Pleo Holding ApS

Ravnsborg Tværgade 5 C, DK-2200 Copenhagen

Annual Report for 1 January - 31 December 2022

CVR No 39 11 41 27

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28/6 2023

Jeppe 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 Holding ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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, 28 June 2023

Executive Board

Jeppe Rindom CEO	Niccolo Perra

Board of Directors

Jeppe Rindom Chairman	Lise Kaae	Niccolo Perra
Johan Erik Larsson Brenner	Andreas Bernström	Kenneth Allen Fox
Keri Ann Gohman	Adrienne Gormley	Vanessa Ann Bailey

Independent Auditor’s Report

To the Shareholders of Pleo Holding ApS

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group’s and the Parent Company’s operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Pleo Holding ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows (”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 Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group's and 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 Group or 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 and the Group'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 Group's and 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 Group and 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 28 June 2023
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 Holding ApS Ravnsborg Tværgade 5 C DK-2200 Copenhagen CVR No: 39 11 41 27 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Jeppe Rindom, Chairman Lise Kaae Niccolo Perra Johan Erik Larsson Brenner Andreas Bernström Kenneth Allen Fox Keri Ann Gohman Adrienne Gormley Vanessa Ann Bailey
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 Group is described by the following financial highlights:

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	374.105	191.468	72.715	63.146	19.006
Gross profit/loss	2.740	3.020	3.000	-4.898	-1.060
Profit/loss before financial income and expenses	-512.984	-191.141	-112.934	-77.281	-29.905
Net financials	-20.136	-3.699	-5.004	-1.403	-2.300
Net profit/loss for the year	-530.111	-189.939	-112.724	-73.412	-29.804
Balance sheet					
Balance sheet total	2.728.432	2.973.385	555.147	557.936	99.064
Equity	1.783.527	2.313.845	256.545	369.997	69.895
Cash flows					
Cash flows from:					
- operating activities	-537.964	-208.173	-122.037	-81.016	-25.987
- investing activities	-29.827	-56	-54	-3.042	0
including investment in property, plant and equipment	0	0	0	-1.934	0
- financing activities	-17.732	2.246.529	0	373.500	103.787
Change in cash and cash equivalents for the year	-585.523	2.038.300	-122.091	289.442	77.800
Number of employees	711	286	179	109	47
Ratios					
Gross margin	0,7%	1,6%	4,1%	-7,8%	-5,6%
Profit margin	-137,1%	-99,8%	-155,3%	-122,4%	-157,3%
Solvency ratio	65,4%	77,8%	46,2%	66,3%	70,6%

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 and Group

The Company's main activity is to own shares and invest in subsidiaries. The Group's main activity is to develop and provide a platform for expense handling and payments for businesses and hereby related activities.

Development in activities and financial matters

The income statement of the Group for 2022 shows a loss of TDKK 530,111, and at 31 December 2022 the balance sheet of the Group shows equity of TDKK 1,783,527.

On Group level the loss before tax for the year is TDKK 533,120 against TDKK 194.840 last year. The Group loss from ordinary activities after tax are TDKK 530,111 against TDKK 189.939 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.

Throughout 2021 the Group's parent company has closed two new funding rounds, latest in December 2021 where the Group was valuated at 4,7 billion USD. As a result, the Group is as of 31 December 2022 continuously very well-funded. Parts of the Parent Company's funds are planned to be invested into the subsidiaries' continued development of product, platform, and organization.

Gross margin % analyzed by the Group is ratio of (Revenue less Cost of revenue)/Revenue. This ratio in 2022 is 85%

Outlook

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

Research and development activities

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

Management's Review

Environmental performance

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

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

Intellectual capital resources

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

Statement on Corporate Social Responsibility, cf. section 99a of the Danish Financial Statement Act

Business Model

Pleo is Europe's leading business spending solution for forward-thinking teams everywhere. With smart cards and automated expense reports, Pleo's features include subscription management, spend categorisation, invoice payments, email synching and pocket reimbursement, which are used by over 25,000 companies.

