Pleo Technologies A/S

Ravnsborg Tværgade 5 C, DK-2200 København N

Annual Report for 1 January - 31 December 2019

CVR No 36 53 86 86

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 02/07 2020

Jeppe Carøe Rindom
Chairman of the General Meeting

Contents

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 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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, 2 July 2020

Executive Board

Jeppe Carøe Rindom CEO	Niccolo Perra Executive Officer

Board of Directors

Andreas Bernström Chairman	Kenneth Allen Fox	Johan Erik Larsson Brenner
Niccolo Perra	Christian Ulrik Trolle	Jeppe Carøe 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, 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.

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 misstate-

ment, 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.

Independent Auditor's Report

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.

- 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.

Independent Auditor's Report

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, 2 July 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Flemming Eghoff
statsautoriseret revisor
mne30221

Peter Nissen
statsautoriseret revisor
mne33260

Company Information

The Company	Pleo Technologies A/S Ravnsborg Tværgade 5 C DK-2200 København N Telephone: + 45 78 73 09 15 CVR No: 36 53 86 86 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Andreas Bernström, Chairman Kenneth Allen Fox Johan Erik Larsson Brenner Niccolo Perra Christian Ulrik Trolle Jeppe Carøe Rindom
Executive Board	Jeppe Carøe Rindom Niccolo Perra
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

Key activities

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 -18.463 against tDKK -1.011 last year. The results from ordinary activities after tax are tDKK -75.767 against tDKK -29.638 last year.

The net loss for the year is a result of significant investments made into further development of both product, platform and organization in accordance with growth plans and budgets. The results are in line with management's expectations and are considered satisfactory.

The Company's parent company is as of 31 December 2019 well-funded, latest with a funding round of 50 mEUR closed in May 2019. Parts of the parent company's funds are planned to be invested into the company's further development of product, platform and organization.

Subsequent events

Management considers the consequences of Covid-19 as an event that occurred after the balance sheet date (December 31, 2019) and therefore constitutes a non-regulatory event for the company. In addition, management has not identified balance sheet items at 31 December 2019 that have been significantly affected by Covid-19 subsequently.

Management also considers the Group's liquidity position as of 31 December 2019 as sufficient to secure the Group throughout the Covid-19 situation and the repercussions of this.

Besides the global Covid-19 pandemic, as mentioned above and in note 1, 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	2019 DKK	2018 DKK
Gross profit/loss		**-18.462.541**	**-1.010.696**
Staff expenses	2	-59.451.791	-26.985.130
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.269.898	-1.678.867
Profit/loss before financial income and expenses		**-80.184.230**	**-29.674.693**
Financial income	3	1.573.666	13.162
Financial expenses	4	-3.082.605	-2.391.537
Profit/loss before tax		**-81.693.169**	**-32.053.068**
Tax on profit/loss for the year	5	5.926.544	2.414.967
Net profit/loss for the year		**-75.766.625**	**-29.638.101**

Distribution of profit

Proposed distribution of profit

	2019 DKK	2018 DKK
Retained earnings	-75.766.625	-29.638.101
	-75.766.625	**-29.638.101**

Balance Sheet 31 December

Assets

	Note	2019	2018
		DKK	DKK
Completed development projects		1.678.866	3.357.733
Intangible assets		**1.678.866**	**3.357.733**
Leasehold improvements		1.343.252	0
Property, plant and equipment		**1.343.252**	**0**
Deposits		105.971	0
Fixed asset investments		**105.971**	**0**
Fixed assets		**3.128.089**	**3.357.733**
Inventories		**385.997**	**478.978**
Trade receivables		2.377.814	865.604
Receivables from group enterprises		63.623.358	490.313
Other receivables		28.895	1.102.639
Corporation tax		5.310.019	2.401.679
Corporation tax receivable from group enterprises		616.924	13.288
Prepayments		2.780.418	502.436
Receivables		**74.737.428**	**5.375.959**
Cash at bank and in hand		**17.815.074**	**31.227.508**
Currents assets		**92.938.499**	**37.082.445**
Assets		**96.066.588**	**40.440.178**

