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

Ravnsborg Tværgade 5 C, DK-2200 Copenhagen

## **Annual Report for 1 January - 31 December 2019**

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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  
2 /7 2020

Jeppe Carøe 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 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  
CTO

## Board of Directors

Andreas Bernström  
Chairman

Kenneth Allen Fox

John Erik Larsson Brenner

Niccolo Perra

Christian Ulrik Trolle

Jeppe Carøe Rindom

# 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 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 Financial Services 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-

# Independent Auditor's Report

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.

## **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

## Independent Auditor's Report

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, 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 Financial Services A/S  
Ravnsborg Tværgade 5 C  
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  
Kenneth Allen Fox  
John 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 issue e-money, facilitate payment infrastructure and other hereby related business activities.

## Development in activities and financial matters

The gross profit for the year is tDKK 2.613 against tDKK 70 last year. The results from ordinary activities after tax are tDKK 2.187 against tDKK 61 last year.

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

## 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
<b>Gross profit/loss</b>		<b>2.613.346</b>	<b>69.575</b>
Financial income		444.308	0
Financial expenses		<u>-253.415</u>	<u>-3.886</u>
<b>Profit/loss before tax</b>		<b>2.804.239</b>	<b>65.689</b>
Tax on profit/loss for the year	3	<u>-616.924</u>	<u>-4.620</u>
<b>Net profit/loss for the year</b>		<b><u>2.187.315</u></b>	<b><u>61.069</u></b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		<u>2.187.315</u>	<u>61.069</u>
		<b><u>2.187.315</u></b>	<b><u>61.069</u></b>

# Balance Sheet 31 December

## Assets

	Note	2019 DKK	2018 DKK
Trade receivables		0	90.000
Receivables from group enterprises		3.390.566	4.620
Other receivables		13.677.021	0
Prepayments		265.071	0
<b>Receivables</b>		<b>17.332.658</b>	<b>94.620</b>
<b>Cash at bank and in hand</b>	4	<b>188.314.729</b>	<b>2.654.824</b>
<b>Currents assets</b>		<b>205.647.387</b>	<b>2.749.444</b>
<b>Assets</b>		<b>205.647.387</b>	<b>2.749.444</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		400.000	50.000
Retained earnings		44.462.494	2.625.179
<b>Equity</b>		<b>44.862.494</b>	<b>2.675.179</b>
Trade payables		1.754.475	25.000
Payables to group enterprises		9.402.690	44.645
Payables to group enterprises relating to corporation tax		616.924	4.620
Other payables	5	149.010.804	0
<b>Short-term debt</b>		<b>160.784.893</b>	<b>74.265</b>
<b>Debt</b>		<b>160.784.893</b>	<b>74.265</b>
<b>Liabilities and equity</b>		<b>205.647.387</b>	<b>2.749.444</b>
Subsequent events	1		
Key activities			
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## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	50.000	2.625.179	2.675.179
Capital increase	350.000	-350.000	0
Contribution from group	0	40.000.000	40.000.000
Net profit/loss for the year	0	2.187.315	2.187.315
<b>Equity at 31 December</b>	<b>400.000</b>	<b>44.462.494</b>	<b>44.862.494</b>

# 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 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.

## 2 Staff expenses

The company had no employees in 2019 or 2018.

	<u>2019</u> DKK	<u>2018</u> DKK
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	616.924	4.620
	<b><u>616.924</u></b>	<b><u>4.620</u></b>

## 4 Cash at bank and in hand

Cash at bank and in hand	39.303.925	2.654.824
Customer funds	<u>149.010.804</u>	<u>0</u>
	<b><u>188.314.729</u></b>	<b><u>2.654.824</u></b>

## 5 Other payables

Customer funds	<u>149.010.804</u>	<u>0</u>
	<b><u>149.010.804</u></b>	<b><u>0</u></b>

# Notes to the Financial Statements

## 6 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 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.

# Notes to the Financial Statements

## 7 Accounting Policies

The Annual Report of Pleo Financial Services 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

## 7 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.

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, processors etc. to achieve revenue for the year.

#### Other external expenses

Other external expenses comprise 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, cost of revenue and other external 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 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

#### 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.



# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### **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**

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