Too Good To Go ApS

Landskronagade 66
2100 Copenhagen E
CVR No. 37561304

Annual report 2023

The Annual General Meeting adopted the annual report on 21.06.2024

Kasper Asbjørn Heine
Chairman of the General Meeting

Contents

Entity details

Entity

Too Good To Go ApS
Landskronagade 66
2100 Copenhagen E

Business Registration No.: 37561304
Registered office: Copenhagen E
Financial year: 01.01.2023 - 31.12.2023

Executive Board

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

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Too Good To Go ApS 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 financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations 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, 21.06.2024

Executive Board

Mette Lykke Ravn
CEO

Kasper Asbjørn Heine
Group Counsel

Martin Rulykke Kvist
CFO

Independent auditor's report

To the shareholders of Too Good To Go ApS

Opinion

We have audited the financial statements of Too Good To Go ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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

Copenhagen, 21.06.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Martin Pieper
State Authorised Public Accountant
Identification No (MNE) mne44063

Vincent Mendel Tran
State Authorised Public Accountant
Identification No (MNE) mne50739

Management commentary

Financial highlights

	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000
Key figures					
Revenue	544,985	496,193	449,043	259,995	170,962
Gross profit/loss	171,316	(40,436)	(229,021)	(281,956)	17,226
Operating profit/loss	4,967	(207,481)	(352,998)	(147,366)	(51,004)
Net financials	10,804	(3,052)	3,745	555	348
Profit/loss for the year	15,716	(175,213)	(347,341)	(144,172)	(48,576)
Total assets	516,806	275,146	279,740	239,599	118,161
Equity	46,550	30,834	31,408	78,748	22,921
Average number of employees	196	216	186	171	124
Ratios					
Gross margin (%)	31.43	(8.15)	(51.00)	(108.45)	10.08
EBIT margin (%)	0.91	(41.81)	(78.61)	(56.68)	(29.83)
Net margin (%)	2.88	(35.31)	(77.35)	(55.45)	(28.41)
Equity ratio (%)	9.01	11.21	11.23	32.87	19.40

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

Gross margin (%):
<u>Gross profit/loss * 100</u>
Revenue

EBIT margin (%):
<u>Operating profit/loss * 100</u>
Revenue

Net margin (%):
<u>Profit/loss for the year * 100</u>
Revenue

Equity ratio (%):
<u>Equity * 100</u>
Total assets

Primary activities

Too Good To Go is a certified B Corp social impact company, on a mission to inspire and empower everyone to fight food waste together.

Too Good To Go has a portfolio of solutions to connect users and partners with food that would otherwise have gone to waste, including the Too Good To Go Surprise Bag and the Too Good To Go Parcel.

Too Good To Go uses a combination of transaction-based and subscription-based pricing models. Additionally, each food outlet is charged an annual administrative fee once per year for the subscription license.

Development in activities and finances

On the Danish market we saved 4,3 million meals in 2023 compared to 3,5 million meals in 2022, a growth of 23%. During 2022 the invoicing model was changed from most European markets being invoiced from Too Good To Go ApS to being invoiced from the Too Good To Go entity in the respective markets.

Profit/loss for the year in relation to expected developments

2023 ended out with a profit of DKK 15 million. This exceeded our expectations for the year.

Uncertainty relating to recognition and measurement

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

Unusual circumstances affecting recognition and measurement

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

Outlook

For 2024 we expect to see a continued growth in the Danish market – supported by both the Magic Bags and the Magic Parcels. We expect a profit for 2024 at the same level as for 2023.

Environmental performance

Around the world, 40% of all food produced is wasted (WWF, 2021). The cost of food waste to society is about $1.1 trillion dollars each year (WWF, 2024). Food waste also accounts for 10% of all human caused greenhouse gas emissions worldwide (WWF, 2021). It's therefore not surprising to find out that reducing food waste is the number one action you can take to help tackle climate change, by limiting the temperature rise to 2˚C by 2100 (Project Drawdown, 2020).

That is why our company mission is to inspire and empower everyone to fight food waste together. Because at scale, small actions can make a big impact.

Research and development activities
Too Good To Go has a portfolio of solutions to connect users and partners with food that would otherwise have gone to waste, including the Too Good To Go Surprise Bag and the Too Good To Go Parcel.

In 2023, we expanded our Too Good To Go Magic Parcels. Our Parcels empower manufacturers to reduce their environmental footprint through the reduction of food waste, while unlocking value from surplus food and optimising their operations.