Pleo is live across 16 markets (UK, Ireland, Denmark, Sweden, Germany, Spain, France, Luxembourg, Estonia, Netherlands, Belgium, Austria, Norway, Italy, Finland and Portugal). Pleo follows a hybrid model - and has employees working remotely from around the world, as well as in our 8 offices in Europe and Canada.

At Pleo, we believe that companies thrive when they put people first. It is with this spirit that we set our Impact strategy and ambition level - we aim to produce distinctive work on Belonging while meeting the growing need for environmental sustainability action.

1) Environment and Climate

Content of the Policy

When it comes to the environment, we are at the early stages of understanding and assessing our footprint, in order to successfully set targets towards a more sustainable environmental future in 2023 and beyond.

Risks Associated

Internal: Without an overview of our footprint today, it presents a risk to solving for climate in a strategic way, as we cannot currently measure the impact of the initiatives that we roll out. However, we do suspect that due to our business model, and where employees are located around the world, that travel is one area where we have a substantial footprint, and we aim to further reduce this where possible. For example, in 2022 we flew everyone from 40 different countries to Croatia for an annual company-wide gathering.

External: More customers have sustainability as one of their core purchasing criteria and are looking to understand their suppliers' footprint. As we have chosen to double down on Belonging, we have not made as much progress on the environment yet. It is our ambition to change that, in order to become a more healthy and sustainable business, ahead of EU regulations.

Actions & Initiatives

We have made a number of small steps to improve our footprint on the environment in 2022, by aligning cost-cutting with waste reduction including reducing the number of times we meet up in person; recycling in our offices; reducing food waste; the flexibility to employees to choose vegetarian/ vegan options for catered meals; volunteering days with employees.

Assessment of Results

This year we haven't been able to measure the impact of our environmental work, however, we will map our footprint and begin to measure efforts in 2023, in order to better understand the effects of our initiatives.

Description of Expectations Moving Forward

Though Belonging will still take most of our Impact's focus, we need to ensure that Pleo aligns with a more sustainable future, from an environmental perspective as well.

In order to achieve this, we have set the following goals: we will ensure we have insight into our footprint and environmental impact; we will use the knowledge of our own footprint to make sensible choices around travel, offices and community. This includes not hosting a company-wide gathering in 2023, which reduces our travel footprint substantially; we will offer flexibility to employees to make day-to-day choices that support an environmentally friendly every day (incl. travel options, lunch, and office); we will assess and explore the opportunity to be a partner to our customers in providing visibility to their environmental Impact and options to improve through our product.

2) Social and employee conditions

Content of the Policy

At Pleo, we use the term Belonging as an umbrella term for all things Diversity, Equity, Inclusion and Belonging. Our vision is that Pleo will represent a diverse community of talent that feels valued and safe and has equal opportunity.

Risks Associated

Internal: We have a diverse range of identities at Pleo, and we believe that this comes with a responsibility to ensure that they belong. We know that when people feel excluded, it has a negative

Management's Review

impact on the quality of their work, and their ability to succeed in the company.

However, we're also aware that being part of certain underrepresented groups in society can make it more difficult to feel belonging. In order to achieve this, part of our work is to educate and upskill our talents to help build belonging for one another.

External: There is also external pressure from investors, customers and the community to build more diverse teams, which presents a challenge in the Nordics where there is less diversity than in other places when it comes to identities like race & ethnicity and nationalities. We are committed to building diverse teams across all levels of the organisation but recognise that this is challenging, especially with senior leader roles based in the Nordics.

Actions & Initiatives

There are a number of initiatives to build belonging internally at Pleo, which are then open-sourced and made available externally for those looking to build belonging in their organisations.

Internally through: annual, compulsory Unconscious Bias & Inclusion training; data analysis on people processes to highlight equity and inclusion challenges; leadership coaching on how to build Belonging; Belonging Ambassadors at a company-wide event to solve inclusion challenges; trained on how to report issues of discrimination, harassment & bullying.

Externally through: sharing the work we do on Belonging, in order to help other organisations build Belonging - we have released thought-leadership pieces and shared free resources.

