

Pleo Technologies ApS

Skelbækgade 2, 6., 1717 Copenhagen

Company reg. no. 36 53 86 86

Annual report

1 January - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 31 May 2018.

Jeppe Rindom
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management's review	
Company data	5
Management's review	6
Annual accounts 1 January - 31 December 2017	
Accounting policies used	7
Profit and loss account	10
Balance sheet	11
Notes	13

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the executive board have today presented the annual report of Pleo Technologies ApS for the financial year 1 January to 31 December 2017.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 31 May 2018

Executive board

Jeppe Rindom

Niccolo Perra

Board of directors

Jeppe Rindom
Chairman

Ulrik Trolle

Johan Erik Larsson Brenner

Niccolo Perra

Independent auditor's report

To the shareholders of Pleo Technologies ApS

Opinion

We have audited the annual accounts of Pleo Technologies ApS for the financial year 1 January to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 31 May 2018

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Michael Winther Rasmussen

State Authorised Public Accountant
MNE-nr. 28708

Jacob Helly Juell-Hansen

State Authorised Public Accountant
MNE-nr. 36169

Company data

The company

Pleo Technologies ApS
Skelbækgade 2, 6.
1717 Copenhagen

Company reg. no. 36 53 86 86
Established: 3 February 2015
Financial year: 1 January - 31 December

Board of directors

Jeppe Rindom, Chairman
Ulrik Trolle
Johan Erik Larsson Brenner
Niccolo Perra

Executive board

Jeppe Rindom
Niccolo Perra

Auditors

Grant Thornton, State Authorized Public Accountants
Stockholmsgade 45
2100 Copenhagen

Management's review

The principal activities of the company

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

Development in activities and financial matters

The gross loss for the year is tDKK -6.055 against tDKK -2.370 last year. The results from ordinary activities after tax are tDKK -13.789 against tDKK -7.251 last year.

The company have during the year invested in improving the product and significantly expanded its market position in Denmark and the UK. The result is in accordance with the management's expectations.

Events subsequent to the financial year

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

Accounting policies used

The annual report for Pleo Technologies ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross loss

The gross loss comprises the net turnover, direct costs and other external costs.

Other external costs comprise cost of sales, advertisement, administration and premises.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interests. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Accounting policies used

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued amortization and writedown.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 3-4 years.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies used

Equity

Reserves for development costs

Reserves for development costs comprise recognised development costs. The reserves can not be used as dividend or for payment of losses. The reserves are reduced or dissolved if the recognised development costs are amortised or abandoned. This takes place by direct transfer to the distributable reserves of the equity.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Pleo Technologies ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Gross loss	-6.054.942	-2.370
1 Staff costs	-7.801.712	-4.677
Operating profit	-13.856.654	-7.047
Other financial costs	-1.040.430	-726
Results before tax	-14.897.084	-7.773
2 Tax on ordinary results	1.108.052	522
Results for the year	-13.789.032	-7.251
Proposed distribution of the results:		
Allocated to other statutory reserves	5.036.600	0
Allocated from results brought forward	-18.825.632	-7.251
Distribution in total	-13.789.032	-7.251

Balance sheet 31 December

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

Assets		
<u>Note</u>	<u>2017</u>	<u>2016</u>
Fixed assets		
3 Development projects in progress	5.036.600	0
Intangible fixed assets in total	<u>5.036.600</u>	<u>0</u>
Fixed assets in total	<u>5.036.600</u>	<u>0</u>
Current assets		
Trade debtors	105.326	0
Receivable corporate tax	1.108.052	668
Other debtors	1.048.662	21.829
Debtors in total	<u>2.262.040</u>	<u>22.497</u>
Available funds	<u>12.433.035</u>	<u>7.261</u>
Current assets in total	<u>14.695.075</u>	<u>29.758</u>
Assets in total	<u>19.731.675</u>	<u>29.758</u>

Balance sheet 31 December

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Equity and liabilities		
Equity		
4	93.456	92
	5.036.600	0
5	3.174.685	20.518
	8.304.741	20.610
Liabilities		
6	9.158.252	8.177
	9.158.252	8.177
	125	0
	591.450	425
	1.677.107	546
	2.268.682	971
	11.426.934	9.148
	19.731.675	29.758

7 Contingencies

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

	<u>2017</u>	<u>2016</u>
1. Staff costs		
Salaries and wages	6.740.206	4.356
Pension costs	54.818	18
Other costs for social security	71.443	18
Other staff costs	935.245	285
	<u>7.801.712</u>	<u>4.677</u>
2. Tax on ordinary results		
Tax of the results for the year	-1.108.052	0
Adjustment for the year of deferred tax	0	-668
Adjustment of tax for previous years	0	146
	<u>-1.108.052</u>	<u>-522</u>

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

	<u>31/12 2017</u>	<u>31/12 2016</u>
3. Development projects in progress		
Additions during the year	5.036.600	<u>0</u>
Cost 31 December 2017	<u>5.036.600</u>	<u>0</u>
Book value 31 December 2017	<u>5.036.600</u>	<u>0</u>
4. Contributed capital		
Contributed capital 1 January 2017	92.356	71
Cash capital increase	<u>1.100</u>	<u>21</u>
	<u>93.456</u>	<u>92</u>
5. Results brought forward		
Results brought forward 1 January 2017	20.518.398	1.522
Profit or loss for the year brought forward	-18.825.632	-7.251
Dissolution of share premium for the year	<u>1.481.919</u>	<u>26.247</u>
	<u>3.174.685</u>	<u>20.518</u>
6. Other debts		
Other debts in total	<u>9.158.252</u>	<u>8.177</u>
Share of liabilities due after 5 years	<u>9.158.252</u>	<u>8.177</u>

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

7. Contingencies

Joint taxation

Pleo Holding ApS, company reg. no 39114127 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.