

Too Good To Go ApS

Landskronagade 66
2100 Copenhagen E
CVR No. 37561304

Annual report 2022

The Annual General Meeting adopted the
annual report on 28.06.2023

Kasper Asbjørn Heine

Chairman of the General Meeting

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Entity details

Entity

Too Good To Go ApS
Landskronagade 66
2100 Copenhagen E

Business Registration No.: 37561304
Registered office: Copenhagen E
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Peter Korsholm, Chairman
Jannik Kruse Petersen
Mona Evelyn Vaupel Knudsen
Koen Köppen
Alexandre Mars
Francoise Casals Brougher

Executive Board

Mette Lykke Ravn, CEO
Kasper Asbjørn Heine, Group Counsel
Martin Rulykke Kvist, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Too Good To Go ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.06.2023

Executive Board

Mette Lykke Ravn
CEO

Kasper Asbjørn Heine
Group Counsel

Martin Rulykke Kvist
CFO

Board of Directors

Peter Korsholm
Chairman

Jannik Kruse Petersen

Mona Evelyn Vaupel Knudsen

Koen Köppen

Alexandre Mars

Francoise Casals Brougher

Independent auditor's report

To the shareholders of Too Good To Go ApS

Opinion

We have audited the financial statements of Too Good To Go ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Niels Skannerup Vendelbo

State Authorised Public Accountant
Identification No (MNE) mne34532

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	496,193	449,043	259,995	170,962	53,699
Gross profit/loss	(40,436)	(229,021)	(281,956)	17,226	2,856
Operating profit/loss	(206,480)	(352,998)	(147,366)	(51,004)	(31,160)
Net financials	(3,054)	3,745	555	348	(77)
Profit/loss for the year	(174,214)	(347,341)	(144,172)	(48,576)	(29,776)
Total assets	278,500	281,992	239,599	118,216	47,699
Equity	34,188	31,408	78,749	22,921	16,497
Average number of employees	216	186	171	124	49
Ratios					
Gross margin (%)	(8.15)	(51.00)	(108.45)	10.08	5.32
EBIT margin (%)	(41.61)	(78.61)	(56.68)	(29.83)	(58.03)
Net margin (%)	(35.11)	(77.35)	(55.45)	(28.41)	(55.45)
Equity ratio (%)	12.28	11.14	32.87	19.39	34.59

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Revenue

EBIT margin (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

Revenue

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Revenue

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

Too Good To Go is a food surplus Marketplace that enables food businesses to sell their food surplus to consumers at a discounted price. The food is posted on the Marketplace in "Surprise Bags" that contain leftover food. Consumers come to pick up the Surprise Bag at a preset time of the day at the food outlet and receive whatever mix of food surplus was left on that day. The food on the Marketplace ranges from groceries to baked goods to sandwiches or restaurant meals.

Development in activities and finances

We saved 51,2 million meals in 2022 compared to 47,6 million meals in 2021.

During 2022 we have changed our invoicing model moving from most European markets being invoiced from Too Good To Go ApS to being invoice from the Too Good To Go company in the respective markets.

The comparable growth for the Danish market was an increase for 2022 of 22% in the meals saved (an increase of 21% in 2021).

In October 2022 our new operating model was introduced. Effectively 1 November 2022 the company is now operating with a main focus on our four regions – with stronger support from global centres of excellence for Customer Care and Marketing. With our new operating model we believe we can service both partners and consumers even better – while improving our scalability and efficiency of key functions.

Profit/loss for the year in relation to expected developments

2022 ended out with a loss of DKK 174 million in line with our expectations for the year.

Unusual circumstances affecting recognition and measurement

There are no unusual circumstances affecting recognition and measurement during the year.

Outlook

For 2023 we expect to see a continued growth in the Danish market – supported by both the marketplace and additional product development. We expect a loss in 2023 at lower level than in 2022.

Risk Management

In 2022, we strengthened our focus on Enterprise Risk Management. We have actively engaged with the Executive Board, Key Management and senior leadership across functions and projects to identify new risks and (re-) validate our identified risks. We operate in a dynamic environment in the food ordering industry and it presents both opportunities and risks. The Executive Board and Key Management team manages these risks through an ERM framework that integrates risk management into our daily business operations and strategic planning.

