolver plus any accrued interest to an equivalent amount of equity. In connection with this agreement, the maturity date of any remaining balance on the Term Loan and revolver was extended through 2024.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

Note 5 – Debt – (Continued)

In July 2021, the Company entered into a separate loan agreement, the New Money Term Loan, the proceeds of which were used to pay expenses associated with securing the loan as well as provide funds for operations. The agreement stipulated an additional $3,750,000 in principal, bore interest at a rate of LIBOR with a 1% floor plus a margin of 10.0% (effectively 11.0% at December 31, 2021), and had a maturity date of September 20, 2024.

Below is a summary of the Company's outstanding debt at December 31, 2021:

		Predecessor 2021
Short-term debt:		
Current portion of Term Loan	$	209,703,973
Revolver		7,500,000
Less: Current portion of capitalized loan cost, net		(203,997)
Total short-term debt		**216,999,976**
Long-term debt:		
New Money Term Loan		3,750,000
Paid-in-kind interest		194,948
Less: Long-term portion of capitalized loan cost, net		(464,622)
Total long-term debt		**3,480,326**
Total debt	$	**220,480,302**

In connection with the original issuance of this Term Loan and all subsequent amendments, the Company capitalized loan origination costs totaling $4,512,500. The Company amortized $54,000 and $114,000 of these capitalized loan origination costs to interest expense during the periods from July 20, 2022 through December 31, 2022 (Successor) and from January 1, 2022 through July 19, 2022 (Predecessor), respectively. Capitalized loan origination costs amortized to interest expense totaled $926,000 for the year ended December 31, 2021.

At the time of the Exchange, the Company's total outstanding debt and accrued interest was $266,918,451. Upon the Exchange, $103,653,410 of the total current debt was converted to equity, while the remaining $163,265,041 remained outstanding with the existing lender group under the existing Term Loan, as amended.

In November 2022, the Company settled in cash all outstanding principal and paid-in-kind interest related to the New Money Term Loan, totaling approximately $4,200,000. In conjunction with this, the remaining unamortized capitalized loan origination costs of approximately $500,000 associated with this borrowing were written-off to interest expense.

In December 2022, the Company entered into a new Senior Secured Loan Agreement (New Term Loan) with a third-party lending group which refinanced a portion of the then-outstanding debt and accrued interest, and paid expenses associated with the debt issuance. The remaining amount of $36,563,662 which was not refinanced was converted to equity.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

Note 5 – Debt – (Continued)

The New Term Loan stipulates a principal of $125,000,000, provides for $10,000,000 of revolver availability and is secured by substantially all the assets of the Company. The loan bears interest at LIBOR plus a margin of 7.75% (effectively 12.04% as of December 31, 2022), requires interest to be paid quarterly, and matures on December 6, 2027. Principal payments starting at 1% (and increasing annually) of the original New Term Loan principal balance are required beginning March 31, 2023 through maturity, and an additional annual principal payment based on excess cash flow is required beginning in 2024 through maturity in December 2027.

The New Term Loan contains certain quarterly financial covenants to which the Company must adhere. Management believes that the Company was in compliance with all such financial covenants at December 31, 2022.

There was no outstanding balance on the revolver and the full $10,000,000 was available to the Company as of December 31, 2022.

In connection with the issuance of the New Term Loan, the Company incurred total loan origination costs of $5,523,013 which were capitalized. The Company amortized $69,000 of this cost to interest expense during the year ended December 31, 2022.

Below is a summary of the Company's outstanding debt at December 31, 2022:

		Successor 2022
Short-term debt:		
Current portion of New Term Loan	$	1,250,000
Revolver		-
Less: Current portion of capitalized loan cost, net		(890,229)
Total short-term debt		**359,771**
Long-term debt:		
Long-term portion of New Term Loan		123,750,000
Less: Long-term portion of capitalized loan cost, net		(4,563,384)
Total long-term debt		**119,186,616**
Total debt	$	**119,546,387**

Future scheduled principal payments on the above notes payable are as follows for the years ended December 31:

2023	$	1,250,000
2024		2,500,000
2025		3,750,000
2026		6,250,000
2027 and thereafter		111,250,000
Total future scheduled principal payments	$	**125,000,000**

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

Note 6 – 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:

	Successor	Predecessor	
	Period from July 20, 2022 to December 31, 2022	Period from January 1, 2022 to July 19, 2022	Year Ended December 31, 2021
Domestic loss before tax	$ (14,990,290)	$ (14,602,241)	$ (31,941,566)
Foreign income (loss) before taxes	$ 3,929,629	$ (1,074,176)	$ (7,423,909)
Total loss before taxes	**$ (11,060,661)**	**$ (15,676,417)**	**$ (39,365,475)**

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

	Successor	Predecessor	
	Period from July 20, 2022 to December 31, 2022	Period from January 1, 2022 to July 19, 2022	Year Ended December 31, 2021
Current expense:			
Federal	$ (31,533)	$ (4,992)	$ -
State	(4,592)	(3,704)	(3,405)
Foreign	(571,198)	(591,897)	(26,185)
Total current expense	**(607,323)**	**(600,593)**	**(29,590)**
Deferred (expense) benefit:			
Federal	219,601	(188,963)	(79,037)
Foreign	(306,087)	103,294	1,876,299
Total deferred (expense) benefit	**(86,486)**	**(85,669)**	**1,797,262**
Income tax (expense) benefit	**$ (693,809)**	$ **(686,262)**	$ **1,767,672**