Assessment of Results

Unconscious Bias & Inclusion Training completed by all at Pleo in 2022; coaching of leaders has led to active commitments to build Belonging; Belonging Ambassadors supported 40+ moments of people struggling with crowds; Whistleblowing training completed by all at Pleo in 2022.

Description of Expectations Moving Forward

Setting targets and tracking diversity beyond gender identity - and ensuring that we build diverse teams across multiple underrepresented identities; bring visibility to equal pay challenges, and create a plan to solve them systemically; set targets for Inclusion & Belonging indexes; introducing Belonging Ambassador programme to build psychological safety, including training on Mental Health First Aid; rework Code of Conduct, Health and Safety Policies, Non-Discrimination, Anti-Harassment and Bullying Policy, as well as specific ways to report concerns.

3) Human Rights

Content of the Policy

At Pleo, we believe that employees should not be a company's creditors. This is why we encourage our customers to give Pleo cards to all employees so that they remove the financial burden off of the employee to spend out of pocket for company expenses. At this stage, we haven't prioritised making a stance on how we choose suppliers, though we are supportive of businesses owned by underrepresented groups. We also saw a responsibility to support Ukraine in 2022 and drove a number of initiatives to support them.

Risks Associated

Without having a stance on how we choose suppliers, we stand the risk of working with providers that have not been vetted by us and approved as being in line with our business ethics. However, we have made steps to ensure that the suppliers we work with have high standards when it comes to Privacy and Security.

Actions & Initiatives

We have introduced a Procurement team, which has started to bring more attention towards how we choose suppliers; we ran a Ukrainian Fast Track programme for job placement at Pleo; we advised other companies on how to support Ukrainians; we donated 100,000 EUR to the Ukrainian government for humanitarian relief.

Assessment of Results

More suppliers are being rejected due to their Privacy & Security policies; we indirectly helped other Nordic companies place Ukrainian talent; we hired 10+ Ukrainians from the Fast Track programme.

Description of Expectations Moving Forward

We shall introduce an Anti-Modern Slavery Policy, as well as look at sustainable and ethical criteria for choosing suppliers. We will continue to be supportive of communities in crises.

4) Anti-Corruption and Bribery

Content of the Policy

Pleo recognises that corruption and other unethical practices undermine the support and confidence of its business environment (customers, suppliers, consultants and all other business relations), which is crucial for business success. Pleo has zero tolerance for corruption and bribery as reflected in our board-approved Anti-Bribery and Corruption Policy.

As honesty and fairness, and acting by the book are at the heart of how we do business at Pleo, any form of bribery and corruption would have a negative impact on our culture, our reputation, and our business operations.

Risks Associated

As honesty and fairness, and acting by the book are at the heart of how we do business at Pleo, any form of bribery and corruption would have a negative impact on our culture, our reputation, and our business operations.

Actions & Initiatives

Annual Anti-corruption and Bribery training to all current employees, as well as training provided in onboarding for all new employees; Whistleblowing channel to report any concerns relating to financial crime.

Management's Review

Assessment of Results

All of Pleo has completed Anti-Corruption & Bribery training in 2022; We have resolved cases through the Whistleblowing channel.

Description of Expectations Moving Forward

We will continue to run this training and iterate on the format to ensure that it is in line with the latest trends; we will continue to work through the Whistleblowing channels.

Statement on equal gender representation in leadership position, cf. section 99b of the Danish Financial Statement Act

Pleo is committed to adhering to ethical, transparent, and forward-looking best practices while providing an inclusive workplace.

The gender composition of the Company's board of directors is 44% (4) members who are WOMEN, and 56% (5) who are MEN. Consequently, there is an equal gender representation. As there are only 2 members of the executive board, no specific target is set for the executive board cf. section 99b.

