ORDER YOYO

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Annual Report 2023

Penneo dokumentnøgle: IK5SS-TOIWZ-6I8CD-52715-YQYEV-EWSY8

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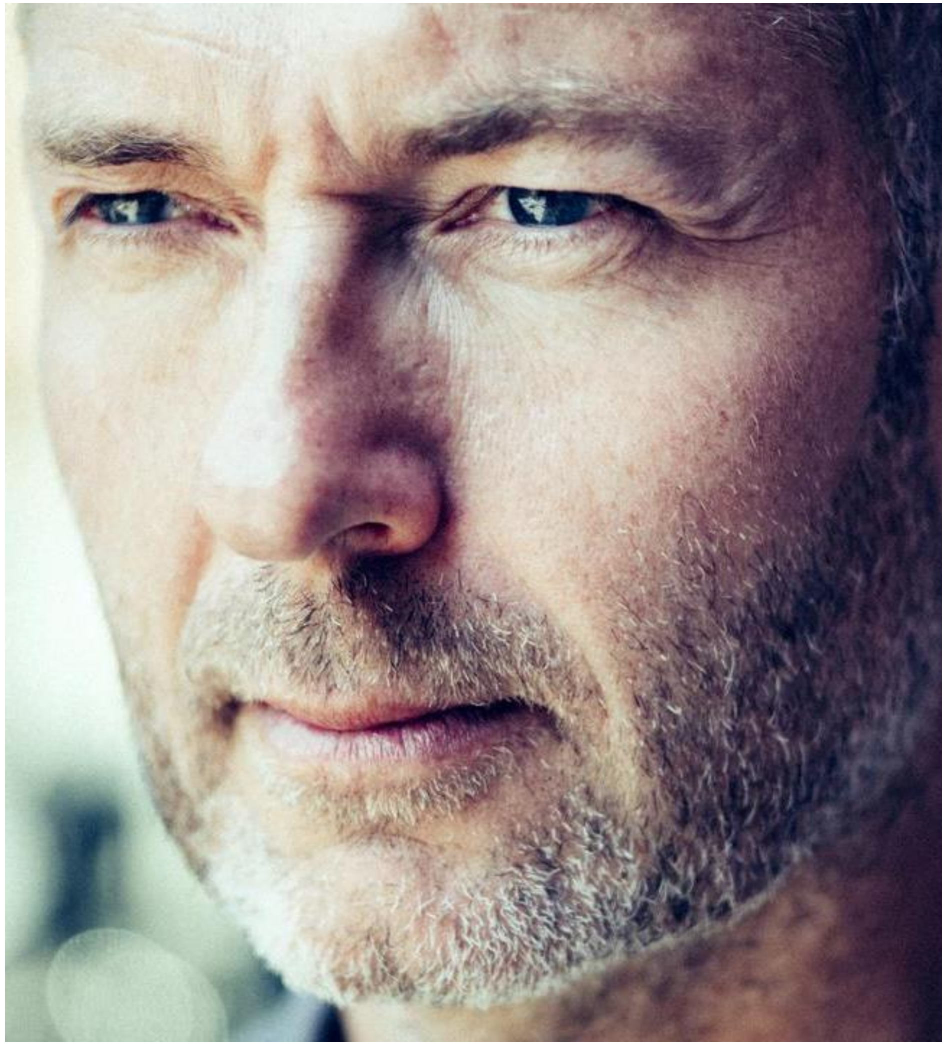
Letter from the CEO



2023 – a year of growth and profitability

After three years of exceptional growth and a transformational merger with app smart in 2022, OrderYOYO acquired two strong companies, Kingfood and Gustoco, in 2023, grew by 40% and realized an EBITDA margin of 10%.

In 2022 the merger between OrderYOYO and app smart was transformational, greatly enlarging the OrderYOYO footprint and established us as the clear European market leader. We built on this strong foundation in 2023 by acquiring two strong local player, Kingfood in UK and Ireland and Gustoco in Germany, enhancing our European market leader position.

OrderYOYO is the largest restaurant liberator in Europe, serving more than 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.**

We continued to invest in our product offering and in our Restaurant Partners in 2023. The inflationary environment and difficult macroeconomic situation experienced in several European markets have put additional pressure on the independent takeaway restaurants. 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 has never been more vital. Each and every takeaway restaurant needs to keep as much value from each order for themselves instead of transferring customer relationships and significant economic value to portals.

Never has our overall mission and value proposition - **to liberate your local, independent takeaway restaurant** - been more relevant, and we continue **to empower our Restaurant Partners to claim back their customers and fundamentally to control their own businesses with our software suite**.

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Letter from the CEO

Strong performance during 2023

We experienced strong growth in Annual Recurring Revenue, growing 40% to DKK 296m in 2023 from DKK 212m (including non-audited app smart ARR) in 2022. In addition, we realized a positive EBITDA before other external costs of DKK 26m in 2023 corresponding to an EBITDA margin of 10%. A significant improvement compared to an EBITDA loss of DKK (1)m in 2022.

2023 was also the year where we became Cash EBITDA profitable, i.e., EBITDA before other staff and other external costs minus capitalized investments in R&D was positive. A significant milestone for OrderYOYO meaning that the organic operations are now self-sustaining and independent of external capital.

Our financial guidance for 2023 was raised five times during the year and we significantly outperformed the latest guidance on all relevant metrics. The original consolidated ARR guidance as of October 2022 of DKK 215-230m was raised five times during the year. Realized ARR at year end of DKK 296m was still higher than the final guidance of DKK 270-275m demonstrating a strong second Q4 year performance for OrderYOYO – which has also continued in the first months of 2024.

Path to Profitability strategy showing results ahead of time

2023 was also the year where our Path to Profitability strategy implemented in 2022 showed strong results ahead of time.

During the period 2018 to 2021 OrderYOYO's main focus was on GMV and ARR growth. In these years OrderYOYO quadrupled ARR. Coming out of Covid OrderYOYO took the strategic decision to implement a more balanced growth strategy with equal focus on profitability. Two main components were expected to drive profitability – operational leverage; i.e., the ability to do more with the same amount of resources, and an active M&A strategy.

OrderYOYO has now been EBITDA profitable since July 2022 and Cash EBITDA profitable since June 2023 while maintaining a revenue growth significantly higher than the underlying market growth. These vital strategic milestones are driven by relentless focus on delivering value to our Restaurant Partners, market leadership, strong commitment to profitable growth, increased economies of scale resulting from OrderYOYO's consolidation strategy and a strict focus on cost management.

In 2023 we realised an EBITDA margin of 10% for the full year; our Q4 EBITDA margin was 13% and we released long-term EBITDA-margin guidance of more than 25%, a testament of our strong focus and commitment to profitability.

Finally, I 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.

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OrderYOYO at a glance

OrderYOYO is the leading European provider of ordering, payment, marketing software and Point-of-Sales (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) models 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 (POS) solutions tailormade for the takeaway restaurant industry enabling OrderYOYO to offer an even larger part of the software stack needed to digitalize takeaway restaurants. More than 1,500 Restaurant Partners are currently using OrderYOYO's POS solution.

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 since the founding of OrderYOYO has 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	
1st	Austria
1st	Denmark
1st	Germany
1st	Ireland
1st	United Kingdom

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Product Strategy

The Core of our Product Strategy is Orders

OrderYOYO's purpose has from day 1 been to liberate restaurants - to ensure that the independent, local takeaway restaurant can claim back their own customers.

The core to succeed with this purpose is to help each restaurant to generate orders. Without orders, there is no reclaiming of customers and no liberation.

