



OrderYOYO A/S
Masnedøgade 26
2100 Copenhagen
Denmark
CVR nr. 36704608

Annual Report 2022

The Annual General Meeting
adopted the annual report on
20.04.2023

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Parent

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In 2022 OrderYOYO became the number one in Europe!

Letter from the CEO

2022 – a transformational year

After three years of exceptional growth and a transformational merger with app smart, OrderYOYO is now 5 times the size it was in 2019 pre-pandemic.

The transformational event in 2022 for OrderYOYO was the merger with app smart on July 1. The transaction greatly enlarged the OrderYOYO footprint and established us as the clear European market leader.

OrderYOYO is now the largest restaurant liberator in Europe, serving almost 10,000 Restaurant Partners with market leading positions in the two largest takeaway markets in Europe, UK and Germany, as well as market leading positions in Denmark, Ireland and Austria.

Our markets have experienced fundamental changes during the last few years – the market is in many respects very different today than it was when OrderYOYO and app smart were founded. However, even throughout all these large market evolutions we have stayed focused on our overall mission and value proposition – **to liberate your local, independent takeaway restaurant** – and we continue **to empower our Restaurant Partners to claim back their customers and fundamentally to control their own businesses with our software suite.**

We continued to invest in our Restaurant Partners in 2022. We invested heavily in our product offering and in our Restaurant Partners as the Covid-19 pandemic more than anything demonstrated the importance for local, independent takeaway restaurants to claim back their returning customers in a digital world dominated by portals which are taking a large share of their economics..

Following the merger between OrderYOYO and app smart, our product offering to independent takeaway restaurants has been expanded to also include Point Of Sales (POS) solutions tailored for the takeaway restaurant industry. This enables OrderYOYO to offer an even larger part of the solutions needed to digitalize takeaway restaurants and thus building even stronger partnerships with each Restaurant Partner.

In addition, the inflationary environment and difficult macroeconomic situation experienced in several European markets have put additional pressure on the independent takeaway restaurant making it even more vital that each and every takeaway restaurant keeps as much value from each order for themselves instead of transferring customer relationships and significant economic value to portals.



Letter from the CEO

Strong performance during 2022

We experienced strong growth in Annual Recurring Revenue, growing 23% to DKK 212m in 2022 from DKK 173m (including non-audited app smart ARR) in 2021. In addition, we realized a positive EBITDA before other external costs for the second half of 2022 compared to a loss in H1 2022. Full year EBITDA before other external costs is just below 0. Our goal was to ensure that our business would be consistently profitable at the EBITDA level on a monthly basis by the end of 2022 – and this has been achieved.

Our financial guidance for 2022 was raised twice during the year. The original consolidated ARR guidance as of June of DKK 175–190m was raised twice during the second half. Realized ARR at year end of DKK 212m was still higher than the final guidance of DKK 190–200m demonstrating a strong second half year performance for OrderYOYO – which has also continued in the first months of 2023.

In December 2022 we lost our chairman Preben Damgaard who passed away. We have lost a lighthouse in the Danish IT and venture community, a strong chairman, mentor and personal friend. All our thoughts go to Preben's family – honored by his memory.



As of January 2023 Victor Garcia was elected chairman for OrderYOYO A/S and OrderYOYO Ltd.

Victor Garcia is a senior managing director at Stifel Investment Bank. He brings more than 25 years of experience in technology M&A transactions, with long-standing experience of working with Nordic growth companies. He holds deep relationships across the venture capital and growth equity landscape, as well as with global leading technology companies.

With OrderYOYO's strong consolidation agenda, Victor is a perfect match as chairman for OrderYOYO and he brings valuable insights and knowledge to OrderYOYO. In addition, he brings strong knowledge and relationships with the international software industry in general, both in Europe and in the US.

Finally, we would like to thank our fantastic employees for their strong dedication and hard work. Their engagement throughout a transformational year has been inspirational and a fundamental reason behind OrderYOYO's ability to deliver on our overall value proposition – to liberate your local, independent takeaway restaurant.

OrderYOYO at a glance

OrderYOYO is the leading European provider of ordering, payment, marketing software and POS solutions to takeaway restaurants with a market leading position in the two largest takeaway markets in Europe, UK and Germany, as well as being market leader in Denmark, Ireland and Austria. OrderYOYO's solution is offered as a combination of fixed subscription and usage-based Software-as-a-Service (SaaS) model that enable independent takeaway restaurants to build their own-branded online presence and grow their businesses.

The OrderYOYO software suite helps takeaway restaurants drive online takeaway orders through their own tailored online presence in the individual takeaway restaurant's own brand and name.

OrderYOYO offers an integrated end-to-end software suite that includes a branded website, mobile apps, order- and payment processing, menu management systems, business intelligence and user data analytics, Google optimization, social media promotion tools, e-mail marketing and Restaurant Partner customer support.

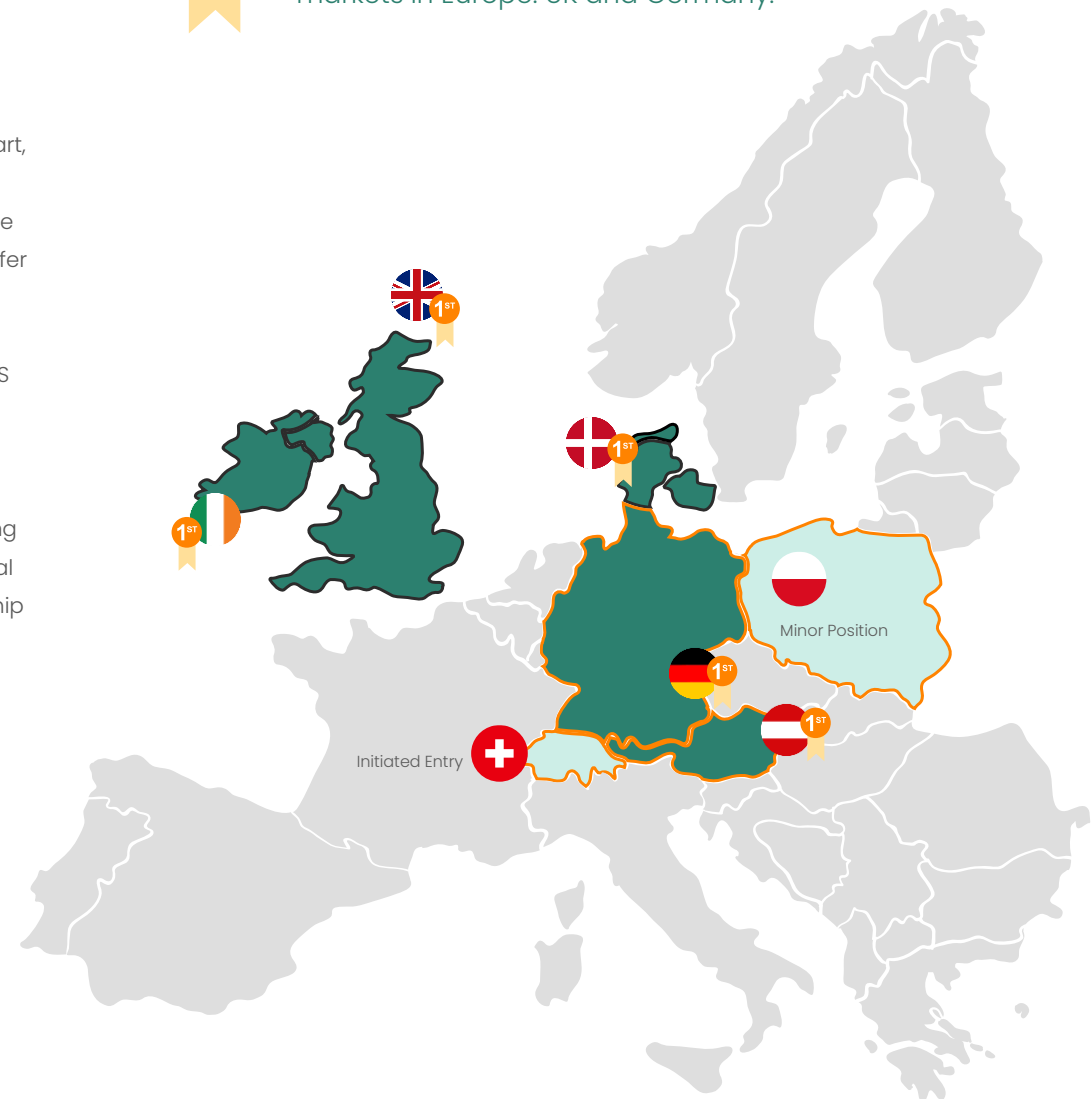
Following the merger between OrderYOYO and app smart, as of July 2022 OrderYOYO's product offering now also includes Point Of Sales (POS) solutions tailored for the takeaway restaurant industry enabling OrderYOYO to offer an even larger part of the software stack needed to digitalize takeaway restaurants. More than 1,000 Restaurant Partners are currently using OrderYOYO's POS solution. OrderYOYO today consist of two main regions OrderYOYO **North** and OrderYOYO **South**

With up to 90% of a takeaway restaurant's orders coming from loyal returning consumers, it is crucial that the local independent takeaway restaurants claim back ownership of these loyal consumers.

Our mission has since the founding of OrderYOYO been, and remains to this day to liberate your local, independent takeaway restaurant and empower restaurant owners to claim back their returning consumers, control their business and maximize their profitability.



Market leader in five markets, including the two largest takeaway markets in Europe: UK and Germany.

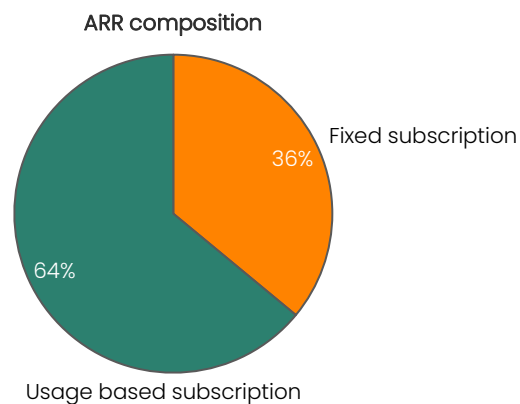


Revenue composition

Annual Recurring Revenue

OrderYOYO's annual recurring revenue (ARR) is comprised by a usage-based subscription model and a traditional fixed subscription fee model.

Originally, OrderYOYO's ARR was mainly driven by the usage-based subscription, i.e., commission on orders flowing through our system, however following the merger with app smart, fixed subscription fees are now a substantial part of total ARR.



ARR December 2022 is thus comprised by 64% usage-based subscription and 36% fixed subscription fee.

We expect that the fixed subscription fee will continue being a significant contributor to ARR, however, we expect the usage-based model to continue to be the largest contributor.

