



Pleo Holding ApS

Ravnsborg Tværgade 5 C, 2200 Copenhagen
Denmark

CVR NO: 39 11 41 27

Annual Report

for 1 January – 31 December 2024

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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 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Annual Report comprises consolidated financial statements prepared in accordance with IFRS accounting standards as adopted by EU as well as additional Danish disclosure requirements applying to entities of reporting class C for large enterprises and separate financial statements for the parent company 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 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

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, 10 April 2025

Executive Management

Jeppe Rindom
CEO

Søren Westh Lonning
Executive Officer

Board of directors

Andreas Bernström
Chairman

Adrienne Gormley

Jeppe Rindom

Johan Erik Larsson Brenner

Lise Kaae

Merritt Susanne Hummer

Niccolo Perra

Saagar Shashank Kulkarni

Vanessa Ann Bailey

Independent Auditor's Report

To the Shareholders of Pleo Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2024 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 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("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 Financial 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 Statement 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 Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of 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 Parent 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 Parent 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 Group's and the Parent 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 Group's and the Parent 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 Parent 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, 10 April 2025

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
Municipality of reg. office: Copenhagen

CVR No: 39 11 41 27

Financial period: 1 January - 31 December

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK 2900 Hellerup

Board of Directors

Andreas Bernström, Chairman
Adrienne Gormley
Jeppe Rindom
Johan Erik Larsson Brenner
Lise Kaae
Merritt Susanne Hummer
Niccolo Perra
Saagar Shashank Kulkarni
Vanessa Ann Bailey

Executive Management

Jeppe Rindom
Søren Westh Lonnin



Financial Highlights

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

Financial statement In thousands EUR	2024	2023	2022	2021*	2020*
Gross Revenue***	119,585	83,589	50,510	25,747	9,774
Net Revenue	104,075	75,735	50,262	25,747	9,774
Gross Annual Recurring Revenue (ARR)***	136,237	102,680	64,007	36,231	15,282
Gross profit/loss	88,953	63,898	42,923	406	403
EBITDA	(43,719)	(63,405)	(75,531)	(3,415)	(1,675)
Adjusted EBITDA ***	(45,328)	(61,460)	(68,667)	(3,415)	(1,675)
EBIT	(49,596)	(66,733)	(76,622)	(25,703)	(15,181)
Net financials	4,609	5,670	(2,766)	(497)	(673)
Profit for the year	(45,609)	(61,821)	(78,988)	(25,541)	(15,153)
Balance sheet					
Total assets	368,197	375,791	371,846	401,015	74,624
Total equity	148,686	186,516	239,770	284,240	34,485
Cash and cash equivalents	145,578	183,940	239,964	346,358	68,364
Cash flow statement					
Cash flow from operating activities	(27,864)	(47,856)	(71,541)	(27,993)	(16,404)
Cash flow from investing activities	(8,180)	(6,131)	(4,010)	(8)	(7)
Cash flow from financing activities	(2,318)	(2,037)	(3,058)	302,095	-
Changes in cash and cash equivalents	(38,362)	(56,024)	(78,609)	277,994	(2,396)

EBITDA - Operating result before depreciation and amortisation

EBIT - Operating profit before financial income and expenses and tax

Financial ratios	2024	2023	2022	2021*	2020*
Gross-Margin**	85%	84%	85%	2%	4%
Net revenue growth	37%	51%	95%	163%	15%
EBITDA-Margin	-42%	-84%	-150%	-13%	-17%
Profit Margin	-48%	-82%	-157%	-99%	-155%
Solvency ratio	40%	50%	64%	71%	46%
Return on equity (ROE)	-31%	-29%	-30%	-16%	-36%
Employees	2024	2023	2022	2021	2020
Average number of employees	848	842	711	286	179

* Note that the financial statements for 2020–2021 have been prepared in accordance with the Danish Financial Statements Act

** For the years 2020-2021 Gross Margin is presented in accordance with the Danish Financial Statements Act and includes other external expenses. For the years 2022-2024 Gross margin is presented in accordance with IFRS, and other external expenses are excluded for the calculation of Gross Margin.

*** **Non-GAAP metrics:**

Gross Revenue is calculated as the Revenue before cashback deduction (see note 02)

Gross ARR is calculated as the recurring revenue from December multiplied by 12 for SaaS and Q4.2025 revenue multiplied by 4 for the Financial Revenue

Adjusted EBITDA is calculated as operating result adjusted for the cost of warrants, capitalization of internally generated intangible assets, rent arrangements, restructuring costs and any significant one off in year

Management's review

Business Performance & Strategy

Overview

Pleo is Europe's leading dedicated spend management software platform for Small and Medium-sized Businesses ("SMBs"); transforming the way they pay, manage and stay in control of their finances. Pleo provides SMBs with a suite of offerings covering payment (company card, invoice payments, expense reimbursement), automation of expense handling (including accounts payable automation), credit and cash management. Our platform supports the end-to-end process of collecting, processing, monitoring and reimbursing company expenses, including mileage and per diem, while delivering AI-led automation and insights across all spend types (except payroll). Combining Pleo's automation with direct integration to leading accounting tools and Human-Resource Information Systems ("HRIS"), the process of reconciliation, generating expense reports and cash management is made easy. Pleo enables a clear view of company spend, ranging from daily expenses to major technology and marketing investments.

Our platform is designed to support the unique needs of every user:

- **Empowered Employees:** Our platform suggests what employees can spend on in alignment with our customer's policies and budget structure. Once spend occurs, Pleo understands the business reason, applies the right cost allocation, and only asks for extra details if necessary.
- **Real time visibility and control:** Administrators are only involved when it's time for a simple yes-or-no decision. The Pleo product drives compliance to complete expenses and ensure details are captured. Employees can be trusted to spend company money where it is needed, given the real-time visibility and control that is core to the platform.
- **Compliance across entities:** Our platform enables bookkeepers to avoid chasing receipts, review incomplete expense reports, or fix errors, compliance checks, tax allocations, and approvals happen seamlessly in the background, regardless of how many entities you're managing.

Our Strategy

Pleo's market leading experience, enhanced by generative AI, sets us apart as a key enabler of "the future of work" with sign-up, onboarding and operation underpinned by powerful automation and product-led self-serve journeys. New customers can sign-up to Pleo and start spending on the same day thanks to the use of advanced machine-learning driven risk models, productised due diligence and the instant issuance of virtual cards.

SMBs rely heavily on online channels and word-of-mouth referrals to discover and implement new tooling. Pleo is able to deploy online marketing spend to drive an entirely product-led sales process. Leveraging the strength of accounting, consulting and tech-ecosystem partnerships, Pleo also taps into viral and capital-efficient growth, amplified by our end-to-end product experience.

To maintain our position as Europe's leading business spend solution, we have continued to innovate on top of our core product across all markets, extending services across accounts payable, credit, value-added services and extensive partner integrations. For businesses where every Euro, Pound and Krone counts, we're proud to offer the following:

- **Smart Company Cards (Physical and Virtual):** Pleo issues physical and virtual smart cards on the Mastercard payment network. As a card issuer, Pleo offers enhanced card functionality and live controls, such as blocking specific categories of spend, or preventing spend at certain times of day. Alongside spend limits, expense categorisation and instant notifications, Pleo automates the collection of email receipts, intelligently matching them to your expenses. For everything else, users receive an intuitive prompt to add a photo of their receipt at the moment of purchase. Pleo offers these powerful controls across both physical and virtual cards (including Apple and Google Pay). All cards can be deployed or frozen instantaneously so businesses can control their spend whenever and wherever they need it.
- **Expense Management:** Through the use of email automation, Optical Character Recognition (OCR) technology and AI, Pleo captures and prepopulates information needed for bookkeeping including splitting VAT. Pleo consolidates all out-of-pocket expenses and provides a simple way to process expenses, mileage and per diem claims, allowing users to reimburse instantly for pre-approved spend types.

- **AP Automation:** Our platform leverages OCR and market-compliant scheduling and bill-pay tooling so invoices are quickly captured, scheduled and paid. Advanced approval flows and in-product communication allow easy centralisation of invoices and clearly forecasted spend to optimise cash management.
- **Spend Insights:** Spend placed on Pleo is enriched with insights by generative AI to provide a 360 degree view of every transaction and ensure better spend decisions. Pleo will inform you how your spend with vendors compares with companies of a similar size, industry or segment and whether you're purchasing multiple tools for the same purpose. Learning from your spend, Pleo can build policies for you.
- **Recurring Vendor Management:** Managing vendors can be done with ease. No matter how you pay, all your vendors are assembled in one place, with Pleo notifying you of duplicate subscriptions or where multiple vendors supply the same services. Upcoming renewals are clearly visualised and vendor cards ensure that dedicated spend to specific vendors (such as Cloud or Ads) is never at risk.
- **Credit & Cash Management:** Eligible customers can better manage and prioritise their placement of cash by taking advantage of overdraft facilities. Late in 2024, we announced the launch of Cash Management, enabling businesses to manage all their bank accounts in one place, with real-time insight, forecasting and treasury management.
- **Ecosystem Integrations** - To ensure the books are always closed on time, Pleo integrates with popular accounting software such as Xero, QuickBooks, DATEV, and Sage 50 along with the top SMB accounting tools in each of our core markets. Integrations with HRIS enable all employees in an organisation to be easily added to Pleo's platform with cards automatically distributed to new starters, and frozen for offboarded employees. With seamless integration to travel tooling like Travelperk, all types of spend are integrated and contextualised, end-to-end.