The order generation has therefore always been pivotal and core for OrderYOYO. The digital orders are generated through our shop system; the individual apps and web-solution for each Restaurant Partner.

Around this core product it is OrderYOYO's strategy to build and offer additional solutions that enhance, increase and ease the ability for the Restaurant Partner to generate and execute orders.

These adjacent offerings can be categorized in three:

1. Marketing and Loyalty Products - where we help Restaurant Partners grow
2. Payments Technology Solutions - where we help Restaurant Partners with payments
3. Operations & POS Solutions - where we help Restaurant Partners to operate

Marketing & Loyalty Products

To help attract both new and existing customers OrderYOYO offers a wide number of both online and offline Marketing Products including SEO, traffic optimization, Google ads, Facebook ads, SMS and email campaigns as well as traditional offline products such as flyers and stickers all with the aim of generating digital orders for each Restaurant Partner. Running more than 15,000 Google campaigns on a given weekend evening, OrderYOYO is specialized in handling and managing smaller campaigns in an efficient and cost-effective manner.

In addition, OrderYOYO offers loyalty programs to each Restaurant Partner to ensure that returning customers are kept loyal to the Restaurant Partner.

Payments Technology Solutions

Each order generated through the OrderYOYO shop system has to be facilitated, i.e., needs to be paid. Payment solutions supporting all end-user relevant payment methods are therefore an integral part of OrderYOYO's offering. In addition, to ensure that payments are handled as effectively and cost-efficient as possible, OrderYOYO has a smooth and efficient KYC process ("Know Your Customer") for each individual Restaurant Partner. An increasingly crucial condition for a smooth payment processing flow.

Operations & POS

Lastly OrderYOYO offers solutions to help Restaurant Partners operate more efficiently including POS and most recently RDS (Restaurant Delivery Service) ensuring that all orders are handled as efficiently and effectively as possible.

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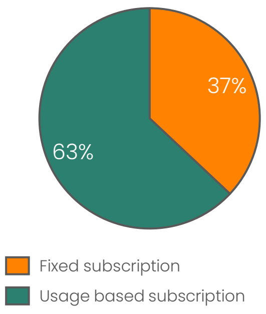
Revenue Composition

Annual Recurring Revenue

OrderYOYO's annual recurring revenue (ARR) is comprised by both usage-based subscription and fixed subscription models.

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 composition



ARR December 2023 is thus comprised by 63% usage-based subscription and 37% 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 going forward.

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 shown strong growth. Total ARR has since December 2020 grown 114%, from DKK 138m in December 2020 to DKK 296m in December 2023. The compound annual growth rate on ARR from December 2020 to December 2023 shows a growth of 29%.

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

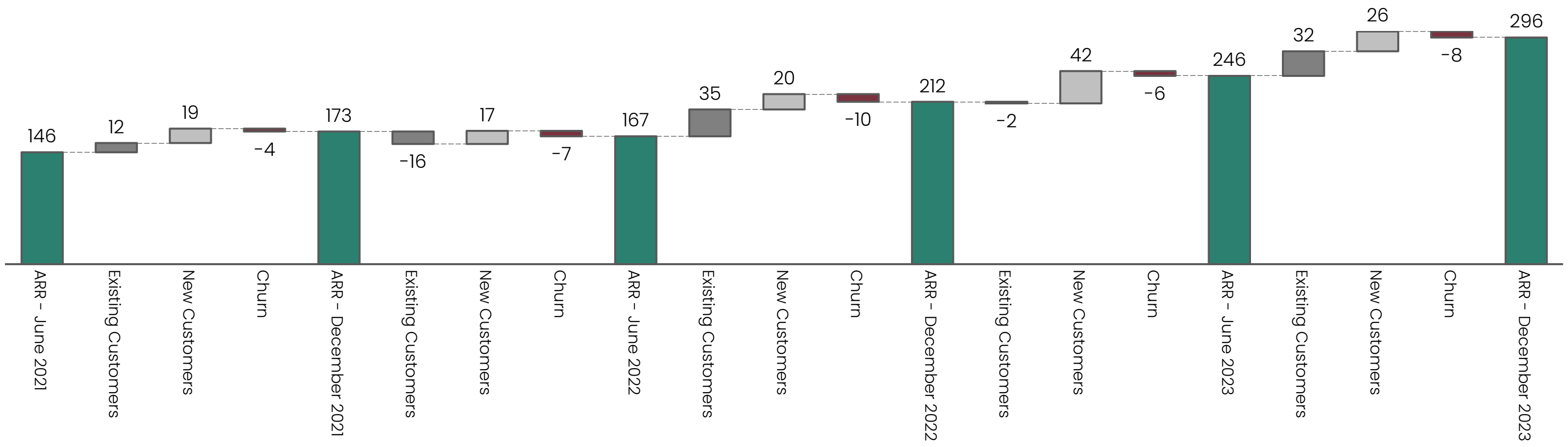
Healthy growth

Annual Recurring Revenue (ARR) has since June 2021 showed strong growth. ARR grew from DKK 212m to DKK 296m by December 2023 - equivalent to a growth of 40%.

OrderYOYO grew existing and new customers by DKK 92m from December 2022 to December 2023 - equivalent to a growth of 43%. This despite the general tough trading conditions experienced by our Restaurant Partners.

Acceptable churn ratios in a challenged market

Churn ratios in both the first and second half of 2023 were kept low and were below previous years. In 2023 the ARR churn totaled 5.5%.



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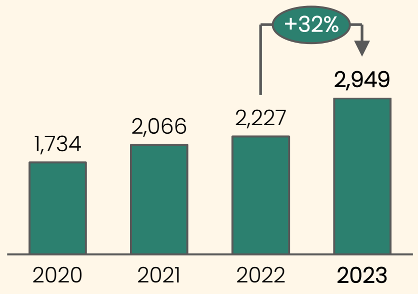
GMV and ARR composition

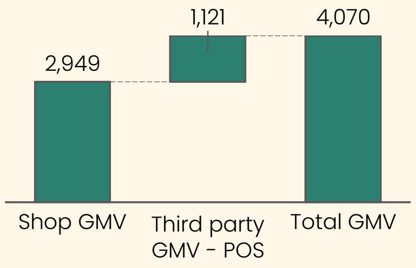
December annualized GMV
DKKm

DKK 2,949m



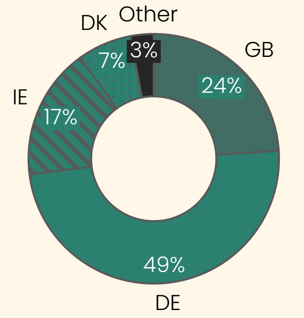
Annualized GMV growing by 32% totaling 2.949 DKKm.

Total December 2023 Group GMV
DKKm



Total December 2023 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 1,121m, bringing the total GMV to DKK 4,070m

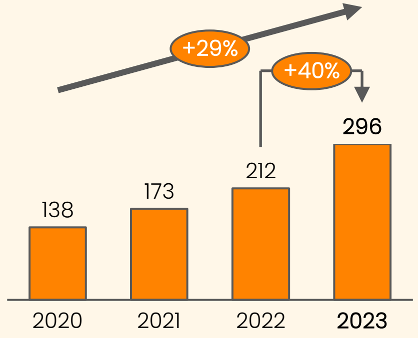
Country split GMV



Annualized December 2023 GMV country split healthy distribution of GMV across markets with Germany being the largest market and contributor to YoY growth

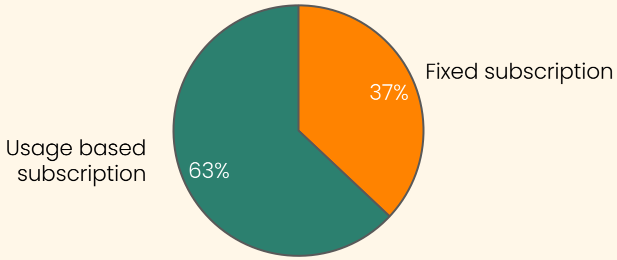
December ARR
DKKm

DKK 296m



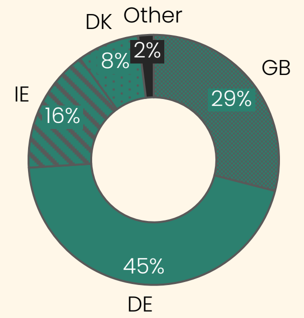
ARR growing by 40% We have successfully adjusted our pricing across markets and grown ARR by 40%.