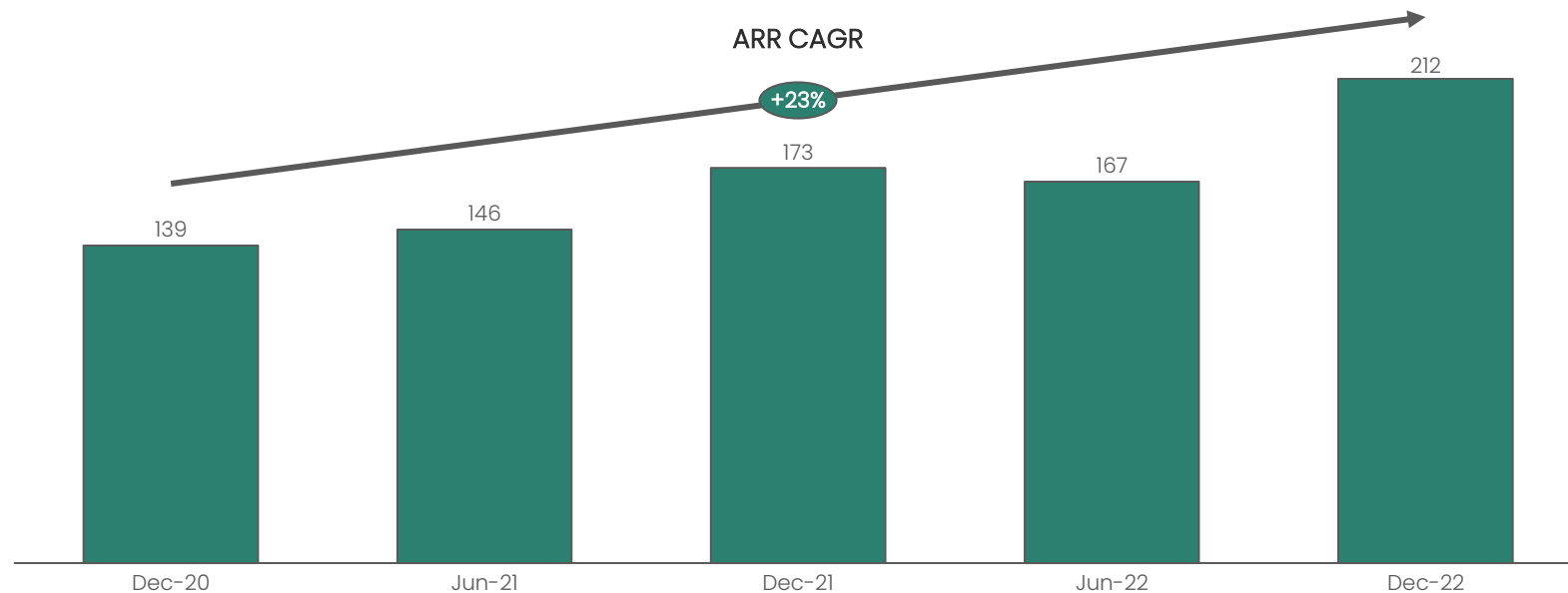
The benefits for our Restaurant Partners of having a usage-based model is high. In addition, the built-in incentive structure of a falling commission rate in return for higher order volumes is to the benefit of both OrderYOYO and the Restaurant Partner as increased usage is far more powerful under the usage-based subscription model. With the usage-based subscription model we truly grow with our Restaurant Partners, a vital part of our vision.

However, some products are better suited for a fixed subscription fee model. In particular, our POS solution and our marketing solution are better suited for a fixed subscription fee model, in addition to different country specific splits.

ARR Growth

Revenue measured as Annual Recurring Revenue (ARR) has showed strong growth within the newly merged and combined entity. Total proforma ARR since December 2020 has grown 53%. from DKK 139m in December 2020 to DKK 212m in December 2022 (all figures including non audited former app smart ARR). The compound annual growth rate on ARR from December 2020 to December 2022 shows a growth of 23%.

We strongly believe in engaged partnership with our customers and we strive to continue the growth despite challenging market conditions.



Drop from December 2021 to June 2022 seasonality driven

2022 ARR in depth

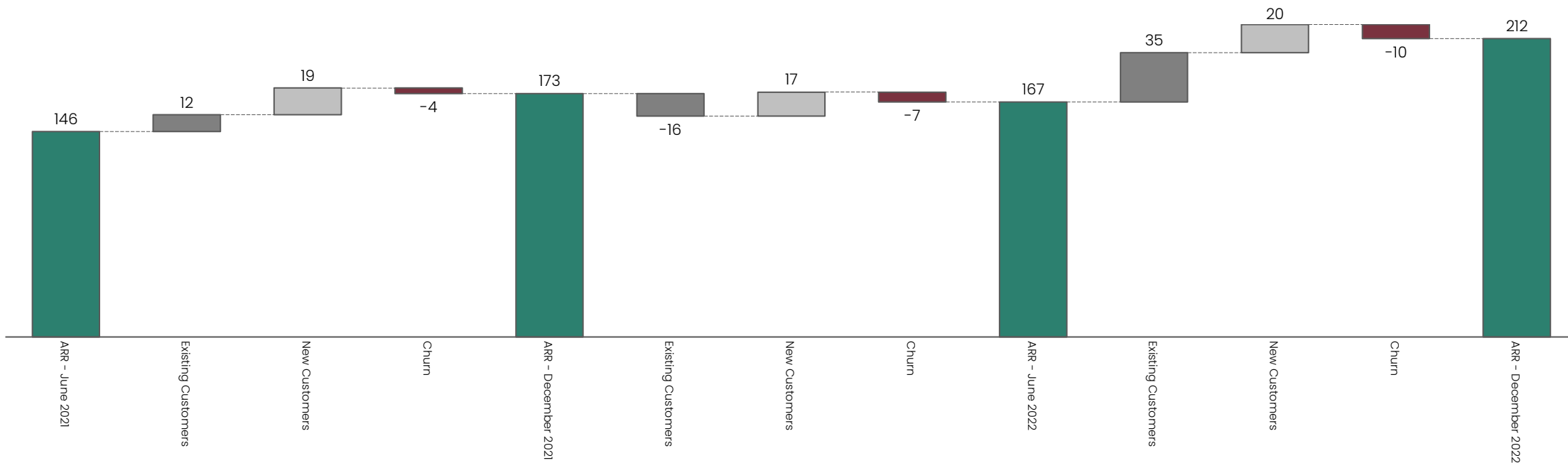
Healthy growth

Total proforma Annual Recurring Revenue (ARR*) has since June 2021 showed strong growth. ARR grew from DKK 146m to DKK 167m by June 2022 - equivalent to a growth of 14% despite no covid-19 restrictions in 2022.

The new consolidated entity grew existing and new customers by DKK 55m from June 2022 to December 2022 - equivalent to a growth of 33%. This despite the general tough trading conditions experienced by our Restaurant Partners.

Acceptable churn ratios in a challenged market

Churn ratios increased slightly in both first and second half of 2022. Part of the churn is a consequence of the challenging market conditions our partners have been facing in 2022. In the last year the ARR churn totaled 8.8% in a market facing a challenging inflationary environment and a difficult macroeconomic situation



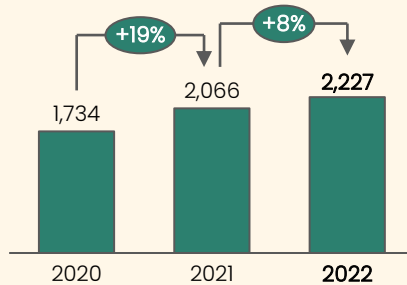
*All ARR including proforma figures from former app smart added to OrderYOYO reported ARR



GMV and ARR composition

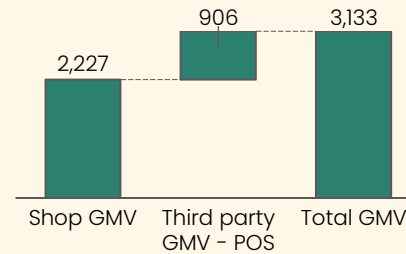
December annualized GMV
DKKm

DKK 2,227m



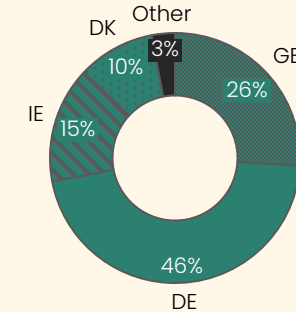
Annualized GMV growing by 8% in a challenging market totaling 2.227 DKKm.

Total December 2022 Group GMV
DKKm



Total December 2022 Group GMV. In addition to the reported shop GMV, OrderYOYO has, through our POS, handled additional GMV not reported as core GMV. In December this accumulated to DKK 906m, bringing the total GMV to DKK 3,133m

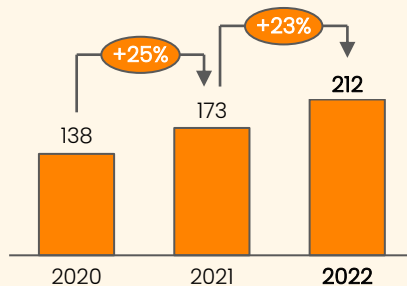
Country split GMV



Annualized December 2022 GMV country split healthy distribution of GMV across markets with Germany being the largest market and contributor to YoY growth

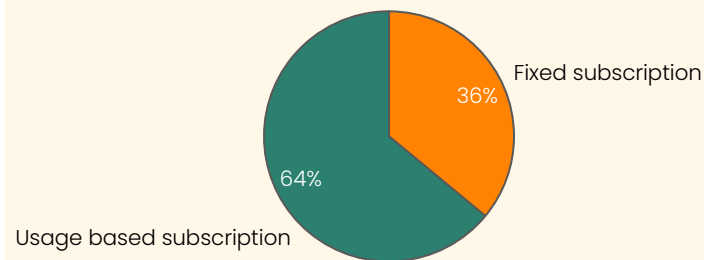
December ARR
DKKm

DKK 212m



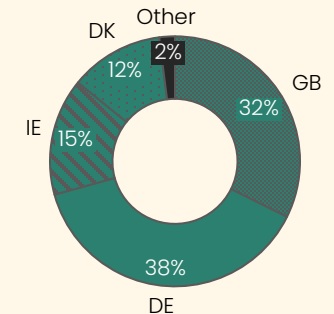
ARR growing by 23% We have successfully adjusted our pricing across markets and grown ARR by 23%.

ARR composition



ARR divided by 64% usage based subscription and 36% fixed subscription.

ARR composition



Annualized December 2022 ARR country split healthy distributed with Germany and GB as the biggest markets.



Vision

We will be the preferred business partner for Local Takeaway Restaurants.



Mission

We inspire and empower Local Takeaway Restaurants to engage with their customers.



#25in25

We want to liberate +25,000 Takeaway Restaurants by 2025

2023 Financial outlook

Revenue Growth

In 2023 OrderYOYO expects continued organic growth in Net Revenue and Annual Recurring Revenue.

