
Pleo Technologies A/S

Ravnsborg Tværgade 5 C, DK-2200 Copenhagen

Annual Report for 1 January - 31 December 2020

CVR No 36 53 86 86

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
22/6 2021

Jeppe Rindom
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Pleo Technologies A/S for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 22 June 2021

Executive Board

Jeppe Rindom
CEO

Niccolo Perra

Board of Directors

Andreas Bernström
Chairman

Kenneth Fox

Johan Brenner

Niccolo Perra

Ulrik Trolle

Jeppe Rindom

Independent Auditor's Report

To the Shareholders of Pleo Technologies A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Pleo Technologies A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the 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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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, 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.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements 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 contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives 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.

Hellerup, 22 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff
State Authorised Public Accountant
mne30221

Peter Nissen
State Authorised Public Accountant
mne33260

Company Information

The Company

Pleo Technologies A/S
Ravnsborg Tværgade 5 C
DK-2200 Copenhagen

CVR No: 36 53 86 86
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Andreas Bernström, Chairman
Kenneth Fox
Johan Brenner
Niccolo Perra
Ulrik Trolle
Jeppe Rindom

Executive Board

Jeppe Rindom
Niccolo Perra

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK	2016 TDKK
Key figures					
Profit/loss					
Gross profit/loss	-52.417	-18.465	-1.011	-6.055	-2.370
Profit/loss before financial income and expenses	-138.932	-80.186	-29.675	-13.857	-7.047
Net financials	-4.129	-1.508	-2.378	-1.040	-726
Net profit/loss for the year	-132.361	-75.767	-29.638	-13.789	-7.251
Balance sheet					
Balance sheet total	103.111	96.067	40.466	19.732	29.760
Equity	33.074	45.434	3.907	8.305	20.611
Investment in property, plant and equipment	0	1.934	0	5.037	0
Number of employees	124	89	47	18	10
Ratios					
Solvency ratio	32,1%	47,3%	9,7%	42,1%	69,3%

The key figures have been prepared in accordance with the recommendations of the Danish Society of Financial Analysts and guidelines. Refer to definitions in the section on accounting policies.

Management's Review

The main activities of the company

The company's main activity is to develop and provide a platform for expense handling and payments for businesses.

Development in activities and financial matters

The gross loss for the year is tDKK -52.417 against tDKK -18.465 last year. The results from ordinary activities after tax are tDKK -132.361 against tDKK -75.767 last year.

The net loss for the year is a result of significant investments made into the organization, growth and product platforms in accordance with growth plans and budgets. The results are in line with management's expectations and are considered satisfactory. During the year the company has received a contribution from the parent company of tDKK 120.000.

The Company's parent company is as of 31 December 2020 continuously well-funded. Parts of the parent company's funds are planned to be invested into the company's growth plans, organization and product.

Outlook

The management expect to keep investing considerably into both product improvements, new features, and market growth in the coming year. As a result of this, management expect to incur operating losses in the coming year.

Research and development activities

Throughout the year the Company has incurred considerable research and development costs relating the core products. The purpose of these investments is to ensure that the Company's can maintain and grow the market position in coming years.

Environmental performance

The Company's health, safety and environmental plans are prepared with the aim of being compliant with all local regulations. The Company is also training relevant personnel to further improve the Company's work environment.

In addition, the Company is looking into ways of minimizing environmental impact from the Company but also helping external customers to minimize environmental impacts through product improvements and new features.

Management's Review

Intellectual capital resources

Knowledge resources are essential for the Company to achieve both short- and long-term goals in accordance with Company's strategy. As a result, the Company is investing significant resources in maintaining and developing competencies for all employees with the aim of growing knowledge and capabilities.

Uncertainty relating to recognition and measurement

No deferred tax asset has been recognized in the financial statement due to uncertainty regarding the timing for future usage. The Company will assess whether to recognize the tax asset in the future financial years.

There are no other financial matters where estimates have or will affect the Company's result or balance sheet significantly.

Unusual circumstances affecting recognition and measurement

No unusual circumstances have affected this year's recognition or measurements.

Events subsequent to the financial year

No events occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Income Statement 1 January - 31 December

	Note	2020 TDKK	2019 TDKK
Gross profit/loss		-52.417	-18.465
Staff expenses	1	-83.797	-59.451
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.718	-2.270
Profit/loss before financial income and expenses		-138.932	-80.186
Financial income	2	179	1.573
Financial expenses	3	-4.308	-3.081
Profit/loss before tax		-143.061	-81.694
Tax on profit/loss for the year	4	10.700	5.927
Net profit/loss for the year		-132.361	-75.767

Balance Sheet 31 December

Assets

	Note	2020 TDKK	2019 TDKK
Completed development projects		0	1.679
Intangible assets	5	0	1.679
Leasehold improvements		304	1.343
Property, plant and equipment	6	304	1.343
Deposits		102	106
Fixed asset investments	7	102	106
Fixed assets		406	3.128
Inventories		521	386
Trade receivables		2.050	2.378
Receivables from group enterprises		81.533	63.624
Other receivables		0	29
Corporation tax		5.500	5.310
Corporation tax receivable from group enterprises		5.200	617
Prepayments	8	2.268	2.781
Receivables		96.551	74.739
Cash at bank and in hand		5.633	17.814
Currents assets		102.705	92.939
Assets		103.111	96.067