ARR composition



ARR divided by 63% usage based subscription and 37% fixed subscription.

ARR composition



Annualized December 2023 ARR country split healthy distributed with Germany and GB as the biggest markets.

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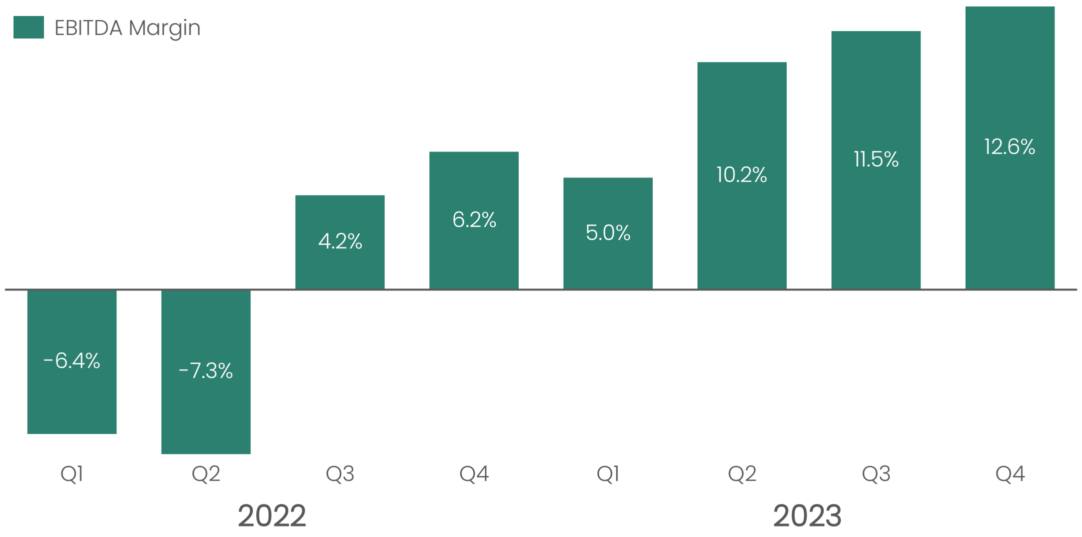
Path to profitability

Strategic focus

In Q1 2022 we introduced "profitability" as one of our strategic imperatives – with a clear focus on sustainable growth without jeopardizing the product development and commercial investments.

Profitability tracks in phases

Since introducing profitability as a strategic imperative, we have had a strong cost focus and balanced our investments carefully. The first initiatives was taken early 2022 and this was carried into our post merger track when acquiring German app smart in July 2022.



Specific optimization and simplification projects havve been initiated post merger and we have consequently increased our EBITDA margins while still investing both commercially and in our product.

Cash EBITDA

First phase on the path towards profitability was achieved in second half of 2022 when becoming EBITDA positive. Another important milestone on our path has been to become Cash EBITDA positive which we achieved during 2023 and additionally became Cash EBITDA positive for full year 2023.

Economies of scale and long-term profitability

It is our goal to continue to be EBITDA profitable and our raised guidance for 2024 EBITDA of DKK 33-38m corresponds to an EBITDA margin guidance of 11-13% - an increase from earlier EBITDA margin guidance of 9-11%.

As we continue our growth, both organically and through consolidation, economies of scale and cost control will increase EBITDA. In addition, acquisitions of local participants in markets where we are already market leader will provide the opportunity to increase profitability through cost savings and efficiency gains.

We are confident that our strategy will result in a continued expansion of our EBITDA margin in the coming years and our long-term EBITDA goal is +25%.

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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

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2024 Financial outlook

Revenue Growth

In 2024 OrderYOYO expects continued organic growth in Net Revenue and Annual Recurring Revenue.

Net Revenue guidance for full year 2024 at DKK 275–285m and Annual Recurring Revenue guidance at DKK 315-325m.

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 2024 annualized End-user revenue (GMV) guidance is maintained at DKK 3.1-3.3bn.

EBITDA Guidance

In 2024 OrderYOYO expects an EBITDA of DKK 33-38m. 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.

Cash EBITDA guidance between DKK 5-10m.

Net Revenue	ARR	GMV
275 - 285	315 - 325	3,100 - 3,300

EBITDA	Cash EBITDA
33 - 38	5 - 10

Millions DKK

Operational Focus

In 2024 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.

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2024 Strategic Outlook

Market development - expanding footprint in 2024-2026

OrderYOYO has since it's 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.

The active M&A strategy has continued in 2023 with the acquisition of two strong local market participants; Kingfood in UK/Ireland and Gustoco in Germany.

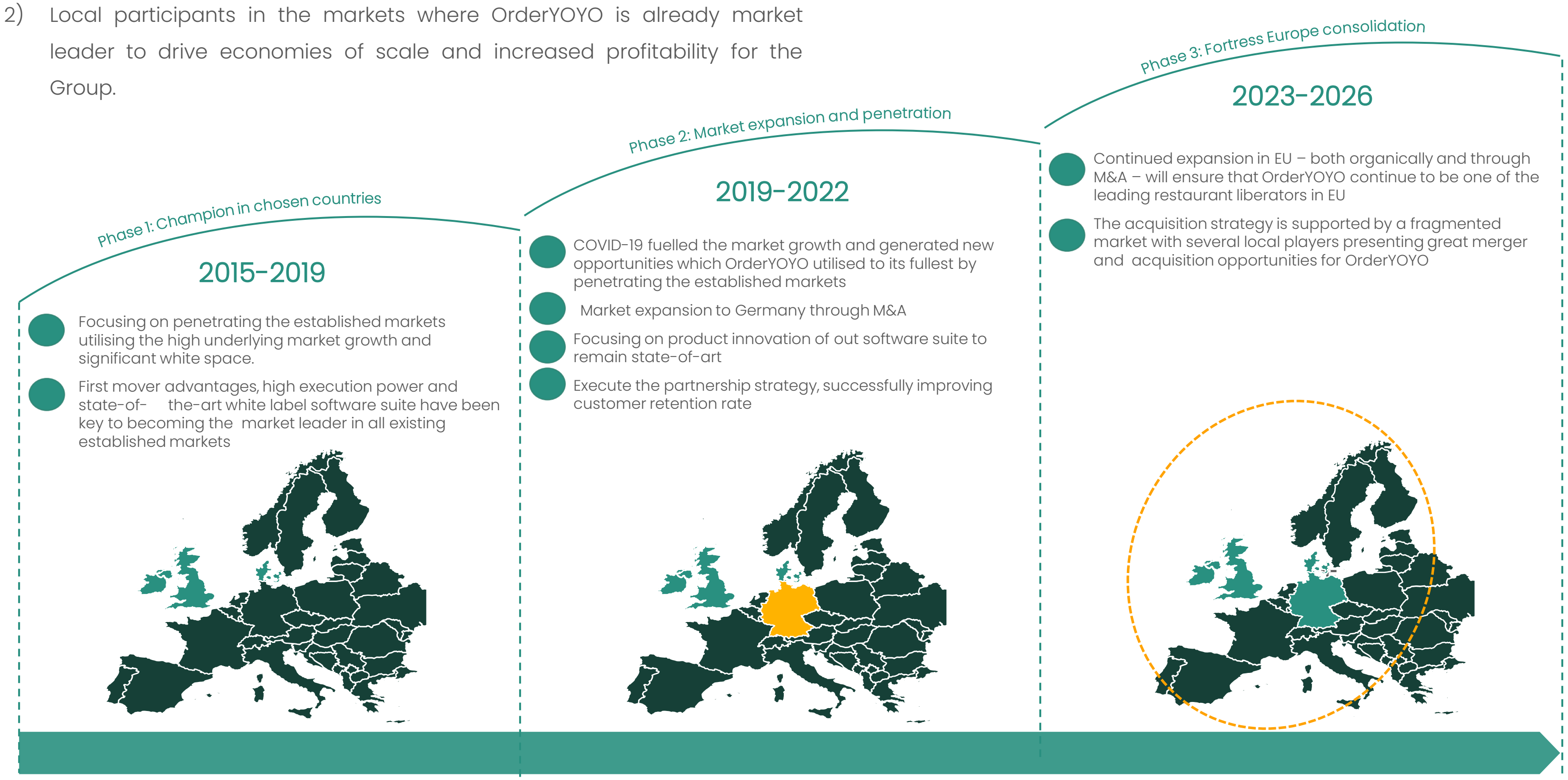
Our active continued pursuit of new consolidation opportunities will all occur under our overall vision of liberating the independent takeaway restaurants in Europe.