Net Revenue guidance for full year 2023 is maintained at DKK 195-210m and Annual Recurring Revenue guidance is maintained at DKK 220-235m.

Fulfillment of Net Revenue and Annual Recurring Revenue guidance depends on the following key drivers and assumptions:

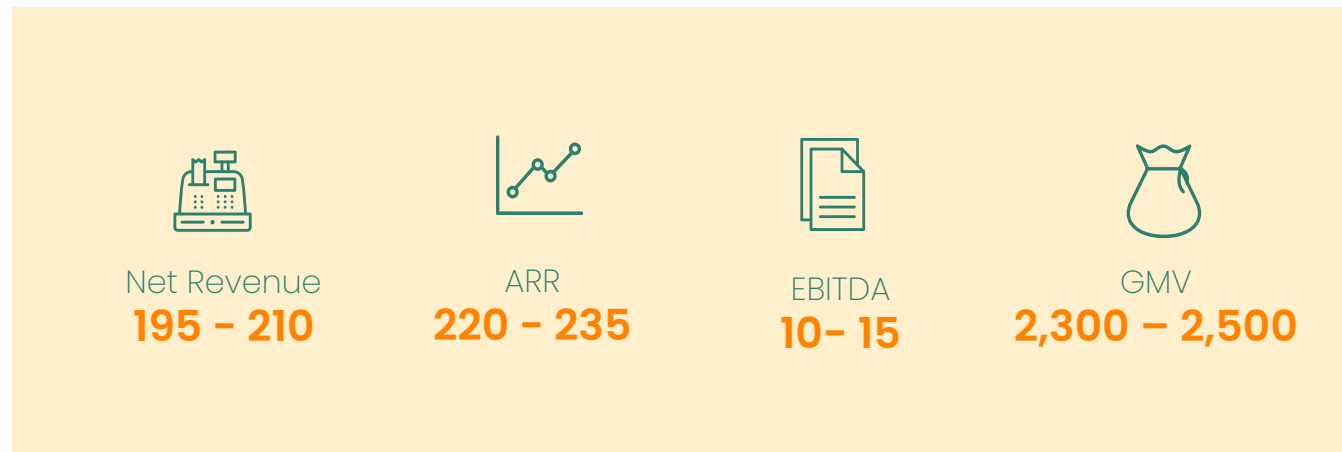
- A continued focus on delivering growth for our existing Restaurant Partners
- Continued low MRR churn
- Increase in number of Restaurant Partners in all main markets, UK, Germany, Ireland, Denmark and Austria

December 2023 annualized End-user revenue (GMV) guidance is maintained at DKK 2.3-2.5bn.

EBITDA Guidance

In 2023 OrderYOYO expects an EBITDA of DKK 10-15m. Profitability is an important metric for OrderYOYO and our investments in driving our top line growth are balanced to ensure EBITDA profitability. EBITDA guidance is only on primary activities before other external costs, other staff costs, financials, tax and depreciations & amortizations.

We will continue to invest heavily in our Restaurant Partners, markets and products ensuring long term growth and profitability.



Operational Focus

In 2023 OrderYOYO will continue to invest in pursuing European market leadership. We believe in local market leadership as the main value driver for our Restaurant Partners, employees as well as our shareholders.

We will continue investing in our product offering and technology partnerships in all four pillars of our product offering – Online Ordering, Payment, Marketing and POS. All product development activities and technology partnerships drive end-user lifetime value for each specific Restaurant Partner through better customer acquisition, better retention, higher order frequency, and higher monetary activities.

Forward-looking statements

Statements about the future expressed in the annual report reflect OrderYOYO's current expectations for future events and financial results. The nature of these statements is affected by risk and uncertainties. Therefore, the Group's actual results may differ from the expectations expressed in the management report.

2023 Strategic Outlook

Market development – expanding footprint in 2023–2025

OrderYOYO has since the founding focused on claiming local market leadership in all of our markets. We believe that local market leadership creates opportunities along two dimensions. 1) Better products and solutions for our Restaurant Partners and 2) Better economics for OrderYOYO.

Up until 2022 market leadership has been achieved organically. As our European markets mature, we decided in the beginning of 2022 that OrderYOYO as European market leader should actively participate and engage in consolidating the European market. Our first consolidating action was our successful merger with app smart, the market leader in Europe's second-largest takeaway market Germany. A truly transformational transaction confirming OrderYOYO's European market leader position. The matching purpose, vision and values between OrderYOYO and app smart was a fundamental driver in the successful merger.

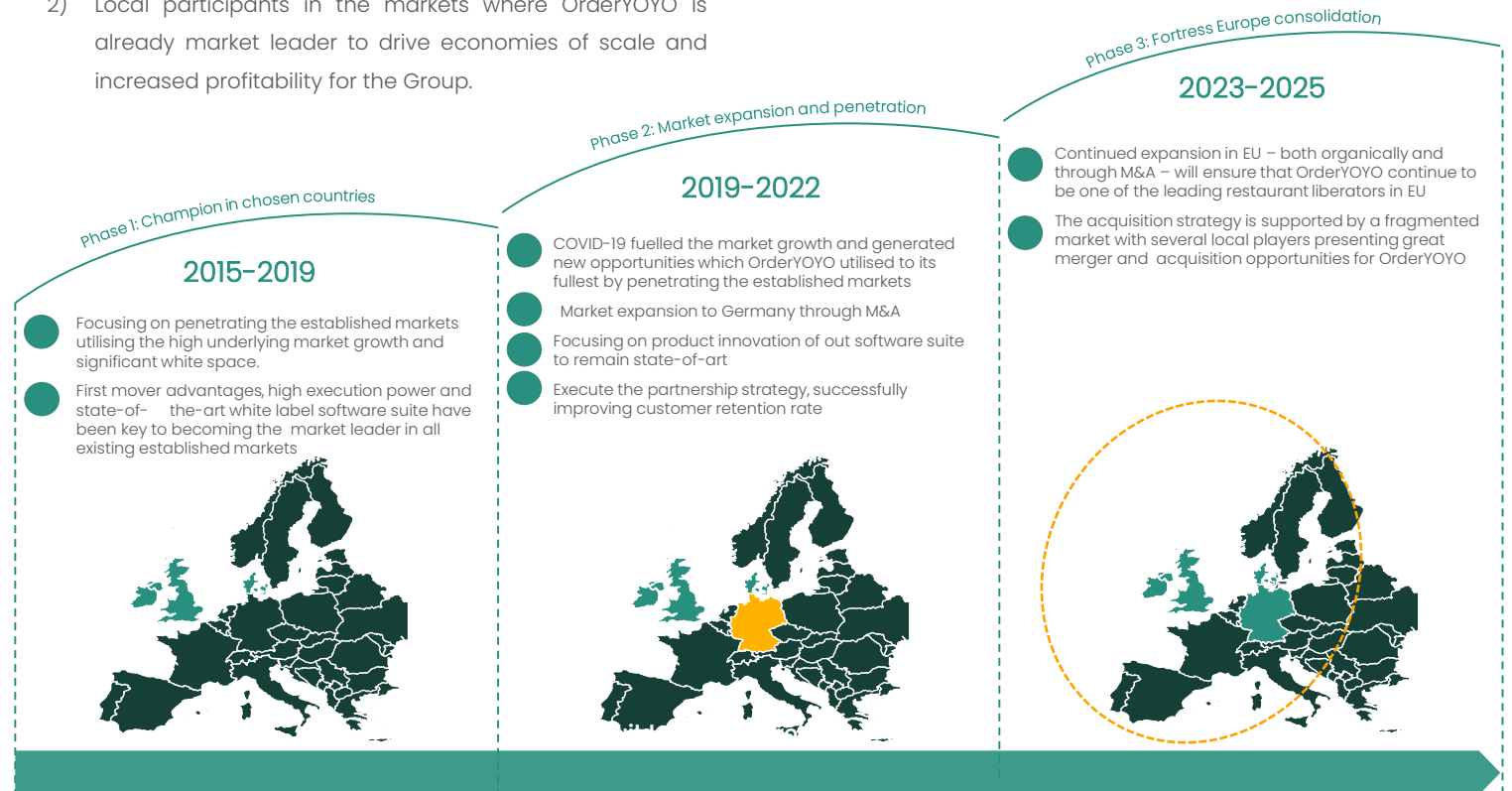
Our active continued pursuit of new consolidation opportunities will all occur under our overall vision of liberating the independent takeaway restaurants in Europe.

Active consolidation strategy

As markets have normalized, we keep seeing increased consolidation opportunities in our markets. Our consolidation strategy focuses on two types of targets:

- 1) Local market leaders in European countries where OrderYOYO is currently not present to expand OrderYOYO's European market leading position, and
- 2) Local participants in the markets where OrderYOYO is already market leader to drive economies of scale and increased profitability for the Group.

The acquisitions will largely be financed by payment in shares in OrderYOYO to ensure that local leadership teams will continue to be engaged and valuable contributors to OrderYOYO after the transaction. Acquisition price discipline to ensure all transactions are accretive within acceptable timeframes.



Financial Overview



Consolidated Financial Highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Income statement					
Net revenue	148,978	108,530	76,290	37,875	20,252
Gross profit*	123,222	92,068	64,243	-	-
EBITDA before other external and other staff costs (normalized)**	(857)	683	9,679	(27,458)	(23,648)
EBITDA after other external- and other staff costs***	(15,915)	(23,559)	1,248	(27,458)	(23,648)
Profit from operating activities	(47,759)	(28,272)	492	(27,669)	(23,776)
Net financials	(8,166)	(346)	(4,084)	(623)	(2,057)
Depreciation and amortization	(31,844)	(4,713)	(756)	(210)	(128)
Net profit or loss for the year	(48,256)	(23,123)	(1,070)	(25,266)	(23,465)
Statement of financial position					
Balance sheet total	386,249	115,115	57,325	18,332	20,818
Investment in property, plant and equipment	1,442	1,815	1,266	690	423
Investment in development projects in progress	29,573	30,884	10,534	-	-
Equity	203,776	46,102	(3,468)	(12,692)	(6,374)
Cash flows*					
Ordinary activities	(16,315)	(19,685)	15,813	-	-
Investing activities	(58,083)	(34,201)	(11,796)	-	-
Financing activities	83,140	74,346	8,999	-	-
Total cash flows	14,242	22,982	16,042	-	-
Employees					
Average number of full-time employees	150	119	87	52	46
Key figures in %****					
Gross margin ratio	82.7	84.8	86.1	-	-
EBITDA margin before other external and other staff costs	(0.6)	0.6	12.7	(72.5)	(116.8)
Profit margin	(32.4)	(21.3)	(1.4)	(66.7)	(115.9)

*Gross profit and cash flows only presented for 2022, 2021 and 2020 as the Group did not report on cash flow and gross profit.