Managing our risks effectively

At Too Good To Go, risks are identified, analysed and reviewed on a regular basis with responses designed to commensurate with the determined likelihood and impact, and in alignment with our overall strategy. This includes discussions on designing and implementing controls to reduce the likelihood of the risk occurring and/or mitigate the impact of risks on our operations. The Risk Management and Internal Control Framework (The framework) formalises ownership of, and the process for identifying, prioritising and responding to risks.

Attracting and retaining key personnel

Our continued success depends upon our ability to attract, recruit, retain and develop a highly skilled workforce, particularly in the fields of technology, data, product, systems development, digital marketing and sales. Failure to do so could negatively impact our ability to develop new technologies, products and services, execute our strategy and/ or increase revenue. Too Good To Go focuses on supporting and developing its employees to enhance their professional development. We retain our employees by offering training, fair, and a good work environment that attracts people in a market with high competition.

IT operations

The operational and IT risk is the risk coming from financial losses due to systems failure, downtime, or faulty operational conduct. Access control, virus control, disaster recovery procedure and continuous monitoring protocols and policies are in place.

Legal and regulatory

We are subject to the laws and regulations of numerous national, EU and local authorities and changes to, or uncertainty regarding, the applicable laws, regulations or regulatory environment may adversely affect our business. Our teams within Public Affairs, Tax, Information Security and Legal are flagging any potential emerging risks they become aware of before they impact the business, working collaboratively with other relevant teams to plan mitigating actions as appropriate.

Data security and privacy

The risk of substantial security breaches or other failures to comply with data privacy laws on our platform, whether as a result of our own internal failures or an external cyber attack, could significantly harm our reputation amongst consumers and partners, inhibiting consumers' willingness to sign up. This could result in a reduced demand for our products and services, and a loss of revenue, as well as potential fines or other regulatory action. We have a number of policies in place to help prevent and handle security breaches and ensure compliance with privacy laws and we have a dedicated security team that addresses the risk areas.

Financial risk management

Financial risks are the risks associated with financing the operation and the risk of not being able to meet liabilities towards vendors. The company is not considered exposed to any financial risk, but due to market trends, the global team proactively works to ensure sufficient and optimal capital leverage, etc. in all entities. We have exposure to exchange rate risks that the fair value or future cash flows will fluctuate arising from changes in foreign exchange rates. We are exposed to foreign exchange risk on our balance sheet in terms of the translation of financial assets and liabilities denominated in a currency other than the functional currency. We have some exposure related to purchases denominated in foreign currencies, which primarily relate to USD, GBP, CHF. It has been our policy not to hedge its exposure from foreign exchange rate risk.

Reporting on Corporate Social Responsibility cf. sections 99a, 99b and 99d of the Financial Statements Act

In accordance with these requirements Too Good To Go ApS refers to the 2022 Annual Report of parent company Too Good To Go Holding ApS CVR no. 37 53 56 99 for the statutory annual reporting.

Knowledge resources

Too Good To Go is growing fast, which means that we see a constant need to upgrade capabilities across the organisation. In 2022 we have been upgrading in key areas, strengthening the knowledgebase and seniority level in order to continue the transition from startup to scaleup. At the same time we have a key focus on learning and development, ensuring that we can attract and retain talent for the future.

Environmental performance

Almost 40% of all food is lost or wasted. And fighting food waste is the number #1 solution to tackle climate change for customers (according to Project Drawdown which is a non-profit organisation that seeks to help the world reach "drawdown" of greenhouse gases). That's why our mission to inspire and empower everyone to fight food waste together is so important. We know that to live and breathe this, words must quickly become actions. But we can't do it alone. It's only when businesses, governments and consumers work together that we'll be able to achieve a positive impact against the world's biggest issues.

Research and development activities

Our platform is used for our partners to make meals available for our users. Our users order and pay for the meals through our app on iOS and Android. It is an ongoing process to improve the apps and the systems behind in order to improve the experience for users and partners and to make sure that our systems support new markets, new payment solutions, new regulations in different markets and scalability.