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.



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Financial Overview

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Consolidated Financial Highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Income statement					
Net revenue	253,042	148,978	108,530	76,290	37,875
Gross profit*	206,799	123,222	92,068	64,243	-
EBITDA before other external and other staff costs (normalized)**	25,572	(857)	683	9,679	(27,458)
EBITDA after other external- and other staff costs***	20,172	(15,915)	(23,559)	1,248	(27,458)
Profit from operating activities	(27,584)	(47,759)	(28,272)	492	(27,669)
Net financials	(12,935)	(8,166)	(346)	(4,084)	(623)
Depreciation and amortization	(47,756)	(31,844)	(4,713)	(756)	(210)
Net profit or loss for the year	(31,236)	(48,256)	(23,123)	(1,070)	(25,266)
Statement of financial position					
Balance sheet total	388,475	386,249	115,115	57,325	18,332
Investment in property, plant and equipment	1,010	1,442	1,815	1,266	690
Investment in development projects in progress	25,412	29,573	30,884	10,534	-
Equity	187,259	203,776	46,102	(3,468)	(12,692)
Cash flows*					
Ordinary activities	24,977	(2,092)	(19,685)	15,813	-
Investing activities	(35,044)	(55,698)	(34,201)	(11,796)	-
Financing activities	(4,636)	74,974	74,346	8,999	-
Total cash flows	(20,717)	22,684	22,982	16,042	-
Employees					
Average number of full-time employees	200	150	119	87	52
Key figures in %******					
Gross margin ratio	81.7	82.7	84.8	86	-
EBITDA margin before other external and other staff costs (normalized)	10.1	(0.6)	0.6	12.7	(72.5)
Profit margin	(12.3)	(32.4)	(21.3)	(1.4)	(66.7)

*Gross profit and cash flows only presented for 2023, 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 53 "Definitions"

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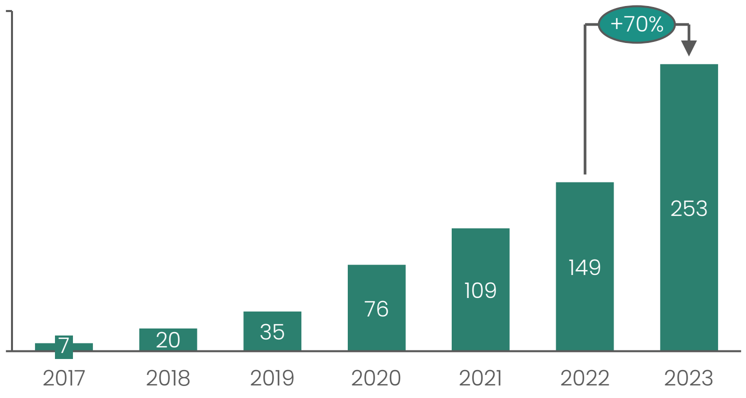
Financial Review

Net revenue

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 with the app smart acquisition in July 2022 . We build on this strong foundation in 2023 acquiring two strong local players, Kingfood in UK and Ireland and Gustoco in Germany enhancing our European market leader position

We have successfully introduced new product offerings across markets which contributes positively to our net revenue growth. OrderYOYO obtained a net revenue growth of 70% to DKK 253m in 2023 compared to DKK 149m in 2022. The 2022 net revenue includes only 6 months of former app smart revenue

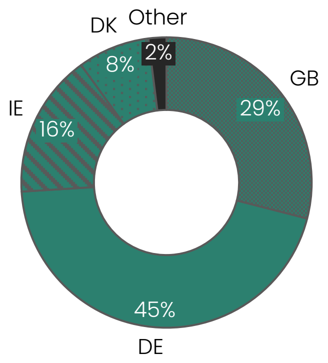
Net revenue 2017-2023 (m DKK)



ARR

ARR grew from DKK 212m in December 2022 to DKK 296m by December 2023, equivalent to a growth of 40%.

Annual Recurring Revenue December 2022 by market



Gross profit

Gross profit in 2023 increased by 67% to DKK 207m compared to DKK 123m in 2022. The corresponding gross margin in 2023 was 82% compared to 83% in 2022. The slight decrease in gross margin is due to changes in the product mix.

Staff costs

Total staff costs in 2023 adjusted for costs transferred to capitalized development costs increased by 43% to DKK 85m compared to DKK 60m in 2022. The increase is due to full year impact of app smart salaries in 2023, compared to only six months in 2022.

The general staff costs in 2023 represented 33% (DKK 85.4m) of Net Revenue compared to 40% in 2022 (DKK 59.7m).

External costs

In 2023 External costs increased mainly due to inclusion of a full year consolidation of entity South. External costs in 2023 represented 38% (DKK 95.8m) compared to 43% in 2022 (DKK 64.4m).

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

The result of primary activities before financials, tax and depreciations & amortizations was DKK 25.6m a significant improvement compared to 2022 (0.9m). The main improvement is revenue growth together with cost efficiency.

Other external costs and other staff costs

Other external costs comprise expenses of an extraordinary nature. The expenses recognized in 2023 only relates to transactional costs directly associated with acquisitions. Severance costs and other staff costs that have a non-recuring nature are also presented as other staff costs in the income statement.

EBITDA after other external and other staff costs

Transaction related consultancy costs and other staff costs are impacting EBITDA after other external and other staff costs.

Depreciation and Amortization

Depreciation and amortization amounted to DKK 48m in 2023 compared to DKK 32m in 2022. The cost mainly comprise of goodwill and acquired intangible amortization related to business combinations as well as amortization for internal R&D capitalization.

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Financial Review

Financial items

Financial items totaled DKK 13m in 2023 compared to DKK 8m in 2022 and mainly consists of interest to EIFO.

Profit/loss for the year

Profit/loss for the year in 2023 showed a loss of DKK (31.2)m compared to a loss of DKK (48.3)m in 2022.