** EBITDA bridge showed in Note 4 in the consolidated financial statement

*** EBITDA as presented in consolidated income statement

**** Formulas for calculation of the key figures can be found on page 51 "Definitions"



Financial Review



Net Revenue

Net revenue realized of DKK 149m, an increase of DKK 40m, corresponding to 37% YoY growth.
Last guidance was DKK 145-155m



EBITDA

EBITDA before other staff and other external costs realized at DKK (0.9m) in 2022.
Last guidance was DKK (5)-0m



ARR

ARR realized of DKK 212m at the end of 2022, an increase of DKK 39m corresponding to 23% YoY growth*.
Last guidance was DKK 185-200m



Net Loss

Net Loss realized at DKK 48.3m in 2022.



GMV

GMV realized at DKK 2,227m in 2022 an increase of DKK 161m corresponding to 8% YoY growth*
Last guidance was DKK 2,050-2,200m

*ARR and GMV YoY growth measured vs. 2021 proforma consolidated figures (Including app smart)

App smart

On July 1st 2022, OrderYOYO merged with the German company app smart GmbH. The OrderYOYO and app smart merger created the largest restaurant liberator in Europe, servicing almost 10,000 Restaurant Partners. The merger was the first step towards the combined company's overall goal of liberating more than 25,000 Restaurant Partners by end 2025. It combined two market leaders and extended the Group's number of leading positions in Europe from three to five and creates the European market leader immediately.

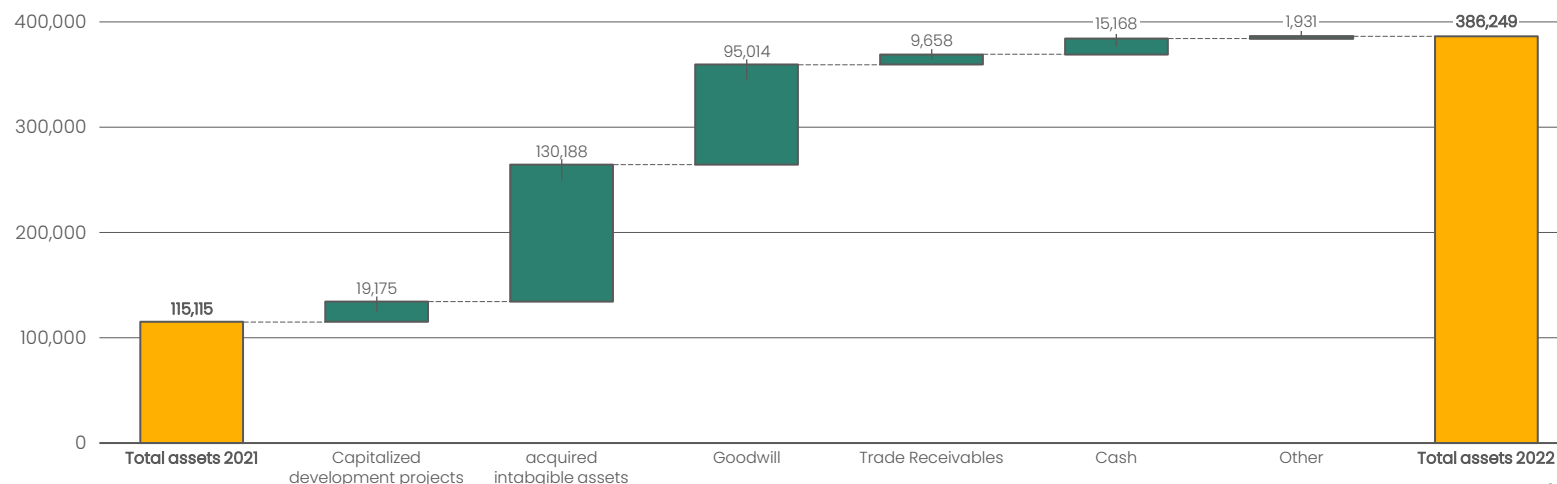
OrderYOYO acquired 100% shares in app smart for a combined cash and share consideration. No further payments for the app smart shares are outstanding. The consideration amounted to DKK 189m based on the transaction date's share price for OrderYOYO and EUR exchange rate.

The majority, of the transaction value has been allocated to the identified intangible assets that covers customer relations and the former app smart platform.

The acquisition price paid exceeds the fair value of all acquired identifiable assets and liabilities, and accordingly the positive difference of DKK 100 million (including deferred tax) has been recognized as goodwill.

App smart has contributed with a significant portion of growth in revenue and synergies to operating profit in 2022. Transaction costs relating to the acquisition amount to approximately DKK 15 million and are recognized in the income statement as other external costs.

2021 – 2022 asset bridge (DKK'000)



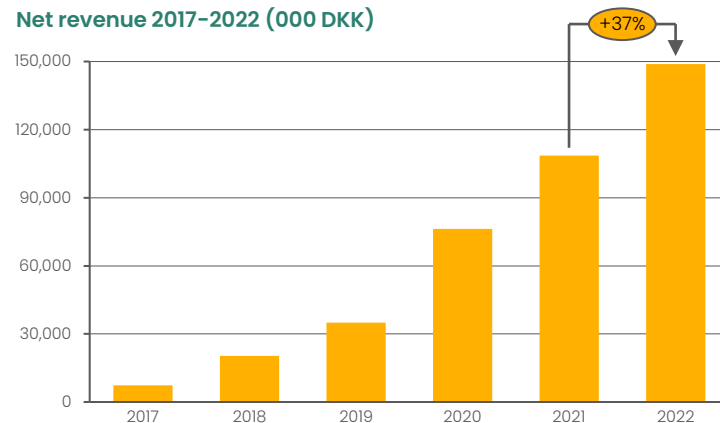
Financial Review

Net revenue

As announced in our 2021 Annual Report, OrderYOYO will increasingly accelerate local market leadership through consolidating and merging with local champions to solidify OrderYOYO as the true European market leader. We closed the first of these in July 2022 and worked intensively since to ensure a smooth post-merger process and optimizing across all of our value chain, including a strong focus on our net revenue.

We have successfully introduced new product offerings across markets which contributes positively to our net revenue growth. OrderYOYO obtained a net revenue growth of 37% to DKK 149m in 2022 compared to DKK 108m in 2021. The driver of growth stems mainly from markets in OrderYOYO South including app smart revenue. The 2022 net revenue includes only 6 months of former app smart revenue

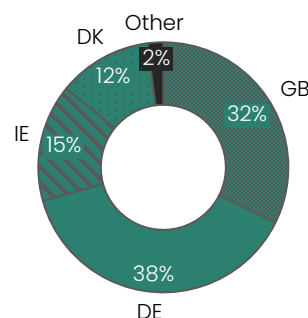
Net revenue 2017-2022 (000 DKK)



ARR

ARR grew from DKK 173m ay December 2021 (proforma for app smart) to DKK 212m by December 2022, equivalent to a growth of 23%. With the consolidation and integration of app smart, OrderYOYO's largest markets is now GB and Germany comprising 70% of 2022 ARR.

Annual Recurring Revenue December 2022 by market



Gross profit

Gross profit in 2022 increased by 34% to DKK 123m compared to DKK 92m in 2021. The corresponding gross margin in 2022 was 83% compared to 85% in 2021. The slight decrease in gross margin is due to marginal higher transaction costs in OrderYOYO South.

Staff costs

Total staff costs in 2022 adjusted for costs transferred to capitalized development costs decreased by 5% to DKK 60m compared to DKK 63m in 2021.

Part of the total staff costs in 2021 relates to IPO cash settlements and other non-recurring staff costs, totaling DKK 17m. The general staff costs in 2022 represented 40% (DKK 59.7m) of Net Revenue compared to 42% in 2021 (DKK 45.9m).

External costs

In 2022 External costs increased mainly due to the integration of OrderYOYO South. Direct integration costs is classified as regular external costs. The External costs in 2022 represented 43% (DKK 64.4m) of Net Revenue compared to 42% in 2021 (DKK 45.9m).

EBITDA before other external costs and other staff costs (normalized)

The result of primary activities before financials, tax and depreciations & amortizations was DKK (0.9)m in accordance with higher guidance band compared to DKK 0.7m in 2021. The reported H1 2022 normalized EBITDA was DKK (6.0)m corresponding to a H2 Normalized EBITDA of DKK 5.1m, an important milestone for us on our path towards consistent profitability.

Other external costs and other staff costs

Other external costs comprise expenses of an extraordinary nature. The expenses recognized in 2022 relates to transactional costs directly associated with the merger with app smart and 2021 relates to the First North listing and associated consultancy expenses.

Other staff costs in 2022 was DKK 0.3m compared to DKK 17.0m in 2021. Other staff costs in 2021 related to cash settlements and other staff costs in relation to the First North listing. Severance costs and other staff costs that have a non-recurring nature are also presented as other staff costs in the income statement.

Financial Review

EBITDA after other external and other staff costs

Consultancy costs, IPO cash settlements and other staff costs are impacting EBITDA after other external and other staff costs negatively in 2021, while 2022 was impacted by acquisition costs related to the merger with app smart.

Profit/loss for the year

OrderYOYO has since 2020 capitalized investments in our software suite and the investment has increased since compared to previous years. Because of the prioritized investments and because of depreciation on acquired intangible assets and goodwill the depreciation increased to DKK 31.8m in 2022 compared to DKK 4.7m in 2021.

Tax income in 2022 reflects the tax credit for development expenses and the reversal of the deferred tax liability associated with the app smart merger ended at DKK 7.7m compared to DKK 5.5m in 2021.

Profit/loss for the year in 2022 showed a loss of DKK (46.5)m compared to a loss in 2021 of DKK (23.1)m.

Assets

OrderYOYO has again invested heavily in the development of our software suite in 2022. Development costs capitalized include both internal salary costs and external consultancy costs.

In 2022 development costs capitalized as completed or developments projects in progress totaled DKK 29.5m compared to DKK 30.9m in 2021.

The merger of app smart and associated PPA is recognized on the balance sheet as an intangible asset and goodwill, please see page 18 for further information.

Cash at hand

Total cash position by 31 December 2022 amounted to DKK 61.1m compared to DKK 45.9m in 2021. Please see page 18 for further information.

Equity

Equity by 31 December 2022 was impacted by the app smart merger and amounted to DKK 170.7m compared to DKK 46.1m in 2021.