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

Note 6 – 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:

	Successor	Predecessor	
	Period from July 20, 2022 to December 31, 2022	Period from January 1, 2022 to July 19, 2022	Year Ended December 31, 2021
Expected statutory income tax benefit	$ 2,322,701	$ 3,291,685	$ 8,267,082
Permanent differences	(1,497,853)	(958,856)	(886,772)
Return to provision true-ups	(2,063)	25,916	(110,832)
State taxes, net of the federal benefit	(3,628)	(2,926)	(2,690)
Impact of foreign rate differential	(57,031)	39,353	224,539
Effect of non-US branch operations	(2,243)	(1,259)	(2,924)
Credits generated (mostly foreign and R&D credits)	106,535	(46,515)	336,238
Other change in valuation allowance	(1,560,227)	(3,033,660)	(6,056,969)
Income tax (expense) benefit, net	**$ (693,809)**	$ (686,262)	$ **1,767,672**

In 2021 and 2022, our effective tax rate was lower than the 21% statutory rate primarily due to the generation of net operating losses during the COVID-19 pandemic and subsequent utilization of loss carryforwards.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

Note 6 – Income Taxes (continued)

As of December 31, 2022 and 2021, the significant components of our deferred tax assets and deferred tax liabilities were as follows:

	Successor 2022	Predecessor 2021
Deferred tax assets:		
Interest limitation (163j)	$ 10,889,367	$ 7,142,847
Tax credit carryforwards	6,117,217	6,053,331
Purchased intangibles		744,988
Charitable contributions	770	770
Net operating loss carryforwards	7,187,746	8,236,412
Total deferred tax assets	**24,195,100**	**22,178,348**
Less valuation allowance	(7,179,829)	(13,389,869)
Net deferred tax assets	**17,015,271**	**8,788,479**
Deferred tax liabilities:		
Purchased intangibles	(18,642,287)	-
Property and equipment	(823,177)	(1,548,808)
Accrued expenses	1,899	(29,878)
Goodwill	(88,411)	(5,886,171)
Total deferred tax liabilities	**(19,551,976)**	**(7,464,857)**
Deferred income tax assets (liabilities), net	**$ (2,536,705)**	**$ 1,323,622**

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, 2022, the Company has U.S. federal net operating loss carryforwards of approximately $27,395,000. Additionally, the Company has approximately $1,965,000 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 $17,841,000 in deferred tax assets associated with a limitation on the deductibility of interest provision contained in the Tax Act. All 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 a valuation allowance in the U.S. at this time. The valuation allowance recorded for the U.S. deferred tax assets is approximately $7,064,000 and $13,259,000 at December 31, 2022 and 2021, respectively. As the Company is a historical taxpayer in foreign jurisdictions, no other significant valuation allowance was deemed necessary.

ONYX CENTERSOURCE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
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Note 7 – 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.

In December 2022, the Company executed an amendment to its non-cancelable operating lease in Dallas, TX, whereby the initial lease term was extended to September 2031. The Company has one five-year renewal option associated with the amended lease agreement.

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

Manila, Philippines	2023
Tønsberg, Norway	2026
Seville, Spain	2027
Dallas, USA	2031

The components of lease costs and additional lease information for the year ended December 31, 2022 are as follows:

Operating lease cost	$	1,164,000
Operating cash flows used in operating leases	$	365,179
Weighted average remaining lease term		7.43 years
Weighted average discount rate		10.18%

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

Years ending December 31:		
2023	$	620,852
2024		796,313
2025		808,555
2026		748,036
2027 and thereafter		2,824,209
		5,797,965
Less: Discount to present value		(1,865,022)
Total future minimum lease payments	**$**	**3,932,943**

Base rent expense for the periods from July 20, 2022 through December 31, 2022 (Successor) and from January 1, 2022 through July 19, 2022 (Predecessor) totaled approximately $428,000 and $736,000, respectively. Base rent expense totaled approximately $1,250,000 for the year ended December 31, 2021.

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Note 7 – Commitments and Contingencies – (Continued)

Other service agreements
The Company has entered into service agreements with initial minimum commitments ranging between one and four years that expire between the fiscal years 2023 and 2026 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 change in the event that the Company elects to extend the service.

Note 8 – Related-Party Transactions

Associated with H.I.G.'s equity investment in the Company in April 2013, there was an executed management agreement whereby H.I.G. provided general business, financial and management advice to the Company. In consideration for these and other services, the Company would pay H.I.G. a quarterly management fee of $250,000. Following the Company's default position on the Term Loan in the second half of 2020, and pursuant to a recapitalization support agreement reached with its lenders in November 2020, the Company agreed to make no further payments to H.I.G. in connection with this management agreement. As such, no management fees were paid to H.I.G. for the periods from July 20, 2022 to December 31, 2022 (Successor) from January 1, 2022 to July 19, 2022 (Predecessor) or the year ended December 31, 2021.

There is no similar management fee agreement following the Exchange.

The Company paid Board of Directors fees and related business expenses for the periods from July 20, 2022 through December 31, 2022 (Successor) and from January 1, 2022 through July 19, 2022 (Predecessor) of approximately $31,000 and $170,000, respectively. Board of Directors fees and related business expenses were approximately $310,000 for the year ended December 31, 2021.

Note 9 – Subsequent Events

The Company evaluated all events or transactions that occurred subsequent to December 31, 2022 through April 6, 2023, the date the consolidated financial statements were available to be issued.