Assets

OrderYOYO continues to invest significantly in the development of our software suite. Development costs capitalized include both internal salary costs and external consultancy costs. In 2023 development costs capitalized as completed or developments projects in progress totaled DKK 25.4m compared to DKK 29.6m in 2022.

In 2023 OrderYOYO made two business combinations: Kingfood, who had a market leading position within Asian cuisine in Ireland and UK and Gustoco, an addition to our already expanding German market.

Acquisitions and associated PPA is recognized on the balance sheet as an intangible asset and goodwill, please see page 38 for further information.

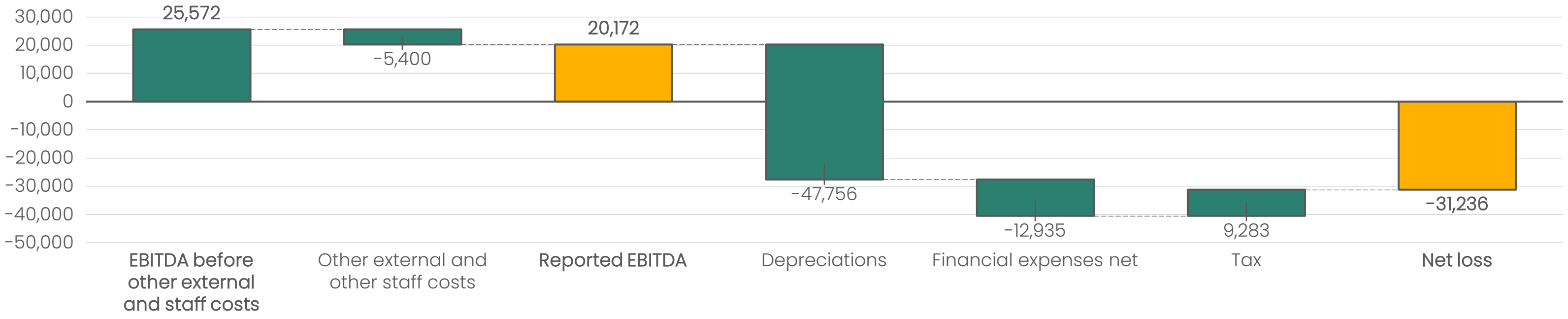
Cash at hand

Total cash position by 31 December 2023 amounted to DKK 55.3m compared to DKK 76.1m in 2022. The majority of the changes in cash position is related to M&A activities, a change in payout ratio to customers, financial expenses and business combinations. Please see page 29 for further information.

Equity

Equity by 31 December 2023 reported at DKK 190.8m compared to DKK 203.8m in 2022.

EBITDA – Net loss bridge (DKK 000)



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Provisions

Provision amounted to DKK 47m in 2023 compared to DKK 39m in 2022. This mainly consists of deferred tax related to intangible assets arisen from business combinations as well as tax liability described in events after year-end

Liabilities

Total liabilities amounted to DKK 150.9m by 31 December 2023 compared to DKK 143.3m in 2023. Increase is mainly related to an additional loan faciality from EIFO.

Events after year-end

The Danish Tax Authorities (Skattestyrelsen) has rejected the company's request for tax credit for the income years 2020-2022. Management, however, still considers the conditions for using the scheme to be fulfilled and has appealed the decision. As a result of the uncertainty associated with the outcome of the final decision, the recognized receivable from expected use of the tax credit scheme (DKK 5,500 thousand and DKK 8,072 thousand from previous years) has been reversed in the accounting item "tax on the year's profit" in the income statement. If the management succeeds in the appeal, subsequent financial years will be positively affected by DKK 13,522 thousand which is recognized under "tax on the year's profit" in the income statement.

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

Penneo dokumentnøgle: IK5SS-TOIWZ-618CD-52715-YQYEV-EWSY8

Governance

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Entity Details

Entity
OrderYOYO A/S
Vesterbrogade 149
1620 Copenhagen

Business Registration No.: 36704608
Registered office: Copenhagen
Financial year: 01.01.2023 – 31.12.2023

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

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

ESG

ESG

The Group has selected policies for Corporate Social Responsibility (CSR) and will in 2024 continue to 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 the years to come – 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 (UK, DK, IE) 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.

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

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.

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.

Penneo dokumentnøgle: IK5SS-TOIWZ-618CD-52715-YQYEV-EWSY8

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.

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Board of Directors

Victor Garcia – Chairman

Board member and Chairman since 2023

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

Ulla Brockenhuus-Schack

Board member since 2016

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.

Theis Regner Riber Søndergaard

Board member since 2016

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

Educational background: Danish School of Journalism.

Shares

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

Jacob Arup Bratting Pedersen

Board member since 2018

Description: Jacob has several years of experience within the venture capital market, as Partner at Northcap and currently Partner at EIFO. Jacob holds several Board Member seats in SaaS companies currently including Neurons Inc., MapsPeople, raffle.ai and Creative Force.

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

Shares

Jacob is Partner at EIFO, that owns 13% of OrderYOYO A/S' shares.

Adrian Fröhling

Board member since 2022

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.

Penneo dokumentnøgle: IK5S5-TOIWZ-618CD-52715-YQYEV-EWSY8

Financial Calendar 2024

Annual General Assembly
April 22, 2024

Q1 current trading
April 18, 2024

Half Year Report H1
August 28, 2024

Q2 current trading
July 18, 2024

Full Year Report 2024
March 25, 2025

Q3 current trading
October 18, 2024

Annual General Assembly
April 22, 2025

Q4 current trading
January 17, 2025

Penneo dokumentnøgle: IK5SS-TOIWZ-618CD-52715-YQYEV-EWSY8

Financial Statements

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

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 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the Groups' and Parent company's operations and consolidated cash for the financial year 01.01.2023 - 31.12.2023.

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 2024

Executive Board

Jesper Johansen
CEO

Board of Directors

Victor Garcia,
Chairman

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

Penneo dokumentnøgle: IK5SJ-[illegible]-6I8CD-52715-XQYEV-EWSY8

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 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of their operations for the financial year 01.01.2023 - 31.12.2023 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.

Penneo dokumentnøgle: IK5S5-TOIWZ-618CD-52715-YQYEV-EWSY8

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, 20.03.2024
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

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

Arif Aygar
State Authorised Public Accountant
Identification No (MNE) mne50634

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Consolidated Income Statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Net revenue		**253,042**	**148,978**
Cost of goods		(46,243)	(25,756)
Gross profit		**206,799**	**123,222**
Staff costs	3	(85,402)	(59,688)
Other staff costs	4	(227)	(284)
External costs		(95,825)	(64,391)
Other external cost	4	(5,173)	(14,774)
EBITDA		**20,172**	**(15,915)**
Depreciation, amortization, and impairment	5	(47,756)	(31,844)
Operating profit/loss		**(27,584)**	**(47,759)**
Financial income	6	1,329	20
Financial expenses	7	(14,264)	(8,186)
Profit before tax		**(40,519)**	**(55,925)**
Tax on profit/loss for the year	8	9,283	7,669
Profit/loss for the year	9	**(31,236)**	**(48,256)**

Consolidated Cash Flow Statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		**(27,584)**	**(47,759)**
Depreciation, amortization and impairment		47,756	31,844
Change in working capital	22	4,805	13,823
Cash flows from ordinary activities		**24,977**	**(2,092)**
Income tax		(6,014)	5,500
Cash flows from operation activities		**18,963**	**3,408**
Business combinations		(8,532)	(24,682)
Purchase of intangible assets		(25,412)	(29,574)
Purchase of fixed asset		(1,100)	(1,442)
Cash flows from investment activities		**(35,044)**	**(55,698)**
Net financial expenses		(12,935)	(8,166)
Cash capital increase		(464)	40,421
Loans repaid		(993)	-
Loans raised		9,756	42,719
Cash flow from financing activities		**(4,636)**	**74,974**
Change in cash and cash equivalents		**(20,717)**	**22,684**
Cash and cash equivalents beginning of year		76,068	54,843
Foreign currency translation adjustments on		-	(1,459)
Cash and cash equivalents end of year		**55,351**	**76,068**