Own shares

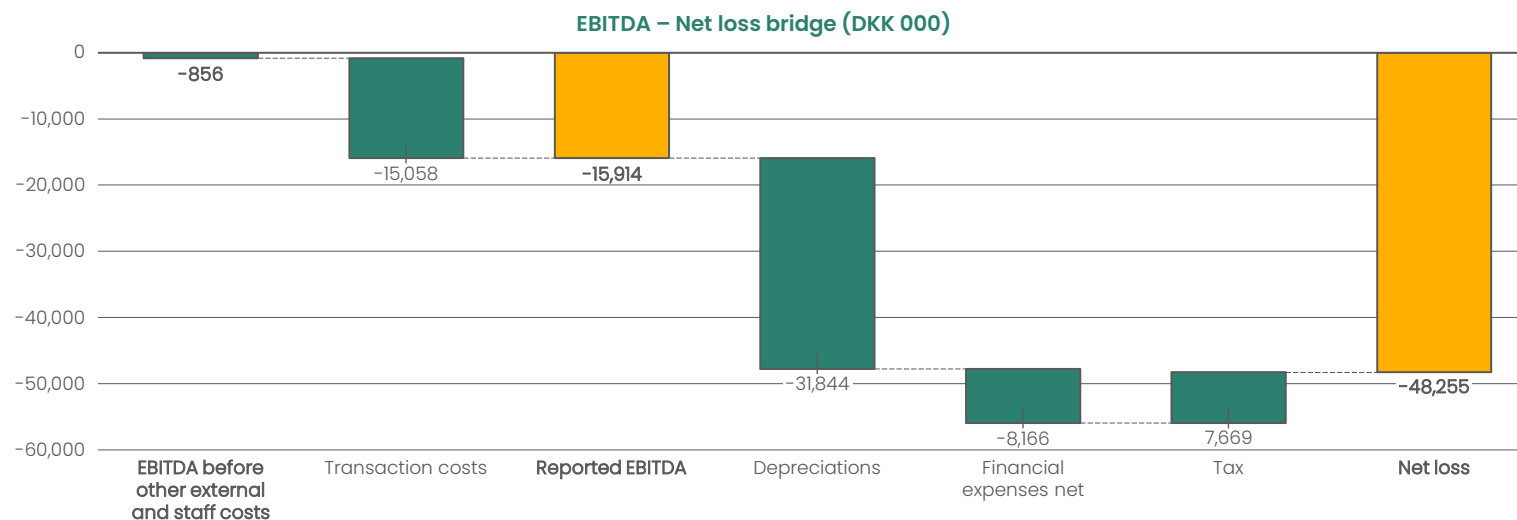
In 2021, in relation to an employee share program, OrderYOYO acquired 7,000 own shares at DKK 13.60 per share totaling DKK 95.200. The 7,000 shares represent a nominal value of DKK 70 and 0.01% of outstanding shares.

Liabilities

Total liabilities amounted to DKK 141.2m by 31 December 2022 compared to DKK 69.0m in 2021. The increase in liabilities mainly relates to a new loan from Vækstfonden of DKK 40m established in 2022 and an increase in Other payables.

Events after year-end

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



Governance





Entity Details

Entity

OrderYOYO A/S
Masnedøgade 26
2100 København Ø

Business Registration No.: 36704608
Registered office: Copenhagen
Financial year: 01.01.2022 – 31.12.2022

Board of Directors

Victor Garcia , Chairman
Ulla Brockenhuus-Schack
Theis Regner Riber Søndergaard
Jacob Arup Bratting Pedersen
Adrian Fröhling

Executive Board

Jesper Johansen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Environment and climate

Statement of social responsibility

The Group has selected policies for Corporate Social Responsibility (CSR) and will in 2023 expand our work towards reporting and measuring of the Group's environmental footprint and general CSR.

Business model

The Group's business model is described in the management report under the "OrderYOYO at a Glance".

Environment and climate

Our most material environmental impact relates to:

- Facilities
- Travel and company car emissions
- Third party suppliers

Politics

OrderYOYO has been working to implement global policies within the areas with the most material environmental impact. Since the merger with app smart we have been scoping out the initiatives we want to focus on in 2023 to ensure a global focus – this work is still ongoing.

Material impacts and planned initiatives

The group wants to contribute to sustainable development in society by reducing waste and energy consumption on an ongoing basis.

Facilities

Impact: Current impact relates to power/water consumption and waste.

Planned initiatives: Assess and plan the OrderYOYO path to reduce our environmental impact from our facilities across the countries we operate in.

Travel and company car emissions

Impact: Current impact relates to travel and company car emissions.

Planned initiatives: In OrderYOYO North we have had strong focus on the age of our car fleet to ensure newest possible technology. In addition, we strive to have virtual meetings in order to travel less. With the merger we are currently assessing the best way to establish global processes and policies to facilitate our ambition.

Third party suppliers

Impact: Current impact mainly relates to power consumption on our main IT suppliers

Planned initiatives: Assess and plan the OrderYOYO path to reduce our environmental impact from our suppliers by setting targets and goals together with key suppliers.

Risk Management

Risk governance

OrderYOYO is exposed to risks across business functions and activities. We consider the risk identification and mitigating initiatives to be an integrated part of our day-to-day work. The overall responsibility of risk management is the Board of Directors. The monitoring and reporting on our risk management occurs on the Board of Directors meetings during the year.

Key risks

The most material risks, as currently assessed by the Management, considering the expected magnitude of their negative impact on the company and the company's business are set out first in each category of risk factors below:

- Business model risks
- Industry risks
- Operational risks
- Financial risks

Geographical risk – business model

OrderYOYO is currently mainly active in Denmark, UK, Germany, Austria and Ireland. It is the ambition to expand the business to other geographical markets in the coming years. The business model of the Group is not a "one-fits-all-model". Every new geographical market has its own characteristics, to which the Group will need to adjust its business model in order to become successful in the new market.

If the Group is unable to fully execute on the opportunities of a new geographical market and/or unable to adjust its business model to fit the new market, or if the Group fails to allocate sufficient resources both financially, in terms of time and staff with relevant local insight, there is a risk that the market penetration will not be sufficiently deep for the expansion to become successful. The risk impact is assessed to be high with a medium probability to occur.



Risk Management

Segment risk – Business model

OrderYOYO's software suite is specifically tailored to the segment of smaller independent takeaway restaurants.

This type of takeaway restaurant has a limited number of resources available to manage a digital solution as well as to handle regulatory requirements such as requirements for handling of personal data and for utilizing online marketing tools efficiently.

The focus on this segment demands large investments into operations and ongoing engagement and dialogue with the individual Restaurant Partners. This demands a focused execution by OrderYOYO to remain operating profitable while maintaining and growing the customer base. There is a risk that the Group may lose Restaurant Partners, if the Group fails to satisfy the needs and expectations for support and assistance to the individual Restaurant Partner, while at the same time growing the customer base.

Equally, there is a risk that serving the individual Restaurant Partners may take up too many individual resources at the Group impacting the profitability of the customer relationship. The risk impact is assessed to be high with a low probability to occur.

Competition risk – Industry

OrderYOYO's core activity consists of the provision, development, operation and support of a white label online ordering, payment and marketing software suite including a branded website and mobile app.

OrderYOYO holds a market leading position in the market for white label solutions in Europe with presence in Denmark, UK, Ireland, Austria and Germany. Although OrderYOYO is well established in these markets, OrderYOYO may lose its competitive position to existing players in the same segment or to new players entering the same segment. Such new players may be new companies with similar characteristics as the Group itself or existing industry players such as food portals or other providers of software not active in the segment today.

Due to the difference in business models including the level of commissions paid to the food portals by the restaurants, Management considers the risk for the food portals entering the same segment as OrderYOYO to be lower than for other types of white label competitors.

The risk impact is assessed to be medium with a medium probability to occur.

Product development – Industry

OrderYOYO has a clear product development roadmap. However, despite thorough commercial and financial pre-analysis, OrderYOYO cannot be certain that all current or expected development projects will materialize into increased sales or improved profitability. The risk impact is assessed to be low with a low probability to occur.

Market development – Industry

The market for online takeaway orders has increased significantly in recent years. The outbreak of the COVID 19-pandemic has resulted in a surge in online takeaway orders accelerating the growth even further. In addition, the independent takeaway market has in general shown strong resilience against economic downturns. Nonetheless, there is a risk that once the global pandemic is under control and the countries in which OrderYOYO operates return to normal, the level of business for online food services may either decrease compared to 2020 and 2021, stabilize or may increase at a slower pace.

In the event of negative market developments regardless of reason, adverse effects could be imposed on OrderYOYO's business, earnings and financial position. The risk is assessed to be medium with a medium probability to occur.

Risk Management

Risk related to handling of personal data – Operational

OrderYOYO collects, controls and processes personal data as a part of its business, for example, in relation to takeaway end-users, restaurants and employees. Given the nature of the business, OrderYOYO is handling a large amount of personal data relating to end-users in terms of the information entered into the solution, when ordering and paying for food online. The processing of personal data must be in accordance with applicable data protection legislation. Such data protection legislation sets out requirements in relation to the collection, processing and responsibility for the content and protection of personal data.

Furthermore, the Group can risk claims for damages in case of breach of the GDPR or other relevant data protection regulation.

If OrderYOYO does not handle personal data in a way that meets current requirements, applications, or interpretations regarding the handling of personal data, including GDPR, it may have a negative impact on the Group's earnings through increased costs. Given the segment the Group operates in, any mishandling of personal data including leakage of personal data may, apart from regulatory impact, have significant impact on the reputation of OrderYOYO and the confidence from end-users and Restaurant Partners in using the solution by OrderYOYO.

The risk is assessed to be high with a low probability to occur.

IT Security and risk of system down time – Operational

As a SaaS solution provider, it is essential that OrderYOYO's solutions are always working. OrderYOYO has established a capable organization to always maintain operations. Breakdowns during which end-users are unable to access or fully use the Restaurant Partner's solution for shorter or longer periods could negatively impact the Group's ability to retain existing end-users and attract new end-users and Restaurant Partners. This could have a negative effect on OrderYOYO's revenue, financial position and reputation.

In addition, there is a risk of a data breach and unauthorized access from cyber-attacks. In the case of cyber-attacks, there is a risk that end-users might be unable to use the solution for shorter or longer periods. Consequently, data breaches and unauthorized access might release an investigation from authorities.

The risk is assessed to be medium with a low probability to occur

Currency risk – Financial

OrderYOYO's primary business is currently focused on Denmark, UK, Ireland and Germany. Due to the activities in UK, Ireland and Germany, OrderYOYO is exposed towards fluctuations in the GBP and the EUR. As the DKK is pegged to the EUR, the main currency risk is related to GBP. The Group currently performs no hedging of exchange rate fluctuations other than natural hedging through revenue and costs in the same currency.



Board of Directors



Victor Garcia – Chairman

Board member and Chairman since 2023



Ulla Brockenhuus-Schack

Board member since 2016



Theis Regner Riber Søndergaard

Board member since 2016



Jacob Arup Bratting Pedersen

Board member since 2018



Adrian Fröhling

Board member since 2022

Description: Senior managing director at Stifel.