Commercial Model

Pleo has a dual business model, generating SaaS revenue from our platform and per-user pricing, and financial services fees from card transactions, invoices and additional services. Approximately half of Pleo's revenue is from SaaS, with financial revenue a highly stable and growing source of income as businesses drive more spend through our platform. Pleo is positioned to be the sole tool for spend management, enabling customers to run all of their spend through our platform.

Pleo utilises three channels to drive new business: Product-led, Sales-led and Partner-led growth. The success of in-product upsell journeys and land-and-expand sales strategies resulted in significant volumes of 2024 new business SaaS revenues originating from existing accounts. Pleo's ability to continuously gain wallet share in a product-led motion has proven effective across markets, segments and industries with small business sales (<50 employees) driven by product-led commercial motions. The systemic removal of barriers to entry and ease of management remains a core tenant to our continued growth.

Sales-led land-and-expand strategies prove highly effective across all segments, where we enable even the smallest, single-person finance teams to onboard the most complex multi-entity structures. For our largest customers, professional services support enables any business to onboard hundreds of their employees with ease while providing additional revenue streams.

As a deeply integrated player within the ecosystem, we ensure a seamless experience for SMBs by connecting to all their key tooling. This creates a powerful channel, where accountants, bookkeepers and consultants can both benefit from the productivity saving of the Pleo product and also drive partner led leads through advocacy. Similarly, our strong network of technology partners (e.g. Accounting platforms, HRIS tooling and travel tools) provide accelerated acquisition opportunities where our combined offerings provide world-class spend management and productivity enhancement, collectively saving finance teams and employees thousands of hours a year.

Business Performance

Reporting non-GAAP measures

To our consolidated financial statements, we utilise specific non-GAAP financial measures as outlined below, to assess and evaluate our core operating performance. We believe these non-GAAP financial measures offer valuable insights into our financial performance, enhance the understanding of our historical results and future potential, and provide greater transparency regarding key metrics that our management relies on for financial and operational decision-making.

Financial performance in 2024

2024 saw strong net revenue growth of 37% vs 2023, resulting in 104m in net revenue. Growth was broadly anchored across core markets and was driven by both SaaS (Software as a service) and financial revenue. SaaS revenue grew faster than financial revenue with growth well above 50% as growth was supported by both increase in customer base and upselling to more value-added solutions. Growth in financial revenue was driven by strong growth in card spending, but this was partly offset by reduced interest income due to the reducing interest rate across the UK and European markets.

Gross profit increased to 89m, equal to a growth of 39% compared to 2023. In turn, gross margin increased to 85% from 84% driven by efficiency gains.

Operating expenses ended at 135m equal to an increase of 8% compared to 2023. The growth was primarily driven by investments within Sales & Marketing and R&D to support business growth, expand our offering to customers and continue to mature the company. However, significant scalability was achieved as growth in revenue materially outgrew growth in operating expenses, supported by a dedicated effort to drive efficiency and secure scale benefits as Pleo grows.

Throughout the year the Group has incurred considerable research and development costs amounting to almost 8m relating to the core products. The purpose of these investments is to ensure that the Group can maintain and grow the market position in coming years.

As a result of strong revenue growth and increased operational efficiencies, earnings measured as adjusted EBITDA improved materially and ended at EUR -45m compared to -61m in 2023. This corresponded to an improvement of 26%. Similarly, net before tax loss improved to -45m, up from -61m in 2023.

Cash flow also improved materially and reached -38m compared to -56m in 2023. This was largely driven by improved earnings.

Due to negative free cash flow and the fact that no capital injections were pursued, the cash balance decreased to 146m. However, Pleo's cash position remains very solid and corresponds to a cash runway of 3-4 years at the recent free cash flow consumption rate, without factoring in any planned improvements.

As of 31 December 2024 the balance sheet of the Group shows equity of EUR 149m.

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 exceeding management's expectations and are considered satisfactory.

Performance versus 2024 outlook

Pleo converted from Danish GAAP to the IFRS accounting standard in 2024, which impacted certain key metrics including Net loss. In the published Danish GAAP annual report for 2023 the outlook for 2024 included an expectation of a net loss for 2024 of DKK 395-325m or EUR 43-53m. The principle shift from the change in accounting standard relates to expensing of granted warrants to employees and reporting of lease obligations and would increase the loss guidance to 48-58m, so the result for 2024 significantly exceeded the expectation by reaching 46m. Hence, Pleo's results are considered satisfactory.

Outlook for 2025

Following material progress on improving earnings and cash flow in recent years, Pleo intends to increase its growth investments in 2025 through strengthening of both its product offering and commercial distribution. Consequently, adjusted EBITDA is expected to remain fairly stable in 2025 compared to 2024 and end with a loss in the range of EUR 40-48m. Despite the increased investments, Pleo cash position is expected to remain strong throughout 2025 and the following years.

Intellectual capital resources

Knowledge resources are essential for the Group to achieve both short- and long-term goals in accordance with the 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 Data Ethics, cf. section B99d 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 Council.

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

There is uncertainty related to the recognition and measurement of deferred tax assets. No deferred tax asset has been recognized in the financial statement due to uncertainty regarding the timing for future usage. The Company 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 Company's result or balance sheet significantly.

Unusual circumstances affecting recognition and measurement

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

Events subsequent to the financial year

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

Statement of corporate social responsibility

External environment

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 and impact on the external environment.

In addition, the Group is looking into ways of minimizing environmental impact from the Group as well as helping customers to better reduce their impacts.

For more detailed information please refer to sub-section "1) Environment and Climate", "2) Social and employee conditions", "3) Human Rights" and "4) Anti Corruption and Bribery"

1) Environment and Climate

Contents of the Policy

When it comes to the environment, Pleo monitors its carbon footprint annually. Our Environmental Strategy focuses on implementing sustainable workplace practices, promoting sustainable business travel decisions among our employees, and developing a product offering that reduces the environmental impact for our customers.

Risks Associated

Internal: Pleo's main emissions sources are indirect, occurring upstream through cloud computing, financial and professional services suppliers. Having limited operational control over our Scope 3 emissions, presents a challenge to reduce our environmental footprint. To mitigate this risk, Pleo has actively engaged with critical suppliers to understand their ESG performance and pursue opportunities for improvements.

External: As sustainability becomes a more significant factor in customer purchasing decisions, the need for transparent supplier environmental performance has grown.

Having calculated our carbon footprint in 2024, Pleo will share external content on carbon accounting throughout 2025 to provide our customers with key insights.

Actions & Initiatives

We continue to make more eco-conscious decisions as a business. This includes optimising office space and resource use, as well as expanding our sustainable waste management practices, through an IT asset disposition programme. Furthermore, we have integrated environmental sustainability considerations into our Procurement Policy, Expense Guidelines, and Workplace Strategy, to ensure it is embedded in our operations.

Assessment of Results

In 2024, we calculated our initial carbon footprint, encompassing Scope 1, 2, and 3 emissions, in accordance with the Greenhouse Gas Protocol. As Pleo is primarily a SaaS company, our Scope 1 and 2 emissions, as anticipated, are significantly lower than our Scope 3 emissions, which constituted 99.7% of our total carbon footprint.

For Scope 1 and 2, we aim to reduce our climate impact by focusing on renewable energy sources to power our offices.

Regarding Scope 3, purchased goods and services are the primary contributors. We have therefore focused on improving card issuing and supply chain management to mitigate our impacts. Recognising business travel as a significant emission source, we have integrated sustainable travel options into our Expense Policy.

Description of Expectations Moving Forward

To further enhance our environmental sustainability, Pleo will monitor its carbon footprint annually and develop data-driven insights to encourage sustainable choices across the business. We will continue to offer employees flexibility to make daily sustainable choices, including commuting, dietary options, and hybrid work.

We are committed to maintaining a sustainable product offering and will continue engaging with our suppliers to pursue improvement opportunities. We will transition our office energy providers to renewable sources. Additionally, we will assess and explore the opportunity to be a partner to our customers, enabling them to better understand their environmental impact through the Pleo product.

