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# ***Pleo Financial Services A/S***

Ravnsborg Tværgade 5C, 4., DK-2200 Copenhagen

## **Annual Report for 1 January - 31 December 2023**

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CVR No 39 15 54 35

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
27/06 2024

Jeppe Rindom  
Chairman of the General  
Meeting



**pwc**

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Pleo Financial Services A/S for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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, 27 June 2024

## Executive Board

Thorbjørn Fink  
CEO

Niccolo Perra

Jeppe Carøe Rindom

Søren Westh Lonning  
CFO

## Board of Directors

Andreas Bernström  
Chairman

Lise Kaae

Jeppe Carøe Rindom

Niccolo Perra

Johan Erik Larsson Brenner

Kenneth Allen Fox

Keri Ann Gohman

Adrienne Gormley

Vanessa Ann Bailey

# Independent Auditor's Report

To the Shareholders of Pleo Financial Services 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Pleo Financial Services A/S for the financial year 1 January - 31 December 2023, 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' 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 Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's Report

## Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 27 June 2024

**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 Financial Services A/S  
Ravnsborg Tværgade 5C, 4.  
DK-2200 Copenhagen

CVR No: 39 15 54 35  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

### Board of Directors

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

### Executive Board

Thorbjørn Fink  
Niccolo Perra  
Jeppe Carøe Rindom  
Søren Westh Lonning

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Financial Highlights

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

	2023 TDKK	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Operating profit/loss	185.990	162.878	73.858	25.014	2.613
Profit/loss before financial income and expenses	185.677	162.878	73.858	25.014	2.613
Net financials	11.507	-872	2.059	-1.378	191
Net profit/loss for the year	144.804	125.299	59.215	18.436	2.187
<b>Balance sheet</b>					
Balance sheet total	1.714.884	1.166.722	747.789	344.639	205.648
Equity	392.616	247.812	122.513	63.298	44.862
Number of employees	41	32	12	0	0
<b>Ratios</b>					
Return on assets	10,8%	14,0%	9,9%	7,3%	1,3%
Solvency ratio	22,9%	21,2%	16,4%	18,4%	21,8%
Return on equity	45,2%	67,7%	63,7%	34,1%	9,2%

The key figures are prepared in accordance with the guidance of Den Danske Finansanalytikerforening's recommendation on 'Key Figures.' Definitions can be found in the section on accounting practices.



# Management's Review

## **The main activities of the company**

The company's main activity is to issue e-money, facilitate payment infrastructure and other hereby related business activities.

## **Development in activities and financial matters**

The income statement of the Company for 2023 shows a profit of TDKK 144,804, and at 31 December 2023 the balance sheet of the Company shows equity of TDKK 392,616.

The results are in line with management's expectations and are considered satisfactory.

## **The past year and follow-up on development expectations from last year**

The gross profit for the year is TDKK 214,894 against TDKK 193,173 last year. The results from ordinary activities after tax are TDKK 145,886 against TDKK 125,299 last year.

## **Targets and expectations for the year ahead**

Management expect a positive net result in the coming year in the range of DKK 210 – 260 million.

## **Foreign branches**

The company has a branch in the UK.

## **Unusual events**

The financial position at 31 December 2023 of the Company and the results of the activities of the Company for the financial year for 2023 have not been affected by any unusual events.

## **Events subsequent to the financial year**

No subsequent 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	2023 TDKK	2022 TDKK
<b>Gross profit/loss</b>		<b>213.812</b>	<b>193.173</b>
Staff expenses	1	-28.135	-30.295
<b>Profit/loss before financial income and expenses</b>		<b>185.677</b>	<b>162.878</b>
Financial income	2	11.533	1.398
Financial expenses		-26	-2.270
<b>Profit/loss before tax</b>		<b>197.184</b>	<b>162.006</b>
Tax on profit/loss for the year	3	-52.380	-36.707
<b>Net profit/loss for the year</b>		<b>144.804</b>	<b>125.299</b>

# Balance Sheet 31 December

## Assets

	Note	2023 TDKK	2022 TDKK
Receivables from group enterprises		228.129	53.195
Other receivables		112.390	74.261
Prepayments	4	<u>2.778</u>	<u>2.147</u>
<b>Receivables</b>		<b><u>343.297</u></b>	<b><u>129.603</u></b>
<b>Cash at bank and in hand</b>	5	<b><u>1.371.587</u></b>	<b><u>1.037.119</u></b>
<b>Currents assets</b>		<b><u>1.714.884</u></b>	<b><u>1.166.722</u></b>
<b>Assets</b>		<b><u>1.714.884</u></b>	<b><u>1.166.722</u></b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2023 TDKK	2022 TDKK
Share capital		400	400
Retained earnings		236.216	247.412
Proposed dividend for the year		156.000	0
<b>Equity</b>		<b>392.616</b>	<b>247.812</b>
Trade payables		9.578	8.816
Payables to group enterprises		10.141	0
Payables to group enterprises relating to corporation tax		52.380	36.707
Other payables	7	1.250.169	873.387
<b>Short-term debt</b>		<b>1.322.268</b>	<b>918.910</b>
<b>Debt</b>		<b>1.322.268</b>	<b>918.910</b>
<b>Liabilities and equity</b>		<b>1.714.884</b>	<b>1.166.722</b>
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## Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	400	247.412	0	247.812
Net profit/loss for the year	0	-11.196	156.000	144.804
<b>Equity at 31 December</b>	<b>400</b>	<b>236.216</b>	<b>156.000</b>	<b>392.616</b>

# Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>1 Staff expenses</b>		
Wages and salaries	26.746	29.794
Pensions	908	0
Other social security expenses	481	501
	<b>28.135</b>	<b>30.295</b>
 Including remuneration to the Executive Board of:		
Executive Board	1.185	842
	<b>1.185</b>	<b>842</b>
 <b>Average number of employees</b>	<b>41</b>	<b>32</b>

Management's incentives programme

The executive management and board of directors receives special incentive programmes in the form of warrants in the ultimate parent Company, Pleo Holding ApS. The warrants are issued to both executive. 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 2023	352,954	243 DKK	30 months
Issued during the year	-	-	-
<b>Balance as of 31 December 2023</b>	<b>352,954</b>	<b>243 DKK</b>	<b>30 months</b>
Of this, vested prior to January 2023	307,313		
Of this, vested during the year	45,641		
Of this, vested after 31 December 2023	-		
<b>Balance as of 31 December 2023</b>			
- Management	<b>347,788</b>		
- Board of Directors	<b>5,166</b>		

## 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.

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

	<u>2023</u> TDKK	<u>2022</u> TDKK
<b>2 Financial income</b>		
Interest received from group enterprises	2.648	637
Other financial income	6.131	564
Exchange gains	2.754	197
	<u><b>11.533</b></u>	<u><b>1.398</b></u>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	<u>52.380</u>	<u>36.707</u>
	<u><b>52.380</b></u>	<u><b>36.707</b></u>
<b>4 Prepayments</b>		
Prepayments consist of prepaid expenses concerning rent, subscriptions and interest as well.		
<b>5 Cash at bank and in hand</b>		
Cash at bank and in hand	139.735	163.426
Customer funds	<u>1.231.852</u>	<u>873.693</u>
	<u><b>1.371.587</b></u>	<u><b>1.037.119</b></u>

## Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>6 Distribution of profit</b>		
Proposed dividend for the year	156.000	0
Retained earnings	-11.196	125.299
	<b>144.804</b>	<b>125.299</b>

	2023	2022
	TDKK	TDKK
<b>7 Other payables</b>		
Other payables	18.434	0
Customer balances	1.231.735	873.387
	<b>1.250.169</b>	<b>873.387</b>

## 8 Contingent assets, liabilities and other financial obligations

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

The company has provided a banking guarantee with a maximum value of DKK 8.045k at 31. December 2023, to cover the entity's obligations.



# Notes to the Financial Statements

## 9 Related parties

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

### Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
Pleo Holding A/S	Copenhagen

# Notes to the Financial Statements

## 10 Accounting Policies

The Annual Report of Pleo Financial Services A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TDKK.

### Cash flow statement

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

### Recognition and measurement

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

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

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

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

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Income Statement

#### Revenue

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.

Management has assessed that it is needed to amend the mandatory schedules of the income statement as the special nature of an entity's activities requires so. Presentation according to the mandatory schedule implies that the interest income eg. on customer was earned not as a result of core business activities of the entity but rather as a positive side consequence of the way the asset was managed during the reporting period. Such assumption does not give a fair and true view considering specific circumstances of the Company and the nature of its customer funds assets. Customer funds are deposited in the process of the Company's core business activities performed in relation to the management of the customer funds including safeguarding procedures applied. On this basis, Management has assessed that it is necessary to depart from the mandatory schedule and include interest income from customer funds as part of operating activities. Management has assessed it to give a true and fair view to include the interest earned in the revenue line and provide a break down in the notes.

The Company offers a cashback rewards program to eligible customers based on volume of Card transactions. Cashback rewards are earned on a monthly basis and are added to the customer balances (wallet) the following month. We consider our cashback rewards as consideration payable to a customer, and it is recorded as contra revenue within Revenue on the Income Statement.

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

#### Cost of revenue

Cost of revenue comprise fees to card schemes etc. to achieve revenue for the year.

#### Other external expenses

Other external expenses comprise external workforce, administration expenses as well as other indirect cost and expenses relating to sales.

#### 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.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Staff expenses

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

### Financial income and expenses

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

### Tax on profit/loss for the year

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

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

## Balance Sheet

### 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.

### Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" excluding "customer funds"

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 5 and 7 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

## 10 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

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

## Financial Highlights

### Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$