Victor has more than 25 years of experience in technology M&A transactions, with long-standing experience of working with Nordic growth companies

Holds deep relationships across the venture capital and growth equity landscape, as well as with global leading technology companies

Educational background: BA in Economics from University of Exeter, UK

Shares

Victor owns no shares at OrderYOYO. Victor or closely related parties has been granted 700,000 warrants at OYY

Description: Ulla is Managing Partner at Seed Capital where she is responsible managing the team and 4 funds. She holds direct responsibility for 6 companies including Vivino, VEO Technologies and Orderyoyo. Ulla has extensive experience investing in and growing tech companies and her team has some renowned exits including Trustpilot, Mofibo and Endomondo. Previously Ulla has been a founder and entrepreneur and a management consultant at McKinsey & Company.

Educational background: MBA in Strategy and Innovation from Columbia Business School.

Shares

Ulla is Managing Partner at Seed Capital that owns 16% of OrderYOYO A/S' shares.

Description: This is a well-reputed serial entrepreneur. This has co-founded companies such as Vivino, Fustasterne and BullGuard and currently serves as Chief Product Officer at the world's most popular wine community, Vivino. This has extensive experience from growing IT start-ups.

Educational background: Danish School of Journalism.

Shares

This owns 0.2% of OrderYOYO A/S' shares.

Description: Jacob has several years of experience within the venture capital market, as Partner at Northcap and currently Partner at VF Venture (Vækstfonden). Jacob holds several Board Member seats in SaaS companies currently including eloomi, Monsido, Tame, raffle.ai and Neurons Inc.

Educational background: MSc in Business Administration and Commercial Law at Copenhagen Business School.

Shares

Jacob is Partner at VF Venture, owned by Vækstfonden, that owns 13% of OrderYOYO A/S' shares.

Description: With a background in Investment Banking, Adrian is founder and managing partner of MATTERLING, a leading M&A advisory boutique in the food & food-tech sector based in Frankfurt, Germany. In his 20-year professional career, he has advised on more than 50 domestic and cross-border M&A/ECM transactions. Adrian also has extensive experience in fundraising for high-growth companies.

Educational background: M.Sc. in Banking & Finance from Frankfurt School of Finance & Management

Shares

Adrian is the owner of MATTERLING GmbH, that owns 1% of OrderYOYO A/S' shares.

Financial Calendar 2023



Annual General Assembly

April 20, 2023



Half Year Report H1

August 22, 2023



Full Year Report 2023

March 20, 2024



Annual General Assembly

April 22, 2024



Q1 current trading

April 17, 2023



Q2 current trading

July 18, 2023



Q3 current trading

October 18, 2023



Q4 current trading

January 18, 2024

Financial Statements

Statement by the Management

The Board of Directors and the Executive Board have today considered and approved the annual report of OrderYOYO A/S 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 consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the Groups' and Parent company's operations and consolidated cash 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, 20 March 2023

Executive Board

Jesper Johansen
CEO

Board of Directors

Victor Garcia,
Chairman

Ulla Brockenhuus-Schack
Theis Regner Riber Søndergaard
Jacob Arup Bratting Pedersen
Adrian Fröhling



Independent auditor's report

To the shareholders of OrderYOYO A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of OrderYOYO A/S 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, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position and the consolidated cash flows at 31.12.2022 and of the results of their 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 consolidated financial statements and the parent financial statements" section of this auditor's 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 20.03.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Anders Theilgaard Iversen
State Authorised Public Accountant
Identification No (MNE) mne47797

Consolidated Income Statement for 2022

		2022	2021
	Notes	DKK'000	DKK'000
Net revenue		148,978	108,537
Cost of goods		(25,756)	(16,049)
Gross profit		123,222	92,488
Staff costs	3	(59,688)	(45,873)
Other staff costs	4	(284)	(17,032)
External costs		(64,391)	(45,932)
Other external cost	4	(14,774)	(7,210)
EBITDA		(15,915)	(23,559)
Depreciation, amortization, and impairment	5	(31,844)	(4,713)
Operating profit/loss		(47,759)	(28,272)
Financial income	6	20	2,911
Financial expenses	7	(8,186)	(3,257)
Profit before tax		(55,925)	(28,618)
Tax on profit/loss for the year	8	7,669	5,495
Profit/loss for the year	9	(48,256)	(23,123)

Consolidated Cash Flow Statement for 2022

		2022	2021
	Notes	DKK'000	DKK'000
Operating profit/loss		(47,759)	(28,272)
Depreciation, amortization and impairment losses		31,844	4,713
Change in working capital	22	7,766	4,220
Cash flows from operating activities before net		(8,149)	(19,339)
Interest received		20	2,911
Interest paid etc.		(8,186)	(3,257)
Cash flows from ordinary activities		(16,315)	(19,685)
Income tax received		5,500	2,522
Cash flows from operation activities		(10,815)	(17,163)
Business combinations		(27,067)	-
Purchase of intangible assets		(29,574)	(32,386)
Purchase of fixed asset		(1,442)	(1,815)
Cash flows from investment activities		(58,083)	(34,201)
Cash capital increase		40,421	79,984
Own share purchase		-	(95)
Other cash flows from financing activities		42,719	(5,638)
Cash flow from financing activities		83,140	74,251
Change in cash and cash equivalents		14,242	22,887
Cash and cash equivalents beginning of year		45,915	24,658
Foreign currency translation adjustments on cash and cash equivalents		(1,459)	(1,630)
Cash from business combination		2,385	
Cash and cash equivalents end of year		61,083	45,915
Cash and cash equivalents			
Cash on hand		61,083	45,915
Cash and cash equivalents end of year		61,083	45,915

Consolidated Balance Sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Completed development projects	10	38,769	15,487
Development projects in progress	11	18,111	22,218
Acquired intangible assets	12	131,179	991
Goodwill	13	95,369	355
Intangible assets		283,428	39,051
Other fixtures and fittings, tools and equipment		2,698	2,351
Property, plant and equipment	14	2,698	2,351
Deposits		516	481
Financial assets	15	516	481
Fixed assets		286,642	41,883
Manufactured goods and goods for resale		1,851	2,143
Inventories		1,851	2,143
Trade receivables		22,393	12,735
Other receivables		575	1,595
Tax receivable		5,658	5,500
Prepayments	16	8,047	5,344
Receivables		36,673	25,174
Cash		61,083	45,915
Current assets		99,607	73,232
Assets		386,249	115,115

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		876	538
Foreign currency translation reserve		216	(1,558)
Retained earnings		202,684	47,122
Equity		203,776	46,102
Deferred tax	18	39,170	-
Provisions		39,170	-
Other payables	17	65,226	21,480
Non-current liabilities		65,226	21,480
Current portion of long-term liabilities	17	9,020	4,943
Trade payables		10,379	12,212
Income tax payable		2,138	-
Other payables	19	56,540	30,378
Current liabilities		78,077	47,533
Liabilities other than provisions		143,303	69,013
Equity and liabilities		386,249	115,115
Assets charged and collateral	20		
Contingent assets	21		
Contingent liabilities	22		
Subsidiaries	23		
Earnings per share	25		
Non-arm's length related party transactions	26		

Consolidated Statement of Changes in Equity

	Contributed capital DKK'000	Foreign currency translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
2022				
Equity beginning of year	538	(1,558)	47,122	46,102
Increase of capital	338	-	243,019	243,357
Change in share premium	-	-	(38,584)	(38,584)
Profit/loss for the year	-	-	(48,256)	(48,256)
Exchange rate adjustment	-	1,774	-	1,774
Capital increase costs	-	-	(617)	(617)
Equity end of year	876	216	202,684	203,776
2021				
Equity beginning of year	244	-	(3,712)	(3,468)
Increase of capital	294	-	79,690	79,984
Profit/loss for the year	-	-	(23,123)	(23,123)
Treasury shares	-	-	(95)	(95)
Exchange rate adjustment	-	(1,558)	-	(1,558)
IPO Costs	-	-	(5,638)	(5,638)
Equity end of year	538	(1,558)	47,122	46,102

The change in share premium is due to the difference between the premium used in the valuation report for the capital increase and the final premium at closing 01.07.2022.

In 2021, in relation to an employee share program, OrderYOYO acquired 7,000 own shares at DKK 13.60 per share totaling DKK 95.200. The 7,000 shares represent a nominal value of DKK 70 and 0.01% of outstanding shares.

The board of directors is until 30 June 2026 authorized to issue up to 9,679,158 warrants on one or more occasions, and to adopt the capital increase related to the exercise of warrants. Warrants can be issued to the board of directors, members of the executive management and employees in the company including employees whose employment has not yet begun. The board of directors has on 22 March 2022 partially exercised its authorisation and has increased the share capital by cash contribution by issuance of 3,809,472 new shares of nominally DKK 0.01 corresponding to nominally DKK 38,094.72 at market price to a group of existing shareholders. In addition, the board of directors has on 15 September 2022 partially exercised its authorisation and has increased the share capital by cash contribution by issuance of 344,261 new shares of nominally DKK 0.01 corresponding to nominally DKK 3,442.61 to a warrant holder in connection with his exercise of warrants.

Notes to Consolidated Financial Statements

1 Events after the year-end

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

2 Uncertainties and estimates

The preparation of OrderYOYO's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgements based on several factors in the given circumstances.

Valuation of development projects

Development projects consist of both completed development projects and development projects in progress. Completed development projects are amortized over their useful lives. Completed development projects and development projects in progress are assessed for impairment whenever there is an indication that the development asset may be impaired. The amortization period for completed development projects are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement as amortization. The estimated values of intangible assets are based on Management estimates and assumptions and are by nature subject to uncertainty.

Valuation of acquisitions of a business or an individual asset

In connection with an acquisition, OrderYOYO uses judgments to determine whether the transaction is a business combination. A transaction is determined as a business combination when the assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. If the assets acquired do not constitute a business, the transaction is recognized as a purchase of individual assets. Valuation of intangible assets, Goodwill and intangible assets represent a significant part of the Group's total assets. On acquisition of businesses, the individual assets and liabilities are re-assessed to ensure that all assets and liabilities, whether recognized or unrecognized in the financial statements of the acquiree, are measured at fair value. Especially for intangible assets, for which there is often no active market, the calculation of fair value involves estimates. The fair value is determined by a DCF valuation of future cash flow generated from the given asset.

Notes to Consolidated Financial Statements

3 Staff costs

	2022	2021
	DKK'000	DKK'000
Wages and salaries	71,471	49,709
Pension costs	771	390
Other staff costs	1,938	1,372
	74,180	51,471
Capitalized wages and salaries	(14,492)	(5,598)
Staff costs	59,688	45,873
Average number of full-time employees	150	119

With reference to section 98b (3)(2) of the Danish Financial Statements Act, the remuneration to Management has not been disclosed separately

4 EBITDA reconciliation to operating loss/profit

	2022	2021
	DKK'000	DKK'000
EBITDA	(15,915)	(23,559)
Other staff costs	284	17,032
<i>IPO related staff costs including cash settlements of warrants</i>	-	10,843
<i>Severance</i>	284	6,189
Other external costs	14,774	7,210
<i>IPO related costs</i>	-	7,210
<i>Cost related to acquisitions</i>	14,774	-
EBITDA before other staff and other external costs	(857)	683

Other staff costs consist of non-recurring staff costs related to IPO and severance payments.