2) Social and employee conditions

Contents of the Policy

When it comes to the Social agenda, Pleo invests into DE&I work with the aim to provide equal opportunity to all at Pleo to perform and thrive. This includes safeguards, community investment, and actively working to ensure DE&I is engrained in our People strategy.

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 can thrive at work. We know that when people feel excluded, it has a negative 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 bring additional barriers to feeling safe and included at work.

External: We are focused on increasing representation by building diverse teams. In the Nordics, diversity in areas such as race & ethnicity are slightly less pronounced compared to other regions, although recent trends show that is shifting. We are dedicated to cultivating greater diversity across all levels of our organisation and remain steadfast in our commitment to making meaningful progress in this area.

Actions & Initiatives

There are a number of initiatives to build DE&I internally at Pleo, including: Code of Conduct, mandatory DE&I coaching and training, Employee Resources Groups, Mental Health First Aid courses in-house, training on how to report issues of discrimination, harassment & bullying through a Speak Up! whistleblowing process against poor conduct.

Assessment of Results

DE&I Training was mandatory for all Pleo'ers in 2024, as coaching of leaders to increase their DE&I skills; Employee Resource Groups have received support to self organise, and promote issues that affect their identities; 54 people have signed up to become Mental Health First Aiders; and Whistleblowing training was part of mandatory training in 2024.

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; tracking and measuring representation over time; Hiring Strategy 2.0 to focus on increasing representation; ensuring Policies like Code of Conduct, Health and Safety Policies, Non-Discrimination, Anti Harassment and Bullying are effective and in use.

3) Human Rights

Contents of the Policy

In 2024, we included ESG considerations as part of our Procurement Policy. In 2025, we will ensure that we assess our suppliers on all areas of ESG, including the risk of Human Rights violations.

Risks Associated

Until we have 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 included ESG considerations in our updated Procurement Policy. We have published an Anti Modern Slavery Statement on our website.

Assessment of Results

In 2024, we increased engagement with Procurement and the rest of the business by implementing an ESG section in the Procurement Policy, and by introducing an ESG Risk Committee to review and assess ESG-related vendor risks. Using these measures, we can ensure they align fully with our standards on Human Rights and other critical ESG commitments and hold them accountable to these elevated standards, strengthening our dedication to ethical practices and sustainable operations.

Description of Expectations Moving Forward

We are in the process of finalising a comprehensive criteria for assessing the sustainability and ethics of suppliers. We will continue to be supportive of external communities through volunteering and outreach.

4) Anti Corruption and Bribery

Contents 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

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.

Assessment of Results

All Pleo employees have completed mandatory Anti Corruption & Bribery training in 2024; We have resolved cases through the Whistleblowing channel.

Description of Expectations Moving Forward

The Anti Corruption & Bribery training is ongoing and being iterated on the format to ensure that it is in line with the latest trends; we will continue to work through the Whistleblowing channels

Consolidated Financial Statements of the Group

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Consolidated statement of profit or loss

1 January – 31 December

<i>In thousands EUR</i>	Notes	2024	2023
Revenue from contract with customers		99,006	72,421
Interest revenue		5,069	3,314
Total Revenue	2	104,075	75,735
Cost of goods and service		(15,122)	(11,837)
Gross profit		88,953	63,898
Staff costs	3	(93,275)	(90,150)
Other external expenses		(39,397)	(37,153)
Operating result before depreciation and amortisation (EBITDA)		(43,719)	(63,405)
Depreciation and amortisation		(5,877)	(3,328)
Operating profit before financial income and expenses (EBIT)		(49,596)	(66,733)
Financial income	5	4,955	5,824
Financial expenses	5	(346)	(154)
Loss before tax		(44,987)	(61,063)
Tax on profit / loss for the year	6	(622)	(758)
Net loss for the year		(45,609)	(61,821)

Consolidated statement of other comprehensive income

1 January – 31 December

<i>In thousands EUR</i>	Notes	2024	2023
Loss for the year		(45,609)	(61,821)
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		13	(892)
Income tax impact		-	-
Other comprehensive income for the period, net of tax		13	(892)
Total comprehensive income		(45,596)	(62,713)

Consolidated statement of financial position

As at 31 December

<i>In thousands EUR</i>	Notes	2024	2023
Intangible assets	10	11,173	6,629
Property, plant and equipment	11	524	326
Right of use assets	9	3,731	4,681
Non-current financial assets	12	1,427	2,244
Total non-current assets		16,855	13,880
Inventories		-	207
Trade receivables and other receivables	8	2,628	1,207
Current financial assets	13	8,405	1,729
Current income tax assets		413	127
Prepayments		9,649	5,460
Other current assets		1,529	4,083
Deposits from customers	13, 18	183,140	165,158
Cash and cash equivalents	13, 17	145,578	183,940
Total current assets		351,342	361,911
Total assets		368,197	375,791

<i>In thousands EUR</i>	Notes	2024	2023
Share capital		25	25
Share premium		368,403	368,403
Share-based payments		24,945	17,179
Retained earnings		(244,039)	(198,430)
Foreign Currency Translation Reserve		(648)	(661)
Total equity		148,686	186,516
Lease liabilities	9, 14	1,644	2,487
Total non-current liabilities		1,644	2,487
Lease liabilities	9, 14	2,311	2,294
Current income tax liabilities		716	937
Trade payables and other payables	13	5,148	4,506
Loan borrowings		6,379	-
Contract liabilities	2, 13	15,719	7,568
Other liabilities	13, 19	187,594	171,483
Total current liabilities		217,867	186,788
Total liabilities		219,511	189,275
Total equity and liabilities		368,197	375,791

Consolidated statement of cash flow

1 January – 31 December

<i>In thousands EUR</i>	<i>Notes</i>	2024	2023
Operating result before depreciation and amortisation (EBITDA)		(43,719)	(63,405)
Share-based payment		7,766	9,459
Change in working capital	16	4,877	831
Interest received	5	4,534	5,829
Interest paid	5	(346)	(76)
Income taxes paid/received		(1,129)	387
Other adjustments	16	153	(881)
Cash flow from operating activities		(27,864)	(47,856)
Fixed asset investments made		(270)	(152)
Intangible assets		(7,910)	(5,979)
Cash flow from investing activities		(8,180)	(6,131)
Principal elements of lease payments		(2,318)	(2,037)
Cash flow from financing activities		(2,318)	(2,037)
Cash flow for the year		(38,362)	(56,024)
Cash and cash equivalents at the beginning of the financial year	17	183,940	239,964
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at end of year		145,578	183,940

Accounting policies

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.

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.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

Consolidated statement of changes in equity

<i>In thousands EUR</i>	Share capital	Share Premium	Share-Based Payments	Accumulated loss	Foreign Currency exchange	Total equity
At 1 January 2024	25	368,403	17,179	(198,430)	(661)	186,516
Loss for the period	-	-	-	(45,609)	-	(45,609)
Other comprehensive income	-	-	-	-	13	13
Total comprehensive income	-	-	-	(45,609)	13	(45,596)
Share-Based Payment awards vesting	-	-	7,766	-	-	7,766
Total equity transactions	-	-	7,766	-	-	7,766
As at 31 December 2024	25	368,403	24,945	(244,039)	(648)	148,686

<i>In thousands EUR</i>	Share capital	Share Premium	Share-Based Payments	Accumulated loss	Foreign Currency exchange	Total equity
At 1 January 2023	25	368,403	7,720	(136,609)	231	239,770
Loss for the period	-	-	-	(61,821)	-	(61,821)
Other comprehensive income	-	-	-	-	(892)	(892)
Total comprehensive income	-	-	-	(61,821)	(892)	(62,713)
Share-Based Payment awards vesting	-	-	9,459	-	-	9,459
Total equity transactions	-	-	9,459	-	-	9,459
As at 31 December 2023	25	368,403	17,179	(198,430)	(661)	186,516

Notes to the consolidated financial statements

Basis of preparation

Introduction

The Consolidated financial statements of Pleo Holding ApS comprises the consolidated financial statements of Pleo Holding ApS and its subsidiaries ('the Group').

The Board of Directors and Executive Board considered and approved these 31 December 2024 consolidated IFRS financial statements of Pleo Holding ApS on 10 April 2025.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS accounting Standards as adopted by the EU as well as additional Danish disclosure requirements applying to entities of reporting class C for large enterprises.

The Group has adopted the IFRS accounting standards as adopted by the EU in 2023 through a separate document available at <https://www.pleo.io/legal-documents/signed-financial-statements.pdf>. These consolidated financial statements were authorised for issue by the Board of Directors on 20 March 2025 and comprise the explanation of the first-time adoption of IFRS as required by IFRS 1.

The financial statements have been prepared on a historical cost basis.