Foreign branches

We have branches in Belgium and Switzerland to support our sales, success and marketing activities on these markets. In our other countries our sales, success and marketing activities are supported by entities 100% owned by Too Good To Go Holding ApS.

Events after the balance sheet date

No material events have occurred after the balance sheet date to this date, which would influence the annual report.

Income statement for 2022

	Notes	2022 DKK'000	2021 DKK '000
Revenue	3	496,193	449,043
Own work capitalised		18,186	11,177
Cost of sales		(4,501)	(2,914)
Other external expenses	4	(550,314)	(686,327)
Gross profit/loss		(40,436)	(229,021)
Staff costs	5	(152,831)	(111,597)
Depreciation, amortisation and impairment losses		(13,213)	(12,380)
Operating profit/loss		(206,480)	(352,998)
Other financial income		3,653	4,099
Other financial expenses		(6,707)	(354)
Profit/loss before tax		(209,534)	(349,253)
Tax on profit/loss for the year	6	35,320	1,912
Profit/loss for the year	7	(174,214)	(347,341)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Completed development projects	9	16,629	16,681
Acquired intangible assets		15,745	707
Development projects in progress	9	8,888	2,272
Intangible assets	8	41,262	19,660
Other fixtures and fittings, tools and equipment		1,332	1,143
Leasehold improvements		570	693
Property, plant and equipment	10	1,902	1,836
Deposits		3,113	2,492
Deferred tax	12	35,800	0
Financial assets	11	38,913	2,492
Fixed assets		82,077	23,988
Manufactured goods and goods for resale		935	744
Inventories		935	744
Trade receivables		1,033	12,386
Receivables from group enterprises		16,802	127,307
Other receivables		140	4,260
Tax receivable		0	2,252
Prepayments	13	8,983	6,630
Receivables		26,958	152,835
Cash		168,530	104,425
Current assets		196,423	258,004
Assets		278,500	281,992

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		51	51
Reserve for development expenditure		19,905	14,785
Retained earnings		14,232	16,572
Equity		34,188	31,408
Trade payables		21,494	204,085
Payables to group enterprises		202,237	30,023
Tax payable		195	0
Other payables		20,386	16,476
Current liabilities other than provisions		244,312	250,584
Liabilities other than provisions		244,312	250,584
Equity and liabilities		278,500	281,992

Going concern	1
Events after the balance sheet date	2
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Statement of changes in equity for 2022

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	51	14,785	16,572	31,408
Group contributions etc	0	0	176,994	176,994
Transfer to reserves	0	5,120	(5,120)	0
Profit/loss for the year	0	0	(174,214)	(174,214)
Equity end of year	51	19,905	14,232	34,188

Notes

1 Going concern

We note that the Company has current liabilities exceeding current assets. The annual report is prepared under the going concern assumptions, and no material uncertainties exist as the company has sufficient liquidity from its cash and credit facilities to operate the business in 2023 and beyond. In addition, a support letter has been provided to Too Good To Go ApS from the parent company, Too Good To Go Holding ApS.

2 Events after the balance sheet date

No material events have occurred after the balance sheet date to this date, which would influence the annual report.

3 Revenue

	2022 DKK'000	2021 DKK'000
Nothern Europe	127,862	122,506
Central Europe	217,414	169,651
Southern Europe	150,917	156,885
Total revenue by geographical market	496,193	449,042
Transaction services	488,889	448,122
Non-transaction services	7,304	920
Total revenue by activity	496,193	449,042

Too Good to Go ApS earns the most significant part of its revenues from fees paid by customers for the use of Too Good To Go's application, which connects and facilitates the completion of a successful transaction between the customer and the end-user. End-users access the platform for free and Too Good To Go has no performance obligation to the end-user

4 Fees to the auditor appointed by the Annual General Meeting

In conformity with section 96.3 of the Danish Financial Statements Act, no fees to statutory auditors are disclosed. Please refer to the consolidated financial statements of Too Good To Go Holding ApS.

5 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	144,532	103,986
Pension costs	2,150	1,464
Other social security costs	6,149	6,147
	152,831	111,597
Average number of full-time employees	216	186

The company have left out remuneration of management in accordance with the Danish Financial Statements Act, section 98B (3).