Other external costs consist of acquisition costs and IPO related consultancy costs

5 Depreciation, amortisation and impairment losses

	2022	2021
	DKK'000	DKK'000
Amortisation of intangible assets	30,279	3,664
Depreciation on property, plant and equipment	1,565	1,049
	31,844	4,713

6 Financial income

	2022	2021
	DKK'000	DKK'000
Exchange rate adjustments	20	2,911
	20	2,911

7 Financial expenses

	2022	2021
	DKK'000	DKK'000
Interest expenses	4,410	2,571
Other financial expenses	1,468	464
Exchange rate adjustments	2,308	222
	8,186	3,257

8 Tax on profit/loss for the year

	2022	2021
	DKK'000	DKK'000
Current tax	(5,495)	(5,495)
Deferred tax	(4,312)	-
Tax for the year	2,138	-
	(7,669)	(5,495)

Notes to Consolidated Financial Statements

9 Proposed distribution of profit/loss

	2022	2021
	DKK'000	DKK'000
Retained earnings	(48,256)	(23,123)
	(48,256)	(23,123)

10 Completed development projects

	2022	2021
	DKK'000	DKK'000
Cost beginning of year	19,200	1,847
Transfers	33,680	17,353
Cost end of year	52,880	19,200
Amortization and write-down 1 January 2022	(3,713)	(205)
Amortization and write-down for the year	(10,398)	(3,508)
Amortization and write-down end of year	(14,111)	(3,713)
Carrying amount end of year	38,769	15,487

Completed development projects comprise software for automated invoicing of Restaurant Partners, improved Search Engine Optimizations, more efficient onboarding of Restaurant Partners and an online Restaurant Partner business management application.

The completed development projects are expected to bring competitive advantages and thus an increase in the level of activity and profit for the company.

OrderYOYO continuously develops software solutions that add value to Restaurant Partners or internal processes, and projects are continuously completed and put to use, after which amortization is commenced.

11 Development projects in progress

	2022	2021
	DKK'000	DKK'000
Cost beginning of year	22,218	8,687
Additions during the year	29,573	30,884
Transfers	(33,680)	(17,353)
Cost end of year	18,111	22,218
Carrying amount end of year	18,111	22,218

12 Acquired intangible assets

	2022	2021
	DKK'000	DKK'000
Cost beginning of year	1,115	-
Additions during the year	144,939	1,115
Cost end of year	146,054	1,115
Amortization beginning of year	(124)	-
Amortization for the year	(14,751)	(124)
Amortization end of year	(14,875)	(124)
Carrying amount end of year	131,179	991

Notes to Consolidated Financial Statements

13 Goodwill

	2022	2021
	DKK'000	DKK'000
Cost beginning of year	387	-
Additions during the year	100,144	387
Cost end of year	100,531	387
Amortization beginning of year	(32)	-
Amortization for the year	(5,130)	(32)
Cost end of year	(5,162)	(32)
	-	
Carrying amount end of year	95,369	355

14 Property, plant and equipment

	2022	2021
	DKK'000	DKK'000
Cost of beginning of year	4,450	2,619
Exchange rate adjustments end of year	(58)	16
Additions through acquisitions	516	-
Additions during the year	1,442	1,815
Cost end of year	6,350	4,450
Depreciation and write-down beginning of year	(2,099)	(1,042)
Exchange rate adjustments end of year	12	(8)
Depreciation for the year	(1,565)	(1,049)
Depreciation and write-down end of year	(3,652)	(2,099)
Carrying amount end of year	2,698	2,351

15 Financial assets (deposits)

	2022	2021
	DKK'000	DKK'000
Cost beginning of year	481	424
Additions during the year	35	57
Cost end of year	516	481

16 Prepayments

Prepayments consist of agreements, where the contract period exceed the financial year. These agreements mainly relates to IT services and other ordinary types of costs such as insurance, finance systems etc. needed to operate the business.

17 Non-current other payables

	Due within 12 months	Due between 1 - 5 years	Due after 5 year
	DKK'000	DKK'000	DKK'000
2022			
Other payables	9,020	62,775	2,451
	9,020	62,775	2,451
2021			
Other payables	4,943	21,480	-
	4,943	21,480	-

No liabilities are due after 5 years

Notes to Consolidated Financial Statements

18 Deferred tax

	2022	2021
	DKK'000	DKK'000
Deferred tax beginning of year	-	-
Additions - intangible asset (through business combination)	43,482	-
Change in deferred tax during the year	(4,312)	-
	39,170	-

19 Other payables

	2022	2021
	DKK'000	DKK'000
VAT and duties	5,349	3,502
Wages and salaries, personal income taxes, social security costs, etc.	2,132	2,330
Interest	1,313	579
Other payable	47,069	19,445
Tax loan	677	4,522
	56,540	30,378

20 Charges and security

As security for debt obtained from Vækstfonden, there is a registered corporate mortgage amounting to DKK 65,000k. The security includes goodwill, intangible assets, operating equipment and fixtures, inventories and trade receivables. The carrying amount in 2022 is DKK 126,251k and for 2021 49,288k.

21 Contingent assets

The group has a deferred tax asset that amounts to DKK 26,427k which has not been capitalized due to the uncertainty of when the group is able to use the asset.

22 Contingent liabilities

The group has undertaken lease agreements relating to housing and cars. The obligation constitutes DKK 7,610k as of 31.12.2022 and DKK 8,277k as of 31.12.2021.

The Group has entered into an agreement with the lender regarding exit obligation and performance obligation. Part of the loans contain change of control clauses according to which Vækstfonden may choose to demand early repayment of the loans in the event a transfer of 25% or more of the Existing Shares held by existing shareholders prior to the IPO, in accordance with conditions stipulated in the agreements with Vækstfonden.

Part of the loans contain the right for Vækstfonden to receive extra payments based on a performance scheme and/or an exit scheme defined in the loan agreements. The exit schemes exist of an amount equal to 5% of the added value of the Company based on the Existing Shares, however capped at 20% of the principal amount of each loan (DKK 2m, 2m and 1m, respectively for the three loans impacted). All exit and performance scheme payments in aggregate are covered by the cap.

23 Subsidiaries

	Registered in	Corporate form	Ownership %
OrderYOYO Ltd	United Kingdom	Ltd	100
app smart GmbH	Germany	GmbH	100
OrderYOYO Deutschland	Germany	GmbH	100
OrderYOYO Ireland Limited	Ireland	Ltd	100

Notes to Consolidated Financial Statements

24 Change in working capital

	2022	2021
	DKK'000	DKK'000
Change in inventories	292	(1,495)
Change in receivables	(11,499)	(2,505)
Change in trade payables and other payables	18,973	8,220
	7,766	4,220

25 Earnings per share

	2022	2021
	DKK'000	DKK'000
Profit/loss for the year	(48,256)	(23,123)
Weighted average number of shares used for calculation	72,884,079	42,564,802
Earnings per share (in DKK)	(0.57)	(0.54)
Total shares by year-end	87,266,118	53,847,745

26 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

27 Purchase price allocation

	2022
app smart GmbH	DKK'000
Intangible assets*	144,939
Financial assets	29
Fixed assets	472
Accounts receivable	2,715
Other receivables	17,582
Cash	2,385
Debt	(6,078)
Accounts payable	(1,389)
Other payables	(27,415)
Deferred tax*	(43,482)
Total	89,758
Goodwill	100,144
Total Consideration	189,902
New shares	(164,625)
Cash and loan transfers	(595)
Total Consideration, net of cash	24,682

*Fair value adjustment arising from purchase price allocation

Parent Income Statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Net revenue		42,361	45,885
Other income	21	20,960	19,915
Cost of goods		(7,059)	(8,271)
Gross profit		56,262	57,529
Staff costs	3	(22,160)	(18,927)
Other staff costs	3	(88)	(15,543)
External costs		(44,519)	(38,163)
Other external costs		(15,184)	(7,162)
EBITDA		(25,689)	(22,266)
Depreciation, amortization, and impairment	4	(11,171)	(4,217)
Operating profit/loss		(36,860)	(26,483)
Financial income from Group enterprises	5	1,931	1,363
Financial income	5	174	24
Financial expenses	6	(5,724)	(3,319)
Profit/loss before tax		(40,479)	(28,415)
Tax on profit/loss for the year	7	5,500	5,500
Profit/loss for the year	8	(34,979)	(22,915)

Parent Balance Sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Completed development projects	9	38,769	15,487
Development projects in progress	9	18,111	22,218
Intangible assets		56,880	37,705
Other fixtures and fittings, tools and equipment	11	1,062	1,268
Property, plant and equipment		1,062	1,268
Investments in group enterprises		189,903	2
Deposits		369	369
Financial assets	12	190,272	371
Fixed assets		248,214	39,344
Manufactured goods and goods for resale		639	665
Inventories		639	665
Trade receivables		2,799	8,153
Receivables from group enterprises	20	39,332	47,589
Other receivables		2,489	1,497
Tax receivable		5,500	5,500
Prepayments	13	6,559	4,025
Receivables		56,679	66,764
Cash		22,273	17,480
Current assets		79,591	84,909
Assets		327,805	124,253

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		876	538
Reserve for development costs		46,667	30,704
Retained earnings		190,636	37,468
Equity		238,179	68,710
Other payables		59,943	21,480
Non-current liabilities	14	59,943	21,480
Current portion of non-current liabilities other than	14	8,349	4,943
Trade payables		8,049	11,739
Other payables	15	13,285	17,381
Current liabilities		29,683	34,063
Liabilities other than provisions		89,626	55,543
Equity and liabilities		327,805	124,253
Contingent assets	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Non-arm's length related party transactions	19		

Parent Statement of Changes in Equity

	Contributed capital DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
2022				
Equity beginning of year	538	30,704	37,468	68,710
Increase of capital	338	-	243,019	243,357
Change in share premium	-	-	(38,292)	(38,292)
Transfer to reserves	-	15,963	(15,963)	-
Profit/loss for the year	-	-	(34,979)	(34,979)
IPO Costs	-	-	(617)	(617)
Equity end of year	876	46,667	190,636	238,179
2021				
Equity beginning of year	244	8,056	9,074	17,374
Increase of capital	294	-	79,690	79,984
Transfer to reserves	-	22,648	(22,648)	-
Profit/loss for the year	-	-	(22,915)	(22,915)
Treasury shares	-	-	(95)	(95)
IPO Costs	-	-	(5,638)	(5,638)
Equity end of year	538	30,704	37,468	68,710

The change in share premium is due to the difference between the premium used in the valuation report for the capital increase and the final premium at closing 01.07.2022.

In 2021, in relation to an employee share program, OrderYOYO acquired 7,000 own shares at DKK 13.60 per share totaling DKK 95.200. The 7,000 shares represent a nominal value of DKK 70 and 0.01% of outstanding shares.