Statement on Data Ethics, cf. section §99d of the Danish Financial Statement Act

The Pleo Group is committed to earning and keeping the trust of our customers, business partners, employees and other stakeholders as we strive for a better today and tomorrow. We take privacy and data ethics seriously and are committed to protecting Personally Identifiable Information. Our Privacy Policy outlines the practices and guidelines that we follow regarding the collection, use and disclosure of Personal information for which Pleo is a data controller. Pleo is PCI-DSS certified and is therefore required to adhere to all the requirements stated by the PCI Security Standards Counci.

Pleo Financial Services A/S is a regulated Electronic Money Institution, and we have unwavering standards to ensure we act by the book, and with the highest standards, including when processing data. Beyond this, our commitment to ethical conduct means that we abide by the letter and the spirit of applicable laws and regulations across the Pleo Group. We also ensure that all our employees are aware of their responsibilities under applicable laws and regulations through ongoing training with annual mandatory testing.

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 Group will assess whether to recognize the tax asset in the coming account periods.

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

Management's Review

Unusual circumstances affecting recognition and measurement

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

Events subsequent to the financial year

In December 2021, the Company's subsidiary Pleo Financial Services A/S applied for authorisation in the UK with the Financial Conduct Authority "FCA" as a consequence of Brexit. Pleo Financial Services A/S continues to operate in the United Kingdom and service existing and new customers as usual pursuant to the Temporary Permissions Regime. The company will remain in the Temporary Permission Scheme until the earlier of: (i) authorisation is granted by the FCA, (ii) TPR expires (31.12.2023) or (iii) the Company enters into Contractual Run-Off.

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

Income Statement 1 January - 31 December

	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**374.105**	**191.468**	**0**	**0**
Cost of revenue		-54.780	-44.891	0	0
Other external expenses		-316.585	-143.557	-562	-1.457
Gross profit/loss		**2.740**	**3.020**	**-562**	**-1.457**
Staff expenses	2	-512.241	-193.857	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.483	-304	0	0
Profit/loss before financial income and expenses		**-512.984**	**-191.141**	**-562**	**-1.457**
Financial income	3	594	3.007	10.259	1.883
Financial expenses	4	-20.730	-6.706	-10.382	-3.894
Profit/loss before tax		**-533.120**	**-194.840**	**-685**	**-3.468**
Tax on profit/loss for the year	5	3.009	4.901	0	202
Net profit/loss for the year		**-530.111**	**-189.939**	**-685**	**-3.266**

Balance Sheet 31 December

Assets

	Note	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Completed development projects		14.792	0	0	0
Intangible assets	6	**14.792**	**0**	**0**	**0**
Leasehold improvements		2.951	0	0	0
Property, plant and equipment	7	**2.951**	**0**	**0**	**0**
Investments in subsidiaries	8	0	0	636.429	636.429
Deposits	9	9.819	1.218	0	0
Fixed asset investments		**9.819**	**1.218**	**636.429**	**636.429**
Fixed assets		**27.562**	**1.218**	**636.429**	**636.429**
Inventories		**1.505**	**1.187**	**0**	**0**
Trade receivables		858	10.143	0	0
Receivables from group enterprises		0	0	657.011	78.487
Other receivables		84.580	61.192	53	0
Corporation tax		5.500	5.500	0	0
Corporation tax receivable from group enterprises		0	0	0	202
Prepayments	10	24.500	9.273	0	0
Receivables		**115.438**	**86.108**	**657.064**	**78.689**
Cash at bank and in hand	11	**2.583.927**	**2.884.872**	**1.444.766**	**2.182.620**
Currents assets		**2.700.870**	**2.972.167**	**2.101.830**	**2.261.309**
Assets		**2.728.432**	**2.973.385**	**2.738.259**	**2.897.738**

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Share capital		189	188	189	188
Reserve for exchange rate conversion		-262	53	0	0
Retained earnings		1.783.600	2.313.604	2.737.980	2.738.558
Equity		**1.783.527**	**2.313.845**	**2.738.169**	**2.738.746**
Other payables		0	17.840	0	0
Long-term debt	13	**0**	**17.840**	**0**	**0**
Prepayments received from customers		18.895	0	0	0
Trade payables		4.975	21.837	90	90
Payables to group enterprises		0	0	0	158.010
Corporation tax		3.003	895	0	0
Other payables	13,14	918.032	618.968	0	892
Short-term debt		**944.905**	**641.700**	**90**	**158.992**
Debt		**944.905**	**659.540**	**90**	**158.992**
Liabilities and equity		**2.728.432**	**2.973.385**	**2.738.259**	**2.897.738**