The consolidated financial statements are presented in EUR and all values are rounded to the nearest thousands, except when otherwise indicated.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Principles of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro (EUR). The functional currency for Pleo Holding ApS which is the parent company of the group is Danish Kroner (DKK).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

The results and financial position of foreign operations that have a functional currency different from Euro are translated into Euro as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rate over the accounting period, and
- all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Accounting policies:

Accounting policies for items which are not covered by a separate note

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Inventories

Inventories consist of physical cards and IT equipment used for the product. Inventories are measured at the lower of cost under the weighted average price method adjusted for gains and losses from hedging instruments and net realizable value. The net realizable 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

Financial Highlights

Explanation on financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Net revenue growth	$\frac{(\text{Revenue} - \text{Revenue in the comparative period}) \times 100}{\text{Revenue}}$
EBITDA margin	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Profit of the year} \times 100}{\text{Average total equity at year end}}$

Note 01 Significant accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

For critical estimates and judgments, please refer to the following notes:

Significant estimates:

- *Revenue from Contracts with Customers in note 2*
- *Share-based payments in note 4*

Significant judgement:

- *Deposits from customer funds in note 18*

Note 02 Revenue from contracts with customers

Pleo's revenue is primarily based on providing financial management services to businesses, with a strong focus on simplifying and automating expense reporting and administrative processes.

Pleo derive revenue from two revenue streams being subscriptions to Pleo's Platform for expense management incl. fees on card transactions from customers and fees on card transactions from merchants.

Subscription fee to Pleo's platform and fees on card transactions (Software as a service)

Subscriptions to Pleo's platform for expense management are structured in membership tiers, with each tier offering an increasing number of features and benefits. The customer is granted access to the Platform for a specific number of users and receive a fixed number of Pleo cards. The customer can elect to end their engagement with additional services, user accesses and cards at each tier against an increase in the subscription fee. The customer pays the subscription fee upfront either monthly or yearly. Customers choosing the yearly payments method receive an early payment discount.

Pleo offers a cashback rewards program to eligible customers based on the volume of card transactions. Cashback rewards are earned monthly and are transferred to the customer's balance (wallet) the following month.

Fees on card transactions paid by Pleo's customers are incurred when customers use the Pleo card. These fees are transactional and can be based on either a fixed price or a variable price, depending on the transaction volume.

Fees on card transactions paid by merchants (Financial services)

Fees on card transactions paid by merchants are derived from the usage of the Pleo Card as the merchants pays for the processing the payment. The fees are transactional and are either based on a fixed price or a variable price depending on the transaction volume. Fees on card transactions paid by merchants are assessed to constitute a single performance obligation being the customer's ability to make transactions with the merchant by using the underlying payment service/infrastructure provided by a third-party.

Revenue is disaggregated based on:

- Revenue stream
- Geographical regions
- Over-time/Point in time

<i>In thousands EUR</i>	2024	2023
Revenue streams		
Financial services*	59,602	45,191
Software as a service*	54,914	35,084
Interest earned using the amortised cost method	5,069	3,314
Total gross revenue	119,585	83,589
Cash back*	(15,510)	(7,854)
Total net revenue	104,075	75,735

* Revenue streams accounted for applying IFRS 15 *Revenue from Contracts with Customers*

<i>In thousands EUR</i>	2024	2023
Geographical regions		
Nordics	30,465	24,430
EU	28,585	17,651
Rest of Europe	39,956	30,340
Total revenue in scope of IFRS 15	99,006	72,421
Interest earned using the amortised cost method	5,069	3,314
Total net revenue	104,075	75,735

<i>In thousands EUR</i>	2024	2023
Over time/Point in time		
Revenue recognised at a point in time	59,602	45,191
Revenue recognised over time	39,404	27,230
Interest earned using the amortised cost method	5,069	3,314
Total net revenue	104,075	75,735

Interest earned using the amortised cost method

In the process of managing the customer funds received, the funds are deposited on selected secure interest-bearing bank accounts meeting relevant safeguarding requirements.

Significant accounting estimate

Stand-alone selling prices

Pleo has entered into a business arrangement with a third party where Pleo is both paying for utilising the third party's payment infrastructure and at the same time is entitled to arrangement fees for the transactions that are initiated by a Pleo issued third party payment card. The business arrangement is negotiated as one contract and therefore, Management has assessed whether the fees received and paid reflect stand alone prices for such services. Pleo has entered into the business arrangement with the third party on its standard terms and therefore, considers the respective fees as reflecting stand alone prices for such services.

Accounting policies

Subscription fee to Pleo's platform and fees on card transactions

Revenue Recognition

Revenue from subscriptions is recognized over time, as customers simultaneously receive and consume the benefits of the subscription. In contrast, revenue from fees on card transactions is recognized at a point in time, when the transaction is completed. Pleo consider the cashback rewards as consideration payable to a customer, and it is recorded as contra revenue within Revenue on the Income Statement.

Fees on Card Transactions

Management has determined that none of the deliverables within the subscription package (e.g., Pleo card, Pleo wallet, expense management services, etc.) can be considered distinct. This conclusion is based on the interdependence of these deliverables, as Pleo does not sell any individual component on a standalone basis. The goods and services are bundled into a combined output (e.g., a Pleo card cannot be used without an associated Pleo wallet), making them highly interrelated.

As the contract represents a single performance obligation, management has determined that variable consideration related to fees and charges is allocated to the goods and services forming this single performance obligation. This allocation follows the series provision in IFRS, as the fees and charges are substantially the same and exhibit the same pattern of transfer to the customer.

Fees on card transactions paid by merchants

Revenue related is satisfied at a point in time when the transaction is completed. Fees earned from merchants and Pleo's cut in the interchange fees reflect actual stand-alone prices because Pleo's settlement with third parties follow general rules which is applied to all participants. As such, revenue from fees on card transactions paid by merchants are recognized on a gross basis with an associated cost of sales.

Interest earned using the amortised cost method

Management considers the interest income as an integral part of the business model and therefore Management's assessment is that these interests are to be classified as part of revenue.

Contract liabilities

The group has recognised the following assets and liabilities related to contracts with customers:

<i>In thousands EUR</i>	2024	2023
Contract liabilities at beginning of the period	(7,568)	(2,534)
Revenue recognised that was included in the contract liability balance at the beginning of the period	7,568	2,534
Payments received, excluding amounts recognised as revenue during the period	(15,719)	(7,568)
Contract liabilities total at end of the period	(15,719)	(7,568)

Amounts allocated to performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period amounts to TEUR 15,719 for 2024 (2023: TEUR 7,568). The transaction price allocated to unsatisfied performance obligations as per year end is expected to be recognised as revenue within the following 12 months.

Accounting policies

The contract liabilities arise upon the receipt of yearly subscription payments to access Pleo's Platform for expenses management. Due to the length of the subscription, maximum one year, the entire contract liability at the beginning of the period have been recognised as revenue in the period.

Note 03 Staff cost

<i>In thousands EUR</i>	2024	2023
Wages and salaries	77,895	73,013
Defined contribution plans	1,722	2,089
Social security costs	10,787	8,685
Share-based payments, Note 4	7,766	9,459
Other staff costs	3,015	2,884
Work on own account recognised in assets	(7,910)	(5,980)
Total	93,275	90,150
Average number of employees	848	842

Accounting policies

Wages, salaries, social security contributions, pension contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where the Group provides long-term employee benefits, the costs are accrued to match the rendering of the services by the employees.

Employee benefits - Pensions

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Key management personnel compensation

The Board of Directors and Executive Management team are not covered by any pension schemes. The compensation paid or payables to key management personnel for employee services is shown below. Key Management is defined as the Executive Board, the Board of directors and the Management Group.

Refer to note 04 for more information on the share-based payment program.

<i>In thousands EUR</i>	Executive board	Board of directors	Other key management	Total
2024				
Wages and salaries	657	89	1,352	2,098
Share-based payments	564	50	1,201	1,815
Social security costs	30	14	194	238
Total	1,251	153	2,747	4,151

<i>In thousands EUR</i>	Executive board	Board of directors	Other key management	Total
2023				
Wages and salaries	346	24	827	1,197
Share-based payments	305	100	1,232	1,637
Social security costs	16	4	75	95
Total	667	128	2,134	2,929

Note 04 Share based payments

Pleo Holding has implemented incentive programmes to provide long-term incentives for participants (Executive Management and full-time employees) to deliver long-term shareholder return. The programmes are important to retain the participants in the group.

Pleo Holding has implemented two long-term incentive programs for Management and employees. One being a warrants programme and the other being a Restricted Stock Unit ("RSU") program. These two programs are the only outstanding share-based remuneration programs as of 31 December 2024.

Below is a summary of the share-based instruments granted under the incentive programmes.

Restricted Stock Unit ("RSU") programme

Management and employees in the Pleo Group have been offered the opportunity to receive RSU's in the Group. The RSU's are granted with an exercise price of EUR 0.8 per RSU to the employees. The grant of RSU's to the participants is an one-off offer and not part of an ongoing program.