Balance Sheet 31 December

Liabilities and equity

	Note	2020 TDKK	2019 TDKK
Share capital		400	400
Reserve for development costs		0	1.309
Retained earnings		32.674	43.725
Equity		33.074	45.434
Other payables		24.556	22.694
Long-term debt	10	24.556	22.694
Trade payables		3.184	4.790
Payables to group enterprises		25.075	15.110
Other payables	10	17.222	8.039
Short-term debt		45.481	27.939
Debt		70.037	50.633
Liabilities and equity		103.111	96.067
Distribution of profit	9		
Contingent assets, liabilities and other financial obligations	11		
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Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	400	1.310	43.725	45.435
Contribution from group	0	0	120.000	120.000
Development costs for the year	0	-1.310	1.310	0
Net profit/loss for the year	0	0	-132.361	-132.361
Equity at 31 December	400	0	32.674	33.074

Notes to the Financial Statements

	2020 <u>TDKK</u>	2019 <u>TDKK</u>
1 Staff expenses		
Wages and salaries	81.510	55.926
Other social security expenses	862	202
Other staff expenses	1.425	3.323
	<u>83.797</u>	<u>59.451</u>
 Including remuneration to the Executive Board of: Executive Board	 <u>1.923</u>	 <u>1.972</u>
	<u>1.923</u>	<u>1.972</u>
 Average number of employees	 <u>124</u>	 <u>89</u>
 2 Financial income		
Interest received from group enterprises	26	89
Other financial income	153	1.484
	<u>179</u>	<u>1.573</u>
 3 Financial expenses		
Interest paid to group enterprises	2.044	607
Other financial expenses	2.264	2.474
	<u>4.308</u>	<u>3.081</u>
 4 Tax on profit/loss for the year		
Current tax for the year	-5.500	-5.310
Joint tax contribution	-5.200	-617
	<u>-10.700</u>	<u>-5.927</u>

Notes to the Financial Statements

5 Intangible assets

	Completed development projects <u>TDKK</u>
Cost at 1 January	<u>5.037</u>
Cost at 31 December	<u>5.037</u>
Impairment losses and amortisation at 1 January	3.358
Amortisation for the year	<u>1.679</u>
Impairment losses and amortisation at 31 December	<u>5.037</u>
Carrying amount at 31 December	<u>0</u>

6 Property, plant and equipment

	Leasehold improvements <u>TDKK</u>
Cost at 1 January	<u>1.934</u>
Cost at 31 December	<u>1.934</u>
Impairment losses and depreciation at 1 January	591
Depreciation for the year	<u>1.039</u>
Impairment losses and depreciation at 31 December	<u>1.630</u>
Carrying amount at 31 December	<u>304</u>

7 Fixed asset investments

	Deposits <u>TDKK</u>
Cost at 1 January	106
Disposals for the year	<u>-4</u>
Cost at 31 December	<u>102</u>
Carrying amount at 31 December	<u>102</u>

Notes to the Financial Statements

8 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

	<u>2020</u> TDKK	<u>2019</u> TDKK
9 Distribution of profit		
Retained earnings	-132.361	-75.767
	<u>-132.361</u>	<u>-75.767</u>

10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

Between 1 and 5 years	<u>24.556</u>	<u>22.694</u>
Long-term part	<u>24.556</u>	<u>22.694</u>
Within 1 year	3.541	2.210
Other short-term payables	<u>13.681</u>	<u>5.829</u>
Short-term part	<u>17.222</u>	<u>8.039</u>
	<u>41.778</u>	<u>30.733</u>

Notes to the Financial Statements

	2020	2019
	TDKK	TDKK
11 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with Vækstfonden as mortgage:		
Inventories	521	386
Trade receivables	2.050	2.378
Leasehold improvements	304	1.343
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2.876	2.867
Between 1 and 5 years	6.180	7.679
	9.056	10.546

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Pleo Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

12 Related parties

Consolidated Financial Statements

The entity is included in the Consolidated Financial Statements for the parent company

Name	Place of registered office
Pleo Holding ApS	Ravnsborg Tværsgade 5C, DK-2200 København N

Notes to the Financial Statements

13 Accounting Policies

The Annual Report of Pleo Technologies A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Pleo Holding ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

13 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of software services (subscriptions) is recognized on a straight-line basis over the contract period when the risks and rewards relating to the services have been transferred to the purchaser, and the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue from card deliveries is recognised when the risks and rewards relating to the cards delivered have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue from financial services, applicable for 2019, is recognized when the service is transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of revenue

Cost of revenue comprise fees to payment processors, data hosting providers etc. to achieve revenue for the year.

Other external expenses

Other external expenses comprise administration costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, cost of revenue and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

13 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Pleo Holding ApS and its wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Notes to the Financial Statements

13 Accounting Policies (continued)

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item “Reserve for development costs”. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Leasehold improvements	3 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Notes to the Financial Statements

13 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$