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Statement of Changes in Equity

Group

	Share capital	Share premium account	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	188	0	53	2.313.604	2.313.845
Cash capital increase	1	107	0	0	108
Exchange adjustments relating to foreign entities	0	0	-315	0	-315
Net profit/loss for the year	0	0	0	-530.111	-530.111
Transfer from share premium account	0	-107	0	107	0
Equity at 31 December	**189**	**0**	**-262**	**1.783.600**	**1.783.527**

Parent company

	Share capital	Share premium account	Reserve for exchange rate conversion	Retained earnings	Total
Equity at 1 January	188	0	0	2.738.558	2.738.746
Cash capital increase	1	107	0	0	108
Net profit/loss for the year	0	0	0	-685	-685
Transfer from share premium account	0	-107	0	107	0
Equity at 31 December	**189**	**0**	**0**	**2.737.980**	**2.738.169**

Cash Flow Statement 1 January - 31 December

	Note	Group 2022	Group 2021
		TDKK	TDKK
Net profit/loss for the year		-530.111	-189.939
Adjustments	15	20.296	-621
Change in working capital	16	-13.129	-19.416
Cash flows from operating activities before financial income and expenses		**-522.944**	**-209.976**
Financial income		594	3.006
Financial expenses		-20.731	-6.703
Cash flows from ordinary activities		**-543.081**	**-213.673**
Corporation tax received, net		5.117	5.500
Cash flows from operating activities		**-537.964**	**-208.173**
Purchase of intangible assets		-17.750	0
Fixed asset investments made etc		-12.077	-152
Sale of fixed asset investments etc		0	96
Cash flows from investing activities		**-29.827**	**-56**
Repayment of other long-term debt		-17.840	0
Cash capital increase		108	2.246.529
Cash flows from financing activities		**-17.732**	**2.246.529**
Change in cash and cash equivalents		**-585.523**	**2.038.300**
Cash and cash equivalents at 1 January		2.295.757	257.457
Cash and cash equivalents at 31 December		**1.710.234**	**2.295.757**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		1.710.234	2.295.757
Cash and cash equivalents at 31 December		**1.710.234**	**2.295.757**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1 Revenue				
Geographical segments				
Nordics	141.545	81.924	0	0
Non - EU	158.189	80.750	0	0
Rest of Europe	74.371	28.794	0	0
	374.105	**191.468**	**0**	**0**
Business segments				
Financial services	242.698	119.640	0	0
SaaS	131.407	71.828	0	0
	374.105	**191.468**	**0**	**0**

During 2021 and 2022 Pleo's operations is only within Europe.

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2 Staff expenses				
Wages and salaries	450.502	187.273	0	0
Pensions	7.283	453	0	0
Other social security expenses	54.456	1.074	0	0
Other staff expenses	0	5.057	0	0
	512.241	**193.857**	**0**	**0**
Including remuneration to the Executive Board of:				
Executive Board	2.082	2.079	0	0
	2.082	**2.079**	**0**	**0**
Average number of employees	**711**	**286**	**0**	**0**

The Group management receives special incentive programmes in the form of warrants. The warrants are issued to both executive management and members of the Board of Directors and follow these general terms:

-The warrants become available for exercise at an event classified as an 'Exit event' or at predetermined future point in time which may vary between the individual agreements.
-The warrants act as both incentive and retention as the continued vesting of warrants are contingent on the Party's continued employment and/or appointment as board member within the group.