The RSU's vested immediately upon grant. The RSU's granted are currently not exercisable. The employee is delivered a number of common shares in the Group equal to the number of RSU's having vested (one RSU to one ordinary share) at a futures exercise date. The RSU can be exercised in 2030 or at an earlier exit event. Grant, vesting and/or exercise is not subject to achievement of performance targets.

In total 60.026 RSU's were granted to Management and employees during 2024 (24,663 during 2023) and staff expenses of tEUR 1,043 was recognised in the income statement for the year 2024 (1,880 in 2023).

Warrant programme

Mid-level and higher-level managers have been offered the opportunity to receive warrants in the Group. The warrants are granted free of charge to the participants. Warrants have been granted to employees of Pleo Holding Group since 2017.

The warrants vest over a period of three to four years. In an exit event, warrants are subject to accelerated vesting. The vested warrants give the holder the right but not an obligation to convert the warrants into common-shares. Grant, vesting and/or exercise is not subject to achievement of performance targets, but conditional on continued employment during the vesting period (service condition).

- In 2020 a total of 645,306 warrants were granted to Management and employees with a vesting period from 12-48 months and an exercise price between EUR 1.48 and EUR 31.54. Expenses recognised in 2024 amounts to tEUR 686 (tEUR 1,901 in 2023).

- In 2021 a total of 270,090 warrants were granted to Management and employees with a vesting period from 12-48 months and an exercise price between EUR 4.70 and EUR 80.54. Expenses recognised in 2024 amounts to tEUR 717 (tEUR 2,170 in 2023).
- In 2022 a total of 262,720 warrants were granted to Management and employees with a vesting period from 36-48 months and an exercise price between EUR 67.11 and EUR 80.54. Expenses recognised in 2024 amounts to tEUR 1,833 (tEUR 2,624 in 2023).
- In 2023 a total of 222,203 warrants were granted to Management and employees with a vesting period of 48 months and an exercise price between EUR 53.69 and EUR 80.54. Expenses recognised in 2024 amounts to tEUR 2,259 (tEUR 884 in 2023).
- In 2024 a total of 583,355 warrants were granted to Management and employees with a vesting period of 48 months and an exercise price between EUR 53.63 and EUR 80.45. Expenses recognised in 2024 amounts to tEUR 1,226.

Set out below are summaries of shares granted under the incentive programmes.

Pleo Holding has applied the Monte Carlo Simulation to determine the fair value on the grant date for each of the RSU and warrant programmes, respectively. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring the fair value. The expected volatility below is based on historical volatility. The inputs used to measure the fair values at grant date of the equity-settled share-based payments were as follows. Fair value on a Monte Carlo simulation using a sample of 10,000 random draws. The future estimated value of equity on different exit dates is simulated based on a geometric Brownian motion, taking into account the expected share price volatility, drift factor, dilution from exercise of other warrants and the effect of the liquidation preference for preference shares.

<i>Types of awards:</i>	2024		2023	
	Warrants	Restricted Stock Units (RSU)	Warrants	Restricted Stock Units (RSU)
Grant date	up to 31-Dec-24	up to 31-Dec-24	up to 31-Dec-23	31-dec-23
No. of instruments outstanding	2,010,738	84,599	1,488,772	24,663
Contract life, Years	2.5	2.5	3.5	3.5
Total fair value at grant (tEUR)	55,052	4,031	50,012	1,903
Costs recognised (tEUR)	6,724	1,043	7,579	1,880

Accounting policies

Share-based payments

The fair value of warrants and RSUs granted under the Group's share-based remuneration programme is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the warrants and RSUs granted including any market performance conditions, excluding the impact of any service and non-market performance vesting conditions, and including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of warrants and RSU's that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Significant estimate

Valuation of share-based payments awards

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model.

In valuing the shares, Management has applied a valuation technique and the subscription price in capital increase that focuses on the Group as a starting point and includes market multiples. In addition, recent capital increase premiums compared to the observable multiples have been considered when estimating the value of the shares. Due to differences between the capital increase premiums paid and market multiples, the valuation model amortises the excess premium from capital increases over a period of time. The assumptions and models used for estimating the fair value of the incentive programme are disclosed above.

<i>Specification of key valuation inputs</i>	2024	2023
Share price at date of grant	DKK 331	DKK 583
Dividend Yield	-	-
Expected term, Year	2-3	3-4
Risk free rate	1.7%-1.9%	2.2%-2.4%
Share price volatility of the company	54.3%	46.8%

<i>Specification of outstanding warrants</i>	Weighted average exercise price (DKK)	Key Management	Employees	Total
Outstanding 1 January 2023	211	343,957	975,778	1,319,735
Granted	463	43,843	178,360	222,203
Exercised				
Cancelled				
Forfeited	464		(53,166)	(53,166)
Expired				
Outstanding 31 December 2023	231	387,800	1,100,972	1,488,772
Granted	505	275,000	308,355	583,355
Exercised				
Cancelled				
Forfeited	503	-	(61,389)	(61,389)
Expired				
Outstanding 31 December 2024	302	662,800	1,347,938	2,010,738

As per 31 December 2024 none of the outstanding warrants were exercisable (2023: none)

<i>Specification of outstanding RSU</i>	Weighted average exercise price (DKK)	Key Management	Employees	Total
Outstanding 1 January 2023				
Granted	6	150	24,513	24,663
Exercised				
Cancelled				
Forfeited				
Expired				
Outstanding 31 December 2023	6	150	24,513	24,663
Granted	6	35,180	24,846	60,026
Exercised				
Cancelled				
Forfeited	6	-	(90)	(90)
Expired				
Outstanding 31 December 2024	6	35,330	49,269	84,599

As per 31 December 2024 none of the outstanding RSU's were exercisable (2023: none)

Note 05 Financial income and expenses

<i>In thousands EUR</i>	2024	2023
Financial income		
Interest income	4,534	5,177
Realized/Unrealized Exchange	421	647
Total	4,955	5,824

Interest income arising from assets not measured at fair value amounts to 4,534 TEUR for 2024 (2023: 5,177 TEUR).

<i>In thousands EUR</i>	2024	2023
Financial expenses		
Other financial expenses	224	5
Leases expenses	122	149
Total	346	154

Interest expenses arising from liabilities not measured at fair value amounts to -224 TEUR for 2024 (2023: -5 TEUR).

Accounting policies

Financial income and costs comprise interest income and costs; realised and unrealised gains and losses on receivables, payables and transactions denominated in foreign currencies; realised gains and losses on securities; amortisation of financial assets and liabilities; interests on leasing agreements; bank charges and fees etc. Also included are realised and unrealised gains and losses on derivative financial instruments that are not designated as hedges.

Note 06 Income Tax

<i>In thousands EUR</i>	2024	2023
Current tax		
Current tax on profits for the year	(622)	(758)
Total	(622)	(758)
Reconciliation of effective tax rate		
Tax at the Danish tax rate of 22% (2023: 22%)	9,814	13,434
Less tax in foreign operations compared to 22%	22	(10)
Deferred tax assets on tax losses not recognised	(8,760)	(12,050)
Non tax deductible share-based payments expense	(1,709)	(2,081)
Adjustments for current tax of prior periods	(45)	-
Other Non-taxable/non-deductible items	56	(51)
Total	(622)	(758)

Accounting policies

Tax

Tax for the year consists of current tax and deferred tax, including adjustments to previous years and changes in provision for uncertain tax positions are assessed per transaction and recognised as an adjustment to either current or deferred tax based on the most likely scenario. 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 tax expense relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Current tax liabilities and receivables are recognised in the balance sheet at the amounts calculated on the taxable income for the year adjusted for tax on taxable incomes for prior years and for taxes paid on account.

Note 07 Deferred Tax

<i>In thousands EUR</i>	2024	2023
Deferred tax relates to:		
Right-of-use assets	820	1,030
Lease liabilities	(773)	(547)
Tax losses carried forward	(47)	(483)
Total	-	-

The group has unrecognised tax assets in a number of jurisdictions primarily within Denmark, the unrecognised tax assets are in the range of approximately EUR 48 million as of 31 December 2024 (EUR 41 million as of 31 December 2023) and has not been recognised due to uncertainties of the utilisation within the next three years. There is no expiration date on tax loss carried forward. A change in ownership of the group may result in restrictions on the group's ability to use tax losses in certain jurisdictions.

Accounting policies

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. A deferred income tax asset or liability is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Note 08 Receivables

<i>In thousands EUR</i>	2024	2023
Trade receivables from contracts	2,973	1,303
Expected credit loss	(345)	(96)
Net trade receivables	2,628	1,207

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. Please refer to note 15 for a description of the expected credit losses and risks regarding trade receivables.