Cash and cash equivalents			
Cash on hand		55,351	76,068
Cash and cash equivalents end of year		**55,351**	**76,068**

Penneo dokumentnøgle: IK5SS-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Consolidated Balance Sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Completed development projects	10	47,337	38,769
Development projects in progress	11	14,444	18,111
Acquired intangible assets	12	132,813	131,179
Goodwill	13	95,037	95,369
Intangible assets		**289,631**	**283,428**
Other fixtures and fittings, tools and equipment		2,039	2,698
Property, plant and equipment	14	**2,039**	**2,698**
Deposits	15	607	516
Deferred Tax assets	16	19,175	-
Financial and other assets		**19,782**	**516**
Fixed assets		**311,452**	**286,642**
Manufactured goods and goods for resale		2,247	1,851
Inventories		**2,247**	**1,851**
Trade receivables		11,411	7,408
Other receivables		746	575
Tax receivable		173	5,658
Prepayments	17	7,095	8,047
Receivables		**19,425**	**21,688**
Cash		**55,351**	**76,068**
Current assets		**77,023**	**99,607**
Assets		**388,475**	**386,249**

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		899	876
Foreign currency translation reserve		(593)	216
Retained earnings		186,953	202,684
Equity		**187,259**	**203,776**
Other provisions	18	46,743	39,170
Provisions		**46,743**	**39,170**
Other payables	19	73,762	65,226
Non-current liabilities		**73,762**	**65,226**
Current portion of long-term liabilities	19	12,747	9,020
Trade payables		12,700	10,379
Income tax payable		1,624	2,138
Other payables	20	53,640	56,540
Current liabilities		**80,711**	**78,077**
Liabilities other than provisions		**154,473**	**143,303**
Equity and liabilities		**388,475**	**386,249**
Assets charged and collateral	21		
Contingent liabilities	23		
Subsidiaries	24		
Earnings per share	25		
Non-arm's length related party transactions	26		

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Consolidated Statement of Changes in Equity

	Contributed capital DKK'000	Foreign currency translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
2023				
Equity beginning of year	876	216	202,684	203,776
Adjustment to opening balance			1,647	1,647
Increase of capital	23	-	14,322	14,345
Profit/loss for the year	-	-	(31,236)	(31,236)
Exchange rate adjustment	-	(809)	-	(809)
Capital increase costs	-	-	(464)	(464)
Equity end of year	**899**	**(593)**	**186,953**	**187,259**
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**

Change in opening balance is related to adjustment made to app smart acquired 1 July 2023

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

The board of directors is until 30 June 2026 authorized to issue up to 5,686,096 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.

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Notes to Consolidated Financial Statements

1 Events after the year-end

The Danish Tax Authorities (Skattestyrelsen) has rejected the company's request for tax credit for the income years 2020-2022. Management, however, still considers the conditions for using the scheme to be fulfilled and has appealed the decision. As a result of the uncertainty associated with the outcome of the final decision, the recognized receivable from expected use of the tax credit scheme (DKK 5,500 thousand and DKK 8,072 thousand from previous years) has been reversed in the accounting item "tax on the year's profit" in the income statement. If the management succeeds in the appeal, subsequent financial years will be positively affected by DKK 13,522 thousand. which is recognized under "tax on the year's profit" in the income statement.

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 acquistions 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

Deferred tax assets

Deferred tax assets include the tax value of tax loss carryforwards, and is recognized in the balance sheet at the value at which the assets are expected to be realized through future positive taxable income. The value of the deferred tax assets is based a consolidated forecast covering a three-year period.

Penneo dokumentnøgle: IK5SS-TOIWZ-618CD-52715-YQYEV-EWSY8

Notes to Consolidated Financial Statements

3 Staff costs

	2023	2022
	DKK'000	DKK'000
Wages and salaries	100,120	71,471
Pension costs	1,015	771
Other staff costs	2,111	1,938
	103,246	**74,180**
Capitalized wages and salaries	(17,844)	(14,492)
Staff costs	**85,402**	**59,688**
Average number of full-time employees	**200**	**150**
Remuneration for Board of Directors and Management	**3,362**	**-**

In addition, incentive programs totalled DKK 1,145k in 2023. With reference to section 98b (3)(2) of the Danish Financial Statements Act, the remuneration to Board of Directors and Management has not been disclosed in 2022

4 EBITDA reconciliation to operating loss/profit

	2023	2022
	DKK'000	DKK'000
EBITDA	20,172	(15,915)
Other staff costs	227	284
Severance	*227*	*284*
Other external costs	5,173	14,774
Cost related to acquisitions	*5,173*	*14,774*
EBITDA before other staff and other external costs	**25,572**	**(857)**

Other staff costs consist of non-recuring staff costs related to severance payments.
Other external costs consist of acquisition costs

5 Depreciation, amortisation and impairment losses

	2023	2022
	DKK'000	DKK'000
Amortisation of intangible assets	46,068	30,279
Depreciation on property, plant and equipment	1,688	1,565
	47,756	**31,844**

6 Financial income

	2023	2022
	DKK'000	DKK'000
Exchange rate adjustments	671	20
Interest income	658	-
	1,329	**20**

7 Financial expenses

	2023	2022
	DKK'000	DKK'000
Interest expenses	7,357	4,410
Other financial expenses	5,791	1,468
Interest on provisions	1,066	-
Exchange rate adjustments	50	2,308
	14,264	**8,186**

8 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	(1,625)	5,495
Deferred tax	24,429	4,312
Adjustments to previous years tax	(13,521)	(2,138)
	9,283	**(7,669)**

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Notes to Consolidated Financial Statements

9 Proposed distribution of profit/loss

	2023	2022
	DKK'000	DKK'000
Retained earnings	(31,236)	(48,256)
	(31,236)	**(48,256)**

10 Completed development projects

	2023	2022
	DKK'000	DKK'000
Cost beginning of year	52,880	19,200
Transfers	29,079	33,680
Cost end of year	**81,959**	**52,880**
Amortization and write-down 1 January 2022	(14,111)	(3,713)
Amortization and write-down for the year	(20,511)	(10,398)
Amortization and write-down end of year	**(34,622)**	**(14,111)**
Carrying amount end of year	**47,337**	**38,769**

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

	2023	2022
	DKK'000	DKK'000
Cost beginning of year	18,111	22,218
Additions during the year	25,412	29,573
Transfers	(29,079)	(33,680)
Cost end of year	**14,444**	**18,111**
Carrying amount end of year	**14,444**	**18,111**

12 Acquired intangible assets

	2023	2022
	DKK'000	DKK'000
Cost beginning of year	146,054	1,115
Additions during the year	16,463	144,939
Cost end of year	**162,517**	**146,054**
Amortization beginning of year	(14,875)	(124)
Amortization for the year	(14,829)	(14,751)
Amortization end of year	**(29,704)**	**(14,875)**
Carrying amount end of year	**132,813**	**131,179**