The board of directors is until 30 June 2026 authorized to issue up to 9,679,158 warrants on one or more occasions, and to adopt the capital increase related to the exercise of warrants. Warrants can be issued to the board of directors, members of the executive management and employees in the company including employees whose employment has not yet begun. The board of directors has on 22 March 2022 partially exercised its authorisation and has increased the share capital by cash contribution by issuance of 3,809,472 new shares of nominally DKK 0.01 corresponding to nominally DKK 38,094.72 at market price to a group of existing shareholders. In addition, the board of directors has on 15 September 2022 partially exercised its authorisation and has increased the share capital by cash contribution by issuance of 344,261 new shares of nominally DKK 0.01 corresponding to nominally DKK 3,442.61 to a warrant holder in connection with his exercise of warrants.

Notes to Parent Financial Statements

1 Events after the year-end

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

2 Uncertainties and estimates

The preparation of OrderYOYO's parent financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgements based on several factors in the given circumstances.

Valuation of development projects

Please refer to accounting treatment for the Group Financial statements.

Valuation of investment in group enterprises

Investment in group enterprises are at initial recognition measured at cost in the parent's financial statements. Where the recoverable amount of the investments is lower than cost, the investments are written down to this lower value. The majority of the value is related to the acquisition of app smart in 2022. The valuation of investment in subsidiaries are assessed on a continuous basis.

3 Staff costs

	2022	2021
	DKK'000	DKK'000
Wages and salaries	26,324	23,277
Pension costs	442	390
Other	1,286	858
	28,052	24,525
Severance and IPO related staff costs	-	15,543
	28,052	40,068
Capitalized wages and salaries	(5,892)	(5,598)
Staff Costs	22,160	34,470

Average number of full-time employees **41** **43**

With reference to section 98b (3)(2) of the Danish Financial Statements Act, the remuneration to Management has not been disclosed separately

4 Depreciation, amortization and impairment losses

	2022	2021
	DKK'000	DKK'000
Amortization of intangible assets	10,398	3,508
Depreciation on property, plant and equipment	773	709
	11,171	4,217

5 Other financial income

	2022	2021
	DKK'000	DKK'000
Financial income from group enterprises	1,931	1,363
Exchange rate adjustments	174	24
	2,105	1,387

Notes to Parent Financial Statements

6 Other financial expenses

	2022	2021
	DKK'000	DKK'000
Interest expenses	4,564	2,705
Exchange rate adjustments	185	211
Other financial expenses	975	403
	5,724	3,319

7 Tax on profit/loss for the year

	2022	2021
	DKK'000	DKK'000
Current tax	(5,500)	(5,500)
	(5,500)	(5,500)

8 Proposed distribution of profit/loss

	2022	2021
	DKK'000	DKK'000
Retained earnings	(34,979)	(22,915)
	(34,979)	(22,915)

9 Intangible assets

	Completed development projects	Development projects in progress	Completed development projects	Development projects in progress
	2022	2022	2021	2021
	DKK'000	DKK'000	DKK'000	DKK'000
Cost 1 January	19,200	22,218	1,847	8,687
Additions during the year	-	29,573	-	30,884
Transfers	33,680	(33,680)	17,353	(17,353)
Cost end of year	52,880	18,111	19,200	22,218
Amortization 1 January	(3,713)	-	(205)	-
Amortization for the year	(10,398)	-	(3,508)	-
Amortization and impairment losses end of	(14,111)	-	(3,713)	-
Carrying amount end of year	38,769	18,111	15,487	22,218

10 Development projects

Completed development projects comprise software for automated invoicing of Restaurant Partners, improved Search Engine Optimizations, more efficient onboarding of Restaurant Partners and an online Restaurant Partner business management application.

The completed development projects are expected to bring competitive advantages and thus an increase in the level of activity and profit for the company.

OrderYOYO continuously develops software solutions that add value to Restaurant Partners or internal processes, and projects are continuously completed and put to use, after which amortization is commenced.

Notes to Parent Financial Statements

11 Property, plant and equipment

	2022	2021
	DKK'000	DKK'000
Cost 1 January	2,817	2,028
Additions	567	789
Cost end of year	3,384	2,817
Depreciation and impairment losses 1 January	(1,549)	(840)
Depreciation for the year	(773)	(709)
Depreciation and impairment losses end of year	(2,322)	(1,549)
Carrying amount end of year	1,062	1,268

12 Financial assets

	Investments in Group		Investments in Group	
	Enterprises	Deposits	Enterprises	Deposits
	2022	2022	2021	2021
	DKK'000	DKK'000	DKK'000	DKK'000
Cost beginning of year	2	369	2	369
Additions	189,901	-	-	-
Cost end of year	189,903	369	2	369
Impairment losses for the year	-	-	-	-
Impairment losses end of year	-	-	-	-
Carrying amount end of year	189,903	369	2	369

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

13 Prepayments

Prepayments consist of agreements, where the contract period exceed the financial year. These agreements mainly relates to IT services and other ordinary types of costs such as insurance, finance systems etc. needed to operate the business.

14 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months	Due after more than 12 months
	2022	2021	2022	2021
	DKK'000	DKK'000	DKK'000	DKK'000
Other payables	8,349	4,943	59,943	21,480
	8,349	4,943	59,943	21,480

No liabilities are due after 5 years

15 Other payables

	2022	2021
	DKK'000	DKK'000
VAT and duties	199	-
Wages and salaries, personal income taxes, social security	1,314	1,840
Accrued interest	1,313	579
Other costs payable	9,782	10,440
Tax loan	677	4,522
	13,285	17,381

Notes to Parent Financial Statements

16 Contingent assets

The company has a deferred tax asset that amounts to DKK 21,783k which has not been capitalized due to the uncertainty of when the company is able to use the asset

17 Contingent liabilities

The company has undertaken lease agreements relating to housing and cars. The obligation constitutes DKK 1,782k as of 31.12.2022 and DKK 2,747k as of 31.12.2021.

The company has entered into an agreement with the lender regarding exit obligation and performance obligation. Part of the loans contain change of control clauses according to which Vækstfonden may choose to demand early repayment of the loans in the event a transfer of 25% or more of the Existing Shares held by existing shareholders prior to the IPO, in accordance with conditions stipulated in the agreements with Vækstfonden. Part of the loans contain the right for Vækstfonden to receive extra payments based on a performance scheme and/or an exit scheme defined in the loan agreements. The exit schemes exist of an amount equal to 5% of the added value of the Company based on the Existing Shares, however capped at 20% of the principal amount of each loan (DKK 2m, 2m and 1m, respectively for the three loans impacted). All exit and performance scheme payments in aggregate are covered by the cap.

Part of the loans contain the right for Vækstfonden to receive extra payments based on a performance scheme and/or an exit scheme defined in the loan agreements. The exit schemes exist of an amount equal to 5% of the added value of the Company based on the Existing Shares, however capped at 20% of the principal amount of each loan (DKK 2m, 2m and 1m, respectively for the three loans impacted). All exit and performance scheme payments in aggregate are covered by the cap.

18 Assets charged and collateral

Mortgage debt is secured by way of corporate mortgage totaling DKK 65,000k. Assets charged comprise the intangible assets, property, plant and equipment, inventories, trade receivables and other receivables.

The carrying amount in 2022 is DKK 126,251k and for 2021 49,288k.

19 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

20 Receivables from group enterprises

Receivables from group enterprises in all material respects fall due after more than 12 months from the balance sheet date. It is Management's expectation that the receivables are repaid over a period of 1-2 years.

21 Other income

Other income consist of management fee recognized in OrderYOYO A/S from the subsidiaries.

Accounting Policies

The annual report for OrderYOYO A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises). The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognized 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 recognized 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 recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies. Subsidiaries' financial statement items are recognized in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively. Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Newly acquired or newly established enterprises are recognized in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognized in the income statement up to the time of their divestment or winding-up. The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements. Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognized under intangible assets, and they are amortized systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc. in which the enterprises concerned are controlled by the Parent.

Accounting Policies

Under the uniting-of-interests method, the acquiree's assets and liabilities are recognized at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognized in equity. The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc. in which the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognized at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognized in equity.

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 recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognizing foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognized directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognized directly in translation reserve in equity.

When recognizing foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, costs of materials and external expenses.

Revenue

Revenue from the sale of services is recognized in the income statement when delivery is made to the buyer. Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting Policies

Revenue from SaaS (Software-as-a-Service)

OrderYOYO sells SaaS (Software-as-a-Service) by hosting the software and related services as cloud-based services. The software is not installed on the customer's own servers, but on cloud servers that the company manages. The customer continuously receives this service which includes license, support and maintenance during the term of the agreement and is recognized linearly over the contract period.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities. In the parent other operating income relates to Group fees.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory write-downs. Transactions fees and delivery fees are also recognized on cost of sales.

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. This item also includes write-downs of receivables recognized in current assets.

Staff costs

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

Depreciation, amortization and impairment losses

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

Other staff costs and other external costs

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Costs related to capital increase

Costs related to capital increase in relation to business combinations are recognized in Equity when costs occur.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortization of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Accounting Policies

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, amortization of financial liabilities, and 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 recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilization, 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 recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred. When recognizing development projects as intangible assets, an amount equaling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortized and written down.

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

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

Completed development projects are amortized 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 amortization is the remaining duration of the relevant rights. The amortization periods used are 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortization. The amortization period is a straight-line basis over their remaining duration which in the outset are six months to ten years, and licenses are amortized over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Accounting Policies

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:

Other fixtures and fittings, tools and equipment 3 years

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.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realizable value. Cost consists of purchase price plus delivery costs.

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

Receivables

Receivables are measured at amortized cost, usually equaling nominal value, less write-downs for bad and doubtful debts.

Deferred tax

Deferred tax is recognized 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 recognized for amortization 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 recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Accounting Policies

Tax payable or receivable

Current tax payable or receivable is recognized 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 cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognized on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.

Definitions

Gross Merchandise Value (GMV)

Gross Merchandise Value (GMV) is the total Restaurant Partners revenue from end consumers processed through OrderYOYO's software suite.

Monthly Recurring Revenue (MRR)

Monthly Recurring Revenue (MRR) is the total monthly value of commissions paid by Restaurant Partners on orders, service fees charged to end consumers on orders and marketing services fees from Restaurant Partners. Marketing service fees are sold on a subscription basis to Restaurant Partners to enhance promotion online to end consumers. Start up fees to Restaurant Partners are not included in MRR.

Annual Recurring Revenue (ARR)

Annual recurring revenue (ARR) is the annualized value of Monthly Recurring Revenue (MRR), i.e. MRR in a given month times 12.

Gross Margin Ratio

$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

EBITDA Margin Ratio

$$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$$

Profit Margin Ratio

$$\frac{\text{Profit from operating activities} \times 100}{\text{Revenue}}$$

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