	2024	
<i>Receivables maturity in thousands EUR</i>	Gross amount	loss allowance
Days past due:		
Not overdue	1,840	-
0-3 days	176	-
4-30 days	428	60
31-90 days	520	276
More than 90 days	9	9
Total at 31 December	2,973	345

	2023	
<i>Receivables maturity in thousands EUR</i>	Gross amount	Loss allowance
Days past due:		
Not overdue	842	-
0-3 days	230	2
4-30 days	132	32
31-90 days	99	62
More than 90 days	-	-
Total at 31 December	1,303	96

<i>In thousands EUR</i>	2024	2023
Expected credit loss allowance		
1 January	96	498
Addition	345	96
Utilization	(96)	(498)
Reversal	-	-
Write downs at 31 December	345	96

The last five years realised credit losses on trade receivables have been insignificant and the loss rate is below 0.1% (2023: 0.1%) of the revenue in any of the respective years.

Accounting policies

Trade receivables

Trade receivables are amounts due from contracts as part of the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional. The Group holds the trade receivable with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less allowance for lifetime expected losses. Pleo applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss for all trade receivables.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written down are recognized as a reduction of costs against the same line item.

Payment terms are set at 30 to 60 days from the invoice date. Payments must be made within this period unless otherwise agreed in writing.

Note 09 Leases

<i>In thousands EUR</i>	2024	2023
<i>Right of use assets - Costs:</i>		
At 1 January	8,249	5,765
Exchange rate adjustment	60	(7)
Additions	1,492	2,491
Disposals	(214)	-
At 31 December	9,587	8,249
<i>Accumulated depreciation and impairment:</i>		
At 1 January	3,569	1,651
Exchange rate adjustment	29	(4)
Depreciation charges	2,465	1,922
Disposals	(207)	-
At 31 December	5,856	3,569
Net carrying amount at 31 December	3,731	4,681
<i>Lease liabilities</i>		
Current lease liabilities	2,311	2,294
Non-current lease liabilities	1,644	2,487
Total	3,955	4,781
<i>Amounts recognized in the income statement</i>		
<i>Depreciation charges (included in depreciation, amortisation and impairments)</i>	2,465	1,922
Interests related to lease liabilities (included in finance costs)	122	150
Total	2,587	2,072

In 2024, the Group paid TEUR 3,568 (2023: TEUR 2,037) related to leases. Right-of use assets comprise rented offices. The right-of use assets are depreciated over 3-5 years.

Accounting policies

Leases

Office lease contracts are typically made for one to five years but may have extension and termination options.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments); any variable lease payment that is based on an index or a rate, initially measured using the index or rate at the commencement date and the exercise price of a purchase option if the Group is reasonably certain of exercising that option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease or lessee's incremental borrowing rate if the implicit interest rate cannot be readily determined

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost which comprises the amount of the initial measurement of the lease liability; any initial direct costs; the estimated restoration costs and any lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated over the lease term on a straight-line basis.

Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Note 10 Non-current intangible assets

<i>In thousands EUR</i>	Completed development projects	Development projects in progress	Total
<i>Cost at 1 January 2024</i>	6,689	1,670	8,359
Currency adj.	(1)	-	(1)
Additions	-	7,910	7,910
Transfers	6,403	(6,403)	-
At 31 December 2024	13,091	3,177	16,268
<i>Accumulated depreciation and impairment:</i>			
At 1 January 2024	1,729	-	1,729
Currency adj.	-	-	-
Amortisation charge	3,366	-	3,366
Impairment	-	-	-
At 31 December 2024	5,095	-	5,095
Carrying amount 31 December 2024	7,996	3,177	11,173

<i>In thousands EUR</i>	Completed development projects	Development projects in progress	Total
<i>Cost at 1 January 2023</i>	2,387	-	2,387
Additions	-	5,979	5,979
Currency adj.	(7)	-	(7)
Transfers	4,309	(4,309)	-
At 31 December 2023	6,689	1,670	8,359
<i>Accumulated depreciation and impairment:</i>			
At 1 January 2023	398	-	398
Amortisation charge	1,332	-	1,332
Impairment	-	-	-
At 31 December 2023	1,729	-	1,729
Carrying amount 31 December 2023	4,959	1,670	6,629

Accounting policies

Development projects in progress

Development projects in progress, primarily development of IT software, are recognised as non-current intangible assets if the following criteria are met:

- The projects are clearly defined and identifiable.
- The Group intends to use the projects once completed.
- The future earnings from the projects are expected to cover the development and administrative costs, and
- The costs can be reliably measured.

The carrying amount of completed software and development projects in progress primarily relates to IT Software.

The amortisation of capitalised development projects starts after the completion of the development project and is recognised on a straight-line basis over the expected useful life, which normally is 3-5 years. In this case it is required to perform an impairment test yearly or whenever there is an indicator for impairment.

Note 11 Property, plant and Equipment

<i>In thousands EUR</i>	Leasehold improvements	Total
<i>Cost at 1 January 2024</i>	730	730
Currency adj.	-	-
Additions	291	291
At 31 December 2024	1,021	1,021
<i>Accumulated depreciation and impairment:</i>		
At 1 January 2024	404	404
Currency adj.	-	-
Depreciation for the year	93	93
At 31 December 2024	497	497
Carrying amount 31 December 2024	524	524

<i>In thousands EUR</i>	Leasehold improvements	Total
<i>Cost at 1 January 2023</i>	728	728
Additions	5	5
Currency adj.	(3)	(3)
Transfers	-	-
At 31 December 2023	730	730
<i>Accumulated depreciation and impairment:</i>		
At 1 January 2023	330	330
Currency adj.	3	3
Depreciation for the year	71	71
At 31 December 2023	404	404
Carrying amount 31 December 2023	326	326

Accounting policies

Leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The cost comprises the acquisition price and other costs directly attributable to preparing the asset for its intended use. The present value of estimated costs for dismantling and disposing of assets as well as restoration costs are added to the cost if such costs are recognised as provisions. Material borrowing costs directly attributable to the construction of the individual asset are also added to cost.

If the individual components of an asset have different useful lives, each component will be depreciated separately.

The cost of self-constructed assets comprises direct and indirect costs for materials, components, subcontractors, wages and salaries. Costs for self-constructed assets are recognised as property, plant and equipment in progress on an ongoing basis until the assets are ready for use.

Subsequent costs, such as partial replacement of property, plant and equipment (PPE), are included in the carrying amount of the asset in question when it is probable that such costs will result in future economic benefits.

The carrying amount of the replaced parts is disposed from the statement of financial position and recognised in the statement of profit or loss.

Depreciation is carried out on a straight-line basis over the expected useful lives of the assets. The expected useful lives of the leasehold improvements is 3 years.

Note 12 Non-current financial assets

<i>In thousands EUR</i>	2024	2023
Non-current financial assets		
Office deposits	884	1,469
Other deposits	543	775
Total non-current financial assets	1,427	2,244

Accounting policies

Deposits

Cash deposits made under the term of contractual arrangements are classified as financial assets. At initial recognition, these deposits are measured at fair value and subsequently at amortized cost. Deposits expected to be refunded within 12 months after the balance sheet date are classified as current assets, while others are classified as non-current assets.

If there are objective indications that a deposit may not be fully recoverable, an impairment assessment is made based on the expected credit loss (ECL) model in accordance with IFRS 9. Any impairments and subsequent adjustments are recognized in the income statement.

For both 2024 and 2023, all financial assets are measured at amortized cost.

Note 13 Financial instruments

The Group holds the following financial instruments:

<i>In thousands EUR</i>	2024	2023
<i>Financial assets measured at amortised cost</i>		
Deposits from customers	183,140	165,158
Credit receivables from customers	8,405	1,729
Cash and cash equivalents	145,578	183,940
Total assets measured at amortised cost	337,123	350,827
<i>Financial assets measured at fair value through profit and loss</i>	-	-
Total assets measured at fair value through profit and loss	-	-
<i>Financial liabilities measured at amortised cost</i>		
Lease liabilities	3,955	4,781
Bank loan liabilities	6,379	-
Trade payables and other payables	5,312	4,506
Contract liabilities	15,719	7,568
Other liabilities	187,594	171,483
Total liabilities measured at amortised cost	218,959	188,338
<i>Financial liabilities measured at fair value through profit and loss</i>	-	-
Total liabilities measured at fair value through profit and loss	-	-

Financial assets:

Due to the short-term nature of financial assets measured at amortised cost, their carrying amounts are considered to be the same as fair value.

Financial liabilities:

the Group's exposure to various risks associated with the financial instruments are disclosed in note 15

Accounting policies

Financial Assets:

Financial assets are classified at amortized cost if they meet both of the following conditions: the business model's objective is to hold the financial instrument to collect contractual cash flows (a "hold-to-collect" business model), and these cash flows are solely payments of principal and interest on the principal amount. Disposals of portfolios near the maturity date and for amounts close to the remaining contractual cash flows, or due to an increase in customer credit risk (e.g., sales of non-performing debt), are consistent with a "hold-to-collect" model. Sales driven by regulatory requirements or aimed at managing credit risk concentration (without increasing credit risk) are also compatible with this model, provided they are infrequent or of insignificant value.