Penneo dokumentnøgle: IK5S5-TOIWZ-618CD-52715-YQYEV-EWSY8

Notes to Consolidated Financial Statements

13 Goodwill

	2023 DKK'000	2022 DKK'000
Cost beginning of year	100,531	387
Adjustment to the opening balance	1,645	
Additions during the year	8,749	100,144
Cost end of year	**110,925**	**100,531**
Amortization beginning of year	(5,162)	(32)
Amortization for the year	(10,726)	(5,130)
Cost end of year	**(15,888)**	**(5,162)**
Carrying amount end of year	**95,037**	**95,369**

14 Property, plant and equipment

	2023 DKK'000	2022 DKK'000
Cost of beginning of year	6,350	4,450
Exchange rate adjustments end of year	37	(58)
Disposals	(27)	516
Additions during the year	1,010	1,442
Cost end of year	**7,370**	**6,350**
Depreciation and write-down beginning of year	(3,652)	(2,099)
Exchange rate adjustments end of year	(4)	12
Depreciation for the year	(1,688)	(1,565)
Reversal regarding disposals	13	-
Depreciation and write-down end of year	**(5,331)**	**(3,652)**
Carrying amount end of year	**2,039**	**2,698**

15 Financial assets (deposits)

	2023 DKK'000	2022 DKK'000
Cost beginning of year	516	481
Additions during the year	91	35
Cost end of year	**607**	**516**

16 Deferred Tax assets

	2023 DKK'000	2022 DKK'000
Deferred tax assets value - Denmark	17,225	-
Deferred tax assets value - UK	2,950	-
Offset with legal entities and juristrictions - temporary differences	(1,000)	
Total Deferred Tax asset	**19,175**	**-**

The capitalized tax asset is only part of the full tax asset. An amount of DKK 9.4m was not recognized due to the uncertainty in use. The assessment of the use of tax assets is based on a three year period.

17 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.

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Notes to Consolidated Financial Statements

18 Other provisions

Other provisions include deferred tax occurred in relations to temporary differences arisen from business combinations and provision for tax credit repayment of DKK 9m	2023 DKK'000	2022 DKK'000
Balance at 1 January	39,170	-
Additions	11,827	43,493
Movements relating to profit for the year	(4,254)	(4,323)
Balance at 31 December	**46,743**	**39,170**

19 Non-current other payables

2023	Due within 12 months DKK'000	Due between 1 - 5 years DKK'000	Due after 5 year DKK'000
Other payables	12,747	70,088	3,674
	12,747	**70,088**	**3,674**

2022			
Other payables	9,020	62,775	2,451
	9,020	**62,775**	**2,451**

20 Other payables

	2023 DKK'000	2022 DKK'000
VAT and duties	8,745	5,349
Wages and salaries, personal income taxes, social security costs, etc.	4,452	2,809
Interest	1,972	1,313
Other payable	38,471	47,069
	53,640	**56,540**

21 Charges and security

As security for debt obtained, there is a registered corporate mortgage amounting to DKK 85m. The security includes goodwill, intangible assets, operating equipment and fixtures, inventories and trade receivables. The carrying amount in 2023 is DKK 258,219k and for 2022 126,251k.

22 Change in working capital

	2023 DKK'000	2022 DKK'000
Change in inventories	(396)	292
Change in receivables	2,263	(5,442)
Change in trade payables and other payables	2,938	18,973
	4,805	**13,823**

Penneo dokumentnøgle: IK5SS-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Notes to Consolidated Financial Statements

23 Contingent liabilities

The group has undertaken lease agreements relating to housing and cars. The obligation constitutes DKK 12,635k as of 31.12.2023 and DKK 7,610k as of 31.12.2022.

The company has entered into an agreement with a loan provider, which contain certain obligations for part of the loans. One of the obligations is early repayment of loans if a change in control occurs. A change in control is defined as the company transferring shares or the economic benefit of these shares up to a certain gap or otherwise give up "bestemmende indflydelse". The early repayment is related to accumulated loans of DKK 25m. No matter, if an early repayment is enforced, the company will be liable for up to DKK 5m in exit bonus if change in control occurs.

24 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
Indasoft Ltd (Kingfood)	Ireland	Ltd	100
Motion Media Ltd (Kingfood)	UK	Ltd	100
Root42 GmbH (Gustoco)	Germany	GmbH	100

25 Earnings per share

	2023 DKK'000	2022 DKK'000
Profit/loss for the year	(31,236)	(48,256)
Weighted average number of shares used for calculation	**88,849,347**	**72,985,943**
Earnings per share (in DKK)	(0.35)	(0.66)
Total shares by year-end	89,932,949	87,610,379

Penneo dokumentnøgle: IK5SS-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Notes to Consolidated Financial Statements

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 Business combinations

	Motion DKK'000	Indasoft DKK'000	Gustoco DKK'000
Intangible assets*	4,004	5,703	6,754
Other net assets	1,067	(220)	(85)
Deferred tax*	(1,001)	(713)	(2,026)
Total	4,070	4,770	4,643
Goodwill	2,525	1,925	4,298
Total Consideration	6,595	6,695	8,941
New shares	(4,128)	(4,128)	(5,300)
Cash and loan transfers	(2,467)	(2,567)	(3,641)
Total consideration	(6,595)	(6,695)	(8,941)

*Fair value adjustment arising from purchase price allocation

Penneo dokumentnøgle: IK5SS-TOIWZ-618CD-52715-YQYEV-EWSY8

Parent Income Statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Net revenue		**23,314**	**42,361**
Other income	21	88,522	20,960
Cost of goods		(7,110)	(7,059)
Gross profit		**104,726**	**56,262**
Staff costs	3	(24,311)	(22,160)
Other staff costs		(227)	(88)
External costs		(66,359)	(44,519)
Other external costs		(5,136)	(15,184)
EBITDA		**8,693**	**(25,689)**
Depreciation, amortization, and impairment	4	(21,197)	(11,171)
Operating profit/loss		**(12,504)**	**(36,860)**
Financial income from Group enterprises	5	3,826	1,931
Financial income	5	384	174
Financial expenses	6	(17,493)	(5,724)
Profit/loss before tax		**(25,787)**	**(40,479)**
Tax on profit/loss for the year	7	3,703	5,500
Profit/loss for the year	8	**(22,084)**	**(34,979)**

Penneo dokumentnøgle: IK5SS-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Parent Balance Sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Completed development projects	9	47,337	38,769
Development projects in progress	9	14,444	18,111
Intangible assets		**61,781**	**56,880**
Other fixtures and fittings, tools and equipment	10	656	1,062
Property, plant and equipment		**656**	**1,062**
Investments in group enterprises	12	212,424	189,903
Deferred tax	11	17,225	-
Deposits	12	369	369
Financial assets		**230,018**	**190,272**
Fixed assets		**292,455**	**248,214**
Manufactured goods and goods for resale		280	639
Inventories		**280**	**639**
Trade receivables		582	2,799
Receivables from group enterprises	20	39,902	39,332
Other receivables		-	2,489
Tax receivable		-	5,500
Prepayments	13	4,447	6,559
Receivables		**44,931**	**56,679**
Cash		**2,602**	**22,273**
Current assets		**47,813**	**79,591**
Assets		**340,268**	**327,805**

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		899	876
Reserve for development costs		48,189	46,667
Retained earnings		180,888	190,636
Equity		**229,976**	**238,179**
Other provisions	14	9,087	-
Provisions		**9,087**	**-**
Other payables		68,576	59,943
Non-current liabilities	15	**68,576**	**59,943**
Current portion of non-current liabilities	15	12,167	8,349
Trade payables		8,775	8,049
Other payables	16	11,687	13,285
Current liabilities		**32,629**	**29,683**
Liabilities other than provisions		**101,205**	**89,626**
Equity and liabilities		**340,268**	**327,805**
Contingent liabilities	17		
Assets charged and collateral	18		
Non-arm's length related party transactions	19		