Throughout the current financial year, the following movements on the warrant schemes for executive management and members of the Board of Directors has taken place:

	No. of warrants	**Average strike price**	**Average maturity**
Balance as of 1 January 2022	344,204	311 DKK	24 months
Issued during the year	8,750	500 DKK	1 months
Balance as of 31 December 2022	**352,954**	**358 DKK**	**7 months**
Of this, vested prior to January 2022	251,858		
Of this, vested during the year	55,457		
Of this, vested after 31 December 2022	45,640		
Balance as of 31 December 2022			
- Management	**347,788**		
- Board of Directors	**5,166**		

Notes to the Financial Statements

"Average maturity" defines the average remaining time until the warrants vests and become available for exercise.

The latest share price is DKK 1,525 according to the Company's share capital increase in December 2021.

Incentives programme, other staffs:

The parent company has granted warrants to Key Management and certain employees which entitle them to subscribe ordinary shares in the parent company.

As of 31 December 2022, the following warrants has been granted:

No of w arrants	Exercise price
554.822 w arrants	<100 DKK
516.833 w arrants	100-500 DKK
34.650 w arrants	500-1,000 DKK
10.300 w arrants	1,000-1,500 DKK
224.720 w arrants	>1,500 DKK

As described above, the warrants are subject to certain vesting conditions and only become available for exercise at certain events (like an 'Exit event') or a predetermined future date. This predetermined date varies between year 2027-2030

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
3 Financial income				
Interest received from group enterprises	0	0	10.259	1.883
Other financial income	594	0	0	0
Exchange gains	0	3.007	0	0
	594	**3.007**	**10.259**	**1.883**

	Group		Parent company	
	2022	2021	2022	2021
4 Financial expenses				
Other financial expenses	10.290	6.706	9.600	3.891
Exchange loss	10.440	0	782	3
	20.730	**6.706**	**10.382**	**3.894**

5 Tax on profit/loss for the year

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	-3.009	-4.901	0	-202
	-3.009	**-4.901**	**0**	**-202**

6 Intangible assets

Group

	Completed development projects
	TDKK
Cost at 1 January	0
Additions for the year	17.750
Cost at 31 December	17.750
Impairment losses and amortisation at 1 January	0
Amortisation for the year	2.958
Impairment losses and amortisation at 31 December	2.958
Carrying amount at 31 December	**14.792**
Amortised over	3 years

Completed development projects relate to the Pleo expense management Platform. The platform is under constant development and completed features capitalized in 2022 relates to new product features, improved customer experience and ERP integrations. The capitalised costs are to a high degree based on Management's judgment and significant assumptions are used.

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Leasehold improvements
	TDKK
Cost at 1 January	1.934
Additions for the year	3.475
Cost at 31 December	5.409
Impairment losses and depreciation at 1 January	1.934
Depreciation for the year	524
Impairment losses and depreciation at 31 December	2.458
Carrying amount at 31 December	**2.951**
Depreciated over	3 years

8 Investments in subsidiaries

Cost at 1 January	636.429	348.141
Additions for the year	0	300.000
Disposals for the year	0	-11.712
Carrying amount at 31 December	**636.429**	**636.429**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Pleo Technologies A/S	Denmark	100%	-609.247	-693.962
Pleo Financial Services A/S	Denmark	100%	289.351	166.849
Pleo Technologies Ltd.	United Kingdom	100%	2.257	-303
Pleo Technologies AB	Sweden	100%	103	-208
Pleo Technologies GmbH	Germany	100%	1.943	1.396
Pleo Technologies SL	Spain	100%	478	370
Pleo Technologies Inc.	Canada	100%	534	293
GTMPleo Technologies LDA	Portugal	100%	1.650	1.198
Pleo Technologies SaS	France	100%	520	148
			-312.411	-524.219

Notes to the Financial Statements

9 Other fixed asset investments

	Group
	Deposits
	TDKK
Cost at 1 January	1.218
Additions for the year	8.601
Cost at 31 December	9.819
Carrying amount at 31 December	**9.819**

10 Prepayments

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

11 Cash at bank and in hand

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand	1.710.234	2.295.757	1.444.766	2.182.620
Customer funds	873.693	589.115	0	0
	2.583.927	**2.884.872**	**1.444.766**	**2.182.620**

Customer funds consists of restricted cash held on behalf of customers. A corresponding liability is recognised under other payables.