6 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Current tax	480	(1,921)
Change in deferred tax	(35,800)	0
Adjustment concerning previous years	0	9
	(35,320)	(1,912)

7 Proposed distribution of profit and loss

	2022 DKK'000	2021 DKK'000
Retained earnings	(174,214)	(347,341)
	(174,214)	(347,341)

8 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Development projects in progress DKK'000
Cost beginning of year	44,289	1,415	2,272
Transfers	2,079	0	(2,079)
Additions	9,491	15,510	8,695
Cost end of year	55,859	16,925	8,888
Amortisation and impairment losses beginning of year	(27,608)	(708)	0
Amortisation for the year	(11,622)	(472)	0
Amortisation and impairment losses end of year	(39,230)	(1,180)	0
Carrying amount end of year	16,629	15,745	8,888

9 Development projects

Development projects include the development of the platform used to generate revenue. The development project essentially consists of costs in the form of direct salaries and other costs, which are recorded through the company's internal project module.

The carrying amount of completed and in progress development projects is DKK 25 million at 31.12.2022 (compared to DKK 19 million at 31.12.2021). The platform is expected to bring significant competitive advantages and thus a significant increase in the level of activity and profit for the company.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	1,989	1,118
Additions	961	211
Cost end of year	2,950	1,329
Depreciation and impairment losses beginning of year	(846)	(425)
Depreciation for the year	(772)	(334)
Depreciation and impairment losses end of year	(1,618)	(759)
Carrying amount end of year	1,332	570

11 Financial assets

	Deposits DKK'000
Cost beginning of year	2,492
Additions	621
Cost end of year	3,113
Carrying amount end of year	3,113

12 Deferred tax

	2022 DKK'000
Changes during the year	
Recognised in the income statement	35,800
End of year	35,800

Deferred tax assets

Too Good To Go ApS has determined to recognise a part of the deferred tax assets on the tax losses carried forward due to the positive developments in the financial performance during 2022. The recognised tax asset for tax losses carried forward is 35,8 million DKK. The Company still has an unrecognized 177 million DKK of tax losses carried forward, which relates to previous year's tax result. There is no expiring date on the tax losses or carried forward and expectations for utilisation within positive taxable income within a foreseeable future (3-5 years).

13 Prepayments

Prepayments comprises prepaid costs relating to the subsequent financial year.

14 Contingent liabilities

	2022 DKK'000	2021 DKK'000
Other contingent liabilities	11,456	11,202
Contingent liabilities	11,456	11,202

The Entity participates in a Danish joint taxation arrangement where Too Good To Go Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

15 Related parties with controlling interest

Too Good To Go Holding ApS, Copenhagen, owns all shares in the company and thus has a controlling influence.

16 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. A tax-free group contribution of DKK 177 million was provided in 2022. Other than the group contribution, no other transactions have been conducted in the financial year that were not performed on arm's length.

17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Too Good To Go Holding ApS, Copenhagen. CVR: 37535699.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

Changes in accounting policies

The Company has in 2022 for the first time presented the financial statements in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large), compared to prior year presented as C enterprises (medium).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when the service has been delivered to the customer ("point in time"). Too Good To Go ApS earn revenues primarily from fees paid by customers for the use of Too Good To Go ApS' application, which connects and facilitates the completion of a successful transaction between the customer and the end-user. End-users assess the platform for free and Too Good To Go ApS have no performance obligation to end-users. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs recognised in cost for proprietary intangible assets.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and equipment.

Other financial income

Other financial income comprises interest income, including interest income on payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intangible assets

Intangible assets comprise development projects completed and in progress with related intangible assets and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intangible assets acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intangible assets are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises of bank deposits.

Trade Payables

Trade payables comprise amounts owed to our customers/partners and other payables related to our business. The amount owed to our customers/partners reflects the amount collected on behalf of our partners minus the fees invoiced for the usage of the application.

Trade payables are at recognition measured at fair value and subsequently measured at amortised cost using the effective interest method.

Current liabilities

Current liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The company has chosen not to disclose the cash flow statement according to the Danish Financial Statements Act, section 86(4).