Penneo dokumentnøgle: IK55S-TOIWZ-618CD-52715-YQYEV-EWSY8

Parent Statement of Changes in Equity

	Contributed capital DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
2023				
Equity beginning of year	876	46,667	190,636	238,179
Increase of capital	23	-	14,322	14,345
Change in share premium	-	-	-	-
Transfer to reserves	-	1,522	(1,522)	-
Profit/loss for the year	-	-	(22,084)	(22,084)
Treasury shares	-	-	-	-
Exchange rate adjustment	-	-	-	-
Costs related to capital increase	-	-	(464)	(464)
Equity end of year	**899**	**48,189**	**180,888**	**229,976**
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)
Treasury shares	-	-	-	-
Exchange rate adjustment	-	-	-	-
IPO Costs	-	-	(617)	(617)
Equity end of year	**876**	**46,667**	**190,636**	**238,179**

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 29 September 2028 authorized to issue up to 13,390,834 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 exercised its authorisation in Article 6.1 and has issued a total of 9.3m warrants to selected employees

Penneo dokumentnøgle: IK5S5-TOIWZ-618CD-52715-YQYEV-EWSY8

Notes to Parent Financial Statements

1 Events after the year-end

Please refer to the Group Financial statements.

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 finanicial statements. Where the recoverable amount of the investments is lower than cost, the investments are written down to this lower value. The valuation of investment in subsidiaries are assessed on a continuous basis.

Valuation of deferred tax assets

Please refer to accounting treatment for the Group Financial statements.

3 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	32,814	26,324
Pension costs	603	442
Other	1,018	1,286
	34,435	**28,052**
Severance and IPO related staff costs	-	-
	34,435	**28,052**
Capitalized wages and salaries	(10,124)	(5,892)
Staff Costs	**24,311**	**22,160**
Average number of full-time employees	**45**	**41**

Please refer to Consolidated financial statements for disclore on Management and Board of Directors remuneration

4 Depreciation, amortization and impairment losses

	2023 DKK'000	2022 DKK'000
Amortization of intangible assets	20,511	10,398
Depreciation on property, plant and equipment	686	773
	21,197	**11,171**

5 Other financial income

	2023 DKK'000	2022 DKK'000
Financial income from group enterprises	3,826	1,931
Interest income	197	0
Exchange rate adjustments	187	174
	4,210	**2,105**

Penneo dokumentnøgle: IK5S5-TOIWZ-618CD-52715-YQYEV-EWSY8

Notes to Parent Financial Statements

6 Other financial expenses

	2023 DKK'000	2022 DKK'000
Interest expenses	11,059	4,564
Exchange rate adjustments	391	185
Other financial expenses	4,977	975
Interest on provisions	1,066	-
	17,493	**5,724**

7 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	-	-
Deferred tax	17,225	-
Adjustments to previous years tax	(13,522)	5,500
	3,703	**5,500**

8 Proposed distribution of profit/loss

	2023 DKK'000	2022 DKK'000
Retained earnings	(22,084)	(34,979)
	(22,084)	**(34,979)**

9 Intangible assets

	Completed development projects 2023 DKK'000	Development projects in progress 2023 DKK'000	Completed development projects 2022 DKK'000	Development projects in progress 2022 DKK'000
Cost 1 January	52,880	18,111	19,200	22,218
Additions during the year	-	25,412	-	29,573
Transfers	29,079	(29,079)	33,680	(33,680)
Cost end of year	**81,959**	**14,444**	**52,880**	**18,111**
Amortization 1 January	(14,111)	-	(3,713)	-
Amortization for the year	(20,511)	-	(10,398)	-
Amortization and impairment losses end of	**(34,622)**	**-**	**(14,111)**	**-**
Carrying amount end of year	**47,337**	**14,444**	**38,769**	**18,111**

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.

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Notes to Parent Financial Statements

10 Property, plant and equipment

	2023 DKK'000	2022 DKK'000
Cost 1 January	3,384	2,817
Additions	280	567
Cost end of year	**3,664**	**3,384**
Depreciation and impairment losses 1 January	(2,322)	(1,549)
Depreciation for the year	(686)	(773)
Depreciation and impairment losses end of year	**(3,008)**	**(2,322)**
Carrying amount end of year	**656**	**1,062**

11 Deferred tax assets

	2023 DKK'000	2022 DKK'000
Deferred tax value - Denmark	17,225	-
Total Deferred Tax asset	**17,225**	**-**

The capitalized tax asset is only part of the full tax asset. An amount of DKK 5.3m was not recognized due to the uncertainty in use. The assessment of the use of tax assets is based on a three year

12 Other Financial assets

	Investment in Group Enterprises 2023 DKK'000	Deposits 2023 DKK'000	Investment in Group Enterprises 2022 DKK'000	Deposits 2022 DKK'000
Cost beginning of year	189,903	369	2	369
Additions	22,521	-	189,901	-
Cost end of year	**212,424**	**369**	**189,903**	**369**
Impairment losses for the year	-	-	-	-
Impairment losses end of year	**-**	**-**	**-**	**-**
Carrying amount end of year	**212,424**	**369**	**189,903**	**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 Other provisions

Other provisions include deferred tax occurred in relations to temporary differences arisen from business combinations and provision for tax credit repayment of DKK 9m	2023 DKK'000	2022 DKK'000
Tax provisions	9,087	-
	9,087	**-**

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

15 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK'000	Due within 12 months 2022 DKK'000	Due after more than 12 months 2023 DKK'000	Due after more than 12 months 2022 DKK'000
Other payables	12,167	8,349	68,576	59,943
	12,167	**8,349**	**68,576**	**59,943**

No liabilities are due after 5 years

16 Other payables

	2023 DKK'000	2022 DKK'000
VAT and duties	(281)	199
Wages and salaries, personal income taxes, social security	3,048	1,991
Accrued interest	1,972	1,313
Other costs payable	6,948	9,782
	11,687	**13,285**

17 Contingent liabilities

The company has undertaken lease agreements relating to housing and cars. The obligation constitutes DKK 4,003k as of 31.12.2023 and DKK 1,782k as of 31.12.2022.

The company has entered into an agreement with a loan provider, which contain certain obligations for part of the loans. One of the obligations is early repayment of loans if a change in control occurs. A change in control is defined as the company transferring shares or the economic benefit of these shares up to a certain gap or otherwise give up "bestemmende indflydelse". The early repayment is related to accumulated loans of DKK 25m. No matter, if an early repayment is enforced, the company will be liable for up to DKK 5m in exit bonus if change in control occurs.

18 Assets charged and collateral

Debt is secured by way of corporate mortgage totaling DKK 85,000k. Assets charged comprise the intangible assets, property, plant and equipment, inventories, trade receivables and other receivables.

The carrying amount in 2023 is DKK 258,219k and for 2022 126,251k.

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

Notes to Parent Financial Statements

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.

Penneo dokumentnøgle: IK5S5-TOIWZ-6I8CD-52715-YQYEV-EWSY8

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.

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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.

Changes to accounting treatment

Cash receivables from payment providers have been reclassified from Trade receivables to Cash, to correctly reflect the liquidity of OrderYOYO. These items are usually settled within a few days after the balance sheet date and OrderYOYO have in some cases direct access to disburse them into the bank

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.

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Accounting Policies

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 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.

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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 fess 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.

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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.

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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.

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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.

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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. ARR referred to in the annual report is December MRR times 12.

Cash EBITDA

Cash EBITDA is EBITDA less capitalized R&D costs

Gross Margin Ratio

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

EBITDA Margin Ratio

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

Profit Margin Ratio

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

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