All financial assets not eligible for classification at amortised cost or at fair value through other comprehensive income are presented at fair value through profit or loss.

Financial Liabilities

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Note 14 Financial Assets and liabilities

2024

<i>In thousands EUR</i>	Within 1 year	1-5 years	Over 5 years	Total contractual cash flow	Carrying amount
Non-derivative financial assets					
Deposits from customers	183,140	-	-	183,140	183,140
Credit receivables from customers	8,405	-	-	8,405	8,405
Cash at bank and in hand	145,578	-	-	145,578	145,578
Total Financial assets	337,123	-	-	337,123	337,123
Non-derivative financial liabilities					
Trade payables and other payables	5,148	-	-	5,148	5,148
Lease liabilities	2,394	1,678	-	4,072	3,955
Bank loan liabilities	6,379	-	-	6,379	6,379
Other liabilities	4,792	-	-	4,792	4,792
Customer funds	182,802	-	-	182,802	182,802
Total Financial liabilities	201,515	1,678	-	203,193	203,076

The amounts disclosed in the following table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The group's exposure to various risks associated with the financial instruments is discussed in note 15.

2023

<i>In thousands EUR</i>	Within 1 year	1-5 years	Over 5 years	Total contractual cash flow	Carrying amount
Non-derivative financial assets					
Deposits from customers	165,158	-	-	165,158	165,158
Credit receivables from customers	1,729	-	-	1,729	1,729
Cash at bank and in hand	183,940	-	-	183,940	183,940
Total Financial assets	350,827	-	-	350,827	350,827
Non-derivative financial liabilities					
Trade payables and other payables	4,506	-	-	4,506	4,506
Lease liabilities	2,407	2,583	-	4,990	4,781
Bank loan liabilities	-	-	-	-	-
Other liabilities	6,679	-	-	6,679	6,679
Customer funds	164,804	-	-	164,804	164,804
Total Financial liabilities	178,396	2,583	-	180,979	180,770

Note 15 Financial risk management

Pleo's principal financial liabilities and assets include trade payables, trade and other receivables, customer deposits, and cash and cash equivalents. Trade payables, trade and other receivables, along with the portion of cash and cash equivalents not classified as customer cash, are utilized to finance the Pleo's operations.

Pleo is exposed to market risk, credit risk, and liquidity risk. The Board of Directors is responsible for overseeing financial risks, while the executive management team manages these risks. Currently, Pleo operates under an informal risk management framework, with a more formal structure under development.

Pleo does not engage in speculative activities related to financial risks. Its financial management approach focuses solely on mitigating and managing financial risks directly associated with its operations and financing activities.

Market risk

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. For Pleo, Market risk primarily consists of two types: Currency risk and Interest rate risk. Financial instruments impacted by market risk include cash and cash equivalents, future commercial transactions and recognised financial assets.

Currency risk

Pleo is exposed to currency risk due to its international operations, involving transactions and financial positions denominated in multiple currencies. Pleo is exposed to fluctuations in Danske Kroner ("DKK"), Euro ("EUR"), Pound sterling ("GBP"), Swedish Krona ("SEK") and US dollar ("USD"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of Pleo's entities.

Pleo consider the overall currency risk exposure limited. The majority of Pleo's activities take place in the Danish entities, where the total volume of transactions in GBP, SEK and USD is limited. The risk associated with EUR transactions is immaterial as the DKK is pegged to EUR. The remaining entities primarily have transactions in the same currency as their functional currency, the currency exposure are therefore considered immaterial.

As most transactions occur in the functional currency of each Pleo entity and only a limited number of transactions occur in foreign currencies, the monitoring of the currency risk is informal. As follows Pleo has not implemented any policy for currency exposure.

A 5% increase in the SEK/DKK exchange rate would have a positive impact on post-tax profit and equity of TEUR 204 in 2024 (TEUR 282 in 2023), whereas a corresponding decrease would result in a negative impact of TEUR 204 (TEUR 282 in 2023). For EUR/DKK, a 2% increase

would have a positive effect of TEUR 2,245 in 2024 (TEUR 839 in 2023), while a 2% decrease would have a negative impact of the same magnitude. For GBP/DKK, a 5% increase would have a positive effect of TEUR 504 in 2024 (TEUR 726 in 2023), whereas a 5% decrease would result in an equivalent negative effect.

Interest rate risk

Pleo is exposed to interest rate risk on cash deposits with banks, as the interest is based on a floating rate. The floating rate is based upon the insert rate. Pleo monitors the development of the floating rate on a continuous basis as the interests are an integral part of the operations. An increase in the floating rate by 1% would have a positive impact on post-tax profit and equity of TEUR 1,266 (TEUR 339 in 2023), whereas a decrease of 1% would result in a corresponding negative impact.

<i>In thousands EUR</i>	Impact on post tax profit		Impact on equity	
	2024	2023	2024	2023
Currency Risk				
SEK/DKK increase 5 %	204	282	204	282
SEK/DKK decrease 5 %	(204)	(282)	(204)	(282)
EUR/DKK increase 2 %	2,245	839	2,245	839
EUR/DKK decrease 2%	(2,245)	(839)	(2,245)	(839)
GBP/DKK increase 5 %	504	726	504	726
GBP/DKK decrease 5 %	(504)	(726)	(504)	(726)
Interest rate risk				
Floating rate on Cash Increase – 1 %	1,266	339	1,266	339
Floating rate on Cash decrease – 1 %	(1,266)	(339)	(1,266)	(339)

Credit risk

Credit risk is the risk that a counterparty fails to fulfil its obligations under a financial instrument or customer contract, resulting in a financial loss. Pleo's credit risk exposure is divided into three categories, credit risk on financial institutions, credit risk on Pleo customers, and credit risk on other counterparts.

The credit risk on financial institutions occurs from long-term deposits and cash balances. Pleo monitors the exposure toward the financial institutions through their credit rating on an ongoing basis. The credit rating of the financial institutions is at least "A". Due to the high credit rating and a history of no loss with these entities, the expected credit loss has not been recognised, as it is considered immaterial.

The credit risk on customers occurs from customers not fulfilling their financial obligations under a customer contract. Pleo consider the credit risk on Pleo customers limited due to the

nature of operations. A majority of receivables are initially secured by deposits made to the Pleo wallet. The remaining exposures are related to Customers signing up for the usage of the Platform where payments are due at time of signing. Pleo consider receivables that are overdue with more than 90 days as defaulted. Please refer to note 8 for the recognised expected credit loss on trade receivables.

The credit risk on other counterparts arising on long-term deposits and prepayments, which are considered immaterial.

Liquidity risk

Liquidity risk is the risk that Pleo is not able to meet the contractual obligations related to financial liabilities due to insufficient liquidity. Pleo's financial liabilities primarily consist of payables arising from lease contracts, operational expenses, and customer funds, which are settled as they become due.

Pleo manages liquidity risk by ensuring it maintains sufficient cash reserves. This is conducted through an ongoing monitoring of cash flow forecasts to ensure that both short-term and long-term financial commitments can be met.

As Pleo's business model involves handling customer funds and providing payment solutions, specific safeguards are in place to ensure that customer funds are protected and maintained separately from operational cash, mitigating the risk of a shortfall in customer payments.

The amounts disclosed in the following table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Note 16 Cash flow specifications

<i>In thousands EUR</i>	2024	2023
Change in current liabilities, such as trade payables, deferred income, etc	6,908	8,762
Change in receivables	(2,238)	(7,927)
Change in inventories	207	(4)
Change in working capital	4,877	831

<i>In thousands EUR</i>	2024	2023
Interest at customer funds	16	(354)
Interest on credit receivables	(297)	-
Other adjustments	434	(527)
Adjustment	153	(881)

Note 17 Cash at bank and in hand

<i>In thousands EUR</i>	2024	2023
Cash at bank and in hand		
Cash at bank and in hand	128,998	173,796
Partner deposits	16,580	10,144
Total	145,578	183,940

Note 18 Customer funds

<i>In thousands EUR</i>	2024	2023
Deposit from customer funds		
Customer funds	183,140	165,158
Total	183,140	165,158

Significant judgement

Classification of customer funds/deposits from customers

As part of the Pleo debit card offering, customers deposit amounts into bank accounts legally owned by Pleo but segregated from Pleo's own funds and subject to certain regulatory safeguards. The customers do not take on credit risk vs Pleo. Pleo is entitled to interest income and incurs negative interest, if any from these bank accounts. Additionally, Pleo bears the credit risk in case of default by the bank. Management has applied judgment in determining whether these bank accounts and the related liability vs. the customers are assets and liabilities of Pleo.

