
Pleo Financial Services A/S

Ravnsborg Tværgade 5 C, DK-2200 Copenhagen

Annual Report for 1 January - 31 December 2021

CVR No 39 15 54 35

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/6 2022

Jeppe Rindom
Chairman of the General
Meeting



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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 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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 2022

Executive Board

Thorbjørn Fink
CEO

Niccolo Perra

Jeppe Rindom

Board of Directors

Andreas Bernström
Chairman

Christian Ulrik Trolle

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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, 28 June 2022

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 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
Christian Ulrik Trolle
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 Rindom

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

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 2021 shows a profit of TDKK 59,215, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 122,513.

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

Events subsequent to the financial year

In May 2022, the Danish Financial Supervisory Authority (FSA) conducted an ordinary inspection focusing on the company's policies and procedures in general, AML and KYC. The Company has not yet received a report from the Danish Financial Supervisory Authority describing the Danish Financial Supervisory Authority's conclusions. Following in inspections, it is not uncommon for an inspected company to receive orders that may be related to business procedures, and documentation. However, it is the management's opinion that any potential such orders will not affect the annual report.

The Management is observing and following external and global factors which at some point could have an impact on the Company, including the ongoing situation in Ukraine. The Management does not assess that the situation in Ukraine will significantly impact the Company's financials.

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	2021 TDKK	2020 TDKK
Gross profit/loss		79.081	25.014
Staff expenses	2	<u>-5.223</u>	<u>0</u>
Profit/loss before financial income and expenses		73.858	25.014
Financial income		2.434	172
Financial expenses	3	<u>-375</u>	<u>-1.550</u>
Profit/loss before tax		75.917	23.636
Tax on profit/loss for the year	4	<u>-16.702</u>	<u>-5.200</u>
Net profit/loss for the year		<u>59.215</u>	<u>18.436</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>59.215</u>	<u>18.436</u>
		<u>59.215</u>	<u>18.436</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
Receivables from group enterprises		22.435	0
Other receivables		59.690	33.087
Prepayments		285	394
Receivables		82.410	33.481
Cash at bank and in hand	5	665.379	311.158
Currents assets		747.789	344.639
Assets		747.789	344.639

Balance Sheet 31 December

Liabilities and equity

	Note	2021 TDKK	2020 TDKK
Share capital		400	400
Retained earnings		122.113	62.898
Equity		122.513	63.298
Trade payables		1.939	380
Payables to group enterprises		16.305	24.638
Payables to group enterprises relating to corporation tax		16.702	5.200
Other payables	6	590.330	251.123
Short-term debt		625.276	281.341
Debt		625.276	281.341
Liabilities and equity		747.789	344.639
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	7		
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Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	400	62.898	63.298
Net profit/loss for the year	0	59.215	59.215
Equity at 31 December	400	122.113	122.513

Notes to the Financial Statements

1 Subsequent events

In May 2022, the Danish Financial Supervisory Authority (FSA) conducted an ordinary inspection focusing on the company's policies and procedures in general, AML and KYC. The Company has not yet received a report from the Danish Financial Supervisory Authority describing the Danish Financial Supervisory Authority's conclusions. Following in inspections, it is not uncommon for an inspected company to receive orders that may be related to business procedures, and documentation. However, it is the management's opinion that any potential such orders will not affect the annual report.

The Management is observing and following external and global factors which at some point could have an impact on the Company, including the ongoing situation in Ukraine. The Management does not assess that the situation in Ukraine will significantly impact the Company's financials..

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

	<u>2021</u> TDKK	<u>2020</u> TDKK
2 Staff expenses		
Wages and salaries	4.473	0
Other staff expenses	<u>750</u>	<u>0</u>
	<u>5.223</u>	<u>0</u>
Average number of employees	<u>12</u>	<u>0</u>

In addition to the Company's own employees, external workforce has also been utilized throughout the year.

3 Financial expenses

Interest paid to group enterprises	106	198
Other financial expenses	<u>269</u>	<u>1.352</u>
	<u>375</u>	<u>1.550</u>

4 Tax on profit/loss for the year

Current tax for the year	<u>16.702</u>	<u>5.200</u>
	<u>16.702</u>	<u>5.200</u>

Notes to the Financial Statements

5 Cash at bank and in hand

Cash at bank and in hand	76.264	60.035
Customer funds	589.115	251.123
	<u>665.379</u>	<u>311.158</u>

6 Other payables

Other payables	1.215	0
Customer balances	589.115	251.123
	<u>590.330</u>	<u>251.123</u>

Notes to the Financial Statements

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The 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.

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Pleo Financial Services A/S for 2021 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 2021 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.

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.

Notes to the Financial Statements

8 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 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, cost of revenue and other external expenses.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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 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 4 and 5 respectively.

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.