12 Distribution of profit

Retained earnings	-685	-3.266
	-685	**-3.266**

Notes to the Financial Statements

13 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:

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Other payables				
Between 1 and 5 years	0	17.840	0	0
Long-term part	0	17.840	0	0
Within 1 year	0	3.541	0	0
Other short-term payables	918.032	615.427	0	892
Short-term part	918.032	618.968	0	892
	918.032	**636.808**	**0**	**892**

14 Other payables

	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Customer funds	873.693	589.115	0	0
Other debt	44.339	29.853	0	892
	918.032	**618.968**	**0**	**892**

15 Cash flow statement - adjustments

	Group	
	2022	2021
	TDKK	TDKK
Financial income	-594	-3.007
Financial expenses	20.730	6.706
Depreciation, amortisation and impairment losses, including losses and gains on sales	3.483	304
Tax on profit/loss for the year	-3.009	-4.901
Other adjustments	-314	277
	20.296	**-621**

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Notes to the Financial Statements

16 Cash flow statement - change in working capital

	Group 2022	Group 2021
	TDKK	TDKK
Change in inventories	-318	-666
Change in receivables	-29.330	-41.528
Change in other provisions	0	-168
Change in trade payables, etc	16.519	22.946
	-13.129	**-19.416**

17 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
	TDKK	TDKK	TDKK	TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	20.619	6.171	0	0
Between 1 and 5 years	22.625	71.662	0	0
After 5 years	0	56.428	0	0
	43.244	**134.261**	**0**	**0**

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the 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.

Pleo Holding ApS has provided a letter of support to the subsidiary Pleo Technologies A/S and has also provided a guarantee towards Pleo Technologies A/S' landlord for any claim relating to Pleo Technologies A/S.

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
18 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	752	460	252	100
Tax advisory services	252	577	0	0
Other services	2.157	772	0	0
	3.161	**1.809**	**252**	**100**

Notes to the Financial Statements

19 Accounting Policies

The Annual Report of Pleo Holding ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022 are presented in TDKK.

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Pleo Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Compa-

Notes to the Financial Statements

19 Accounting Policies (continued)

ny's share of the net asset value of subsidiaries stated at the time of consolidation.

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.

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.

Segment information on revenue

Information about segments and geographic markets is based on the group's growth strategy as well as the internal financial reporting. Business segments are considered the primary segment area.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an out-flow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

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 Group.

Notes to the Financial Statements

19 Accounting Policies (continued)

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 payment processors, data hosting providers etc. to achieve revenue for the year.

Other external expenses

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

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 property, plant and equipment and capitalized development projects.

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 subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Development projects

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Development costs for development projects and development projects in progress are recognized in profit or loss as they are incurred unless the conditions for capitalization have been met. The costs includes wages and salaries which directly and indirectly relates to the development activities.

Furthermore, such costs are capitalized only where the intention is to use the project, when the cost can be measured reliably and when it is probable that future economic benefits that will flow to the company can cover administrative expenses and development costs

After completion of the development work, development costs are amortized over the estimated useful life. Ongoing development projects are tested for impairment at least annually or when there is indication of impairment.

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

19 Accounting Policies (continued)

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.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other 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.

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 and subscriptions.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

19 Accounting Policies (continued)

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.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year. Customer funds has been excluded from the cash flow statement.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Notes to the Financial Statements

19 Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” excluding “customer funds”. The cash flow statement cannot be immediately derived from the published financial records.

The company holds customer funds deposited on the customers’ Pleo debit cards. Customer funds comprise cash and an offsetting payable to the customers. Customer funds are recognized under cash and other payables as “customer funds” as specified in note 11 and 14 respectively. Customer funds received are treated as assets of Pleo due to the fact that Pleo is entitled to interest income from the deposits.

Notes to the Financial Statements

19 Accounting Policies (continued)

Financial debts

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

Customer funds recognised under other payables consists of the corresponding liability to customer funds received and recognised as restricted cash.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$