Balance Sheet 31 December

Liabilities and equity

	Note	2019	2018
		DKK	DKK
Share capital		400.000	93.456
Reserve for development costs		1.309.516	2.619.032
Retained earnings		43.725.087	1.194.202
Equity		**45.434.603**	**3.906.690**
Payables to group enterprises		0	7.461.150
Other payables		22.693.435	21.523.544
Long-term debt	6	**22.693.435**	**28.984.694**
Trade payables		4.790.158	3.069.530
Payables to group enterprises	6	15.109.776	0
Other payables	6	7.346.176	4.479.264
Deferred income		692.440	0
Short-term debt		**27.938.550**	**7.548.794**
Debt		**50.631.985**	**36.533.488**
Liabilities and equity		**96.066.588**	**40.440.178**
Subsequent events	1		
Key activities			
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
Accounting Policies	9		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	93.456	2.619.032	1.194.204	3.906.692
Capital increase	306.544	0	-306.544	0
Contribution from group	0	0	117.294.536	117.294.536
Development costs for the year	0	-1.309.516	1.309.516	0
Net profit/loss for the year	0	0	-75.766.625	-75.766.625
Equity at 31 December	**400.000**	**1.309.516**	**43.725.087**	**45.434.603**

Notes to the Financial Statements

1 Subsequent events

Management considers the consequences of Covid-19 as an event that occurred after the balance sheet date (December 31, 2019) and therefore constitutes a non-regulatory event for the company. In addition, management has not identified balance sheet items at 31 December 2019 that have been significantly affected by Covid-19.

Management also considers the Group's liquidity position as of 31 December 2019 as sufficient to secure the Group throughout the Covid-19 situation and the repercussions of this.

	2019	2018
	DKK	DKK
2 Staff expenses		
Wages and salaries	55.926.416	25.607.266
Other social security expenses	202.341	106.598
Other staff expenses	3.323.034	1.271.266
	59.451.791	**26.985.130**
Average number of employees	**89**	**47**

3 Financial income

Interest received from group enterprises	88.960	0
Other financial income	1.484.706	13.162
	1.573.666	**13.162**

4 Financial expenses

Interest paid to group enterprises	607.303	140.737
Other financial expenses	2.475.302	2.250.800
	3.082.605	**2.391.537**

Notes to the Financial Statements

		2019	2018
		DKK	DKK
5	**Tax on profit/loss for the year**		
	Current tax for the year	-5.310.019	-2.414.967
	Adjustment of tax concerning previous years	399	0
	Joint tax contribution	-616.924	0
		-5.926.544	**-2.414.967**

6 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:

	2019	2018
Payables to group enterprises		
Between 1 and 5 years	0	7.461.150
Long-term part	0	7.461.150
Other short-term debt to group enterprises	15.109.776	0
	15.109.776	**7.461.150**
Other payables		
Between 1 and 5 years	22.693.435	21.523.544
Long-term part	22.693.435	21.523.544
Within 1 year	2.210.297	0
Other short-term payables	5.135.879	4.479.264
Short-term part	7.346.176	4.479.264
	30.039.611	**26.002.808**

Notes to the Financial Statements

	2019	2018
	DKK	DKK

7 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2019	2018
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2.814.900	562.900
Between 1 and 5 years	7.271.825	2.017.100
	10.086.725	**2.580.000**

Other contingent liabilities

The Danish 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 Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

8 Related parties

Basis

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

9 Accounting Policies

The Annual Report of Pleo Technologies A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

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.

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

Notes to the Financial Statements

9 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold 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 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 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 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 processors, hosting 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.

Amortisation, depreciation and impairment losses

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

Notes to the Financial Statements

9 Accounting Policies (continued)

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 wholly owned Danish and foreign 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.

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.

Notes to the Financial Statements

9 Accounting Policies (continued)

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

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 54,000 are expensed in the year of acquisition.

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.

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.

The cost of goods for resale, raw materials and consumables equals landed cost.

Notes to the Financial Statements

9 Accounting Policies (continued)

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.

Deferred income

Deferred income comprises deferral of lease discount.