Management has put greater weight on the fact that Pleo is exposed to risks and rewards of the bank accounts than on the fact that draw down is under the control of the customers and concluded that the bank deposits are assets of Pleo and consequently, a corresponding customer liability is also recognised.

Accounting policies

Customer funds consist of restricted cash held on behalf of customers. A corresponding liability for these customer funds is recognized under other payables.

Note 19 Other liabilities

<i>In thousands EUR</i>	2024	2023
Other liabilities		
Customer funds	182,802	164,804
Other liabilities	4,792	6,679
Total	187,594	171,483

Accounting policies

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 deposits from customers.

Note 20 Contingent liabilities, commitments and contingencies

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 Group's liability.

Note 21 Fees to auditors appointed at the Annual General Meeting

<i>In thousands EUR</i>	2024	2023
PwC		
Audit fees	271	164
Other assurance engagements	-	-
Tax and VAT advice	119	93
Non-audit services	85	-
Total	475	257

Fees for services other than the statutory audit of the financial statements provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Denmark amounted to TEUR 132 (2023: TEUR 93) including other assurance opinions and agreed-upon procedures, as well as tax and accounting advice.

Accounting policies

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Payments of dividends are subject to debt covenants.

Note 22 Equity

<i>Share capital</i>	2024		2023	
	Number of shares	Nominal value (in DKK)	Number of shares	Nominal value (in DKK)
Common shares	7,869,912	78,699	7,869,912	78,699
B-Preference shares	8,433,088	84,331	8,433,088	84,331
C Preference shares	1,722,653	17,227	1,722,653	17,227
C2 Preference shares	867,706	8,677	867,706	8,677
Total	18,893,359	188,934	18,893,359	188,934

Pleo's share capital is structured into four classes: B-Preference Shares, C-Preference Shares, and C2-Preference Shares (collectively referred to as "Preference Shares"), and Common Shares. Each share class carries specific rights and obligations, as defined in the Group's Articles of Association.

Preference Shares

Holders of B-Preference Shares, C-Preference Shares, and C2-Preference Shares are entitled to a preferential allocation of Proceeds before Common Shareholders. Proceeds, which include distributions such as dividends, share buybacks, or payments upon liquidation, which are allocated to Preference Shareholders equally among the classes of Preference Shares, up to an amount per Preference Share to the greater of the following:

- The Initial Investment Amount, including any premium, that was paid for the subscription of the Preference Shares; or
- The amount that would have been received per Preference Share if it had been converted to a Common Share immediately prior to the distribution of Proceeds.

The Group conducts an annual review to ensure the distribution terms remain compliant with relevant agreements and appropriately reflect the rights of all shareholders.

Common Shares

Common Shares represent the residual ownership interest in the Group and are entitled to distributions only after all preferential claims from B-, C-, and C2-Preference Shares have been satisfied.

Dividends

No dividends were paid out for the year. No dividends were proposed for the year.

Note 23 Capital Management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

<i>In thousands EUR</i>	2024	2023
Lease liabilities	3,955	4,781
Bank loan liabilities	6,379	-
Trade payables	5,148	4,506
Current income tax liabilities	716	937
Other payables	4,792	6,679
Cash	(145,578)	(183,940)
Net debt	(124,588)	(167,037)
Equity	148,686	186,516
Total capital and net debt	24,098	19,479

The gearing ratio is calculated as equity divided by net debt and equity.

The subsidiary company Pleo Financial Services, is registered with the Danish Financial Supervisory Authority (DFSA). Management has determined that the regulatory capital requirement amounts to MEUR 2. The company's eligible regulatory capital totals MEUR 55, representing the capital base available before the recognition of the financial results for the reporting period.

Pleo monitor on a monthly basis whether the minimum capital for is met, if needed Pleo Holding may provide a group contribution

Note 24 Subsequent events

After the end of the financial year, no events have occurred which could significantly affect the Group's financial position

Note 25 Related party transactions

The Group is not controlled by any single shareholder or entity with a sufficient ownership interest to qualify as either an immediate parent company or an ultimate parent company under applicable accounting standards. Outstanding balances with other related parties and key management personnel hold no special terms or conditions. For Key management please refer to note 03.

Note 26 Investment in subsidiaries

<i>Name of entity</i>	Type	Ownership interest	
		2024	2023
Pleo Financial Services A/S	Denmark	100%	100%
Pleo Technologies A/S	Denmark	100%	100%
Pleo Capital UK Ltd	United Kingdom	100%	100%
Pleo Capital DK ApS	Denmark	100%	100%
Pleo Technologies GmbH	Germany	100%	100%
Pleo Technologies SL	Spain	100%	100%
Pleo Technologies Inc.	Canada	100%	100%
Pleo Technologies Portugal	Portugal	100%	100%
Pleo Technologies SAS	France	100%	100%
Pleo Technologies Ltd	England	100%	100%
Pleo Technologies BV	Netherlands	100%	100%
Pleo North America Inc	USA	100%	100%
Pleo Technologies AB	Sweden	100%	100%
Pleo Financial Services UK Ltd	United Kingdom	100%	-

Standalone Financial Statements of the Parent

Income Statement for 1 January - 31 December

<i>In thousands DKK</i>	Note	2024	2023
Other external expenses		-1,870	-658
Gross profit/loss		-1,870	-658
Profit/loss before financial income and expenses		-1,870	-658
Financial income	1	202,996	33,884
Financial expenses	2	-2,318	-4,914
Profit/loss before tax		198,808	28,312
Tax on profit/loss for the year	3	-9,445	-6,229
Net profit/loss for the year		189,363	22,083

Balance Sheet as at 31 December

Assets

<i>In thousands DKK</i>	Note	2024	2023
Investments in subsidiaries	4	2,110,247	2,094,959
Fixed asset investments		2,110,247	2,094,959
Receivables from group enterprises		185,996	32,344
Prepayments	5	0	46
Receivables		185,996	32,390
Cash at bank and in hand	6	706,400	1,063,598
Currents assets		892,396	1,095,988
Assets		3,002,643	3,190,947

Liabilities and equity

<i>In thousands DKK</i>	Note	2024	2023
Share capital		189	189
Retained earnings		2,949,425	2,760,063
Equity		2,949,614	2,760,252
Trade payables		291	265
Payables to group enterprises		43,293	424,201
Corporation tax		9,445	6,229
Short-term debt		53,029	430,695
Debt		53,029	430,695
Liabilities and equity		3,002,643	3,190,947

Statement of Changes in Equity

<i>In thousands DKK</i>	Share capital	Retained earnings	Total
Equity at 1 January	189	2,760,063	2,760,252
Net profit/loss for the year	-	189,363	189,363
Equity at 31 December	189	2,949,425	2,949,614

Other key disclosures:

Fee to auditors appointed at the general meeting	7
Contingent assets, liabilities and other financial obligations	8
Distribution of profit	9
Accounting Policies	10

Notes to the Financial Statements

1. Financial income

<i>In thousands DKK</i>	2024	2023
Bank interest and other financial income	46,996	32,215
Dividends received	156,000	0
Exchange gains	0	1,669
Total	202,996	33,884

2. Financial expenses

<i>In thousands DKK</i>	2024	2023
Interest paid to group enterprises	-	4,815
Exchange loss	2,318	99
Total	2,318	4,914

3. Tax on profit/loss for the year

<i>In thousands DKK</i>	2024	2023
Current tax for the year	9,445	6,229
Total	9,445	6,229

4. Investments in subsidiaries

<i>In thousands DKK</i>	2024	2023
Cost at 1 January	2,094,959	636,429
Additions for the year	15,288	1,458,530
Total	2,110,247	2,094,959

Investments in subsidiaries are specified as follows:

<i>Name</i>	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Pleo Financial Services A/S	Denmark	100%	442,353	190,737
Pleo Technologies A/S	Denmark	100%	(171,791)	(465,825)
Pleo Capital UK Ltd.	United Kingdom	100%	8,888	(8,736)
Pleo Capital DK ApS	Denmark	100%	1	1
Pleo Financial Services UK Ltd.	United Kingdom	100%	15,288	-

5. Prepayments

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

6. Cash at bank and in hand

<i>In thousands DKK</i>	2024	2023
Total	706,400	1,063,598

7. Fee to auditors appointed at the general meeting

<i>In thousands DKK</i>	2024	2023
PricewaterhouseCoopers		
Audit fee	800	291
Tax advisory services	624	-
Total	1,424	291

8. Contingent assets, liabilities and other financial obligations

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 Group's liability.

9. Distribution of profits

No dividends were paid out for the year. No dividends were proposed for the year.

10. Accounting Policies

The Annual Report of Pleo Holding ApS for 2024 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 Parent Company Financial Statements 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.

Income Statement

Other external expenses

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

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

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.

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.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

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 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.

Financial debts

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