We also piloted our new product offering; Too Good To Go Platform; a modular end-to-end surplus food management solution that enables grocery retailers, from hypermarkets to convenience stores, to unlock value from excess inventory.

Foreign branches
We have branches in Belgium, Spain and Switzerland. There has not been any activities in these branches as Too Good to Go Holding has established separate companies in each of these countries. In all countries our sales, customer experience and marketing activities are now supported by entities 100% owned by Too Good To Go Holding ApS.

Statutory report on corporate social responsibility
Statement on corporate responsibility cf. section 99a of the Danish Financial Statements Act

Too Good to Go ApS is a part of the Too Good to Go Group and fully owned by Too Good To Go Holding ApS.

Statutory reporting on corporate social responsibility for the Group covers all entities within the group. We refer to the Annual Report for Too Good to Go Holding ApS (https://datacvr.virk.dk/enhed/virksomhed/37535699?fritekst=too%2520good%2520to%2520go&sideIndex=0&size=10).

Statutory report on the underrepresented gender

	2023
Supreme management body	
Total number of members	3
Underrepresented gender (%)	33.00

Reporting on the underrepresented gender We have strong gender representation at Too Good To Go. At the end of 2023, our gender breakdown figures were as shown above. As per the guidelines presented, we determine our gender representation as equal, and have not set targets for the future years.

	2023
Other management levels	
Total number of members	24
Underrepresented gender (%)	44.00
Target figures (%)	50.00
Year of expected achievement of target figures	2026

We have set representation targets to improve representation at different levels. We track this through monitoring our progress towards our targets.

Other management levels are defined as executive management and employees on the same level, including people with personnel responsibilities, that report directly to the executive management level

Statutory report on data ethics policy

We are collecting data about users and partners with the sole purpose of running our business of saving food. When collecting data we ensure that our users and partners are made aware of the data collection.

We use the data to serve users and partners in the best possible way with relevant recommendations etc. Aggregated unidentifiable data is used to make business decisions about allocation of capital and resources internally in our group.

We select our suppliers based on our business needs and we ensure that suppliers have a policy about data confidentiality, security measures and privacy that is in line with our policies. We share data with suppliers only so that they can provide their service to us and we do not share any identifiable data with non-suppliers.

Currently, we have not identified a need to establish a stand-alone Data Ethics policy, but will consider if we need to make one in the future.

We do however have a number of policies in place to ensure that the privacy of individuals is safeguarded and handled in accordance with applicable law, which is also described in our Risk Management section of this report.

Events after the balance sheet date

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

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK '000
Revenue	3	544,985	496,193
Own work capitalised		30,240	15,412
Cost of sales		(17,449)	(4,501)
Other external expenses	4	(386,460)	(550,314)
Gross profit/loss		**171,316**	**(43,210)**
Staff costs	5	(149,152)	(152,831)
Depreciation, amortisation and impairment losses	6	(17,197)	(11,440)
Operating profit/loss		**4,967**	**(207,481)**
Other financial income		11,579	3,653
Other financial expenses		(775)	(6,705)
Profit/loss before tax		**15,771**	**(210,533)**
Tax on profit/loss for the year	7	(55)	35,320
Profit/loss for the year	8	**15,716**	**(175,213)**

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Completed development projects	10	20,022	13,275
Acquired intangible assets		13,959	15,745
Development projects in progress	10	18,099	8,888
Intangible assets	9	**52,080**	**37,908**
Other fixtures and fittings, tools and equipment		910	1,332
Leasehold improvements		444	570
Property, plant and equipment	11	**1,354**	**1,902**
Deposits		4,447	3,113
Deferred tax	13	35,800	35,800
Financial assets	12	**40,247**	**38,913**
Fixed assets		**93,681**	**78,723**
Manufactured goods and goods for resale		2,051	935
Inventories		**2,051**	**935**
Trade receivables		1,371	1,033
Receivables from group enterprises		0	16,802
Other receivables		0	140
Prepayments	14	10,592	8,983
Receivables		**11,963**	**26,958**
Other investments	15	185,241	0
Other investments		**185,241**	**0**
Cash		**223,870**	**168,530**
Current assets		**423,125**	**196,423**
Assets		**516,806**	**275,146**

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		51	51
Reserve for development expenditure		29,734	19,905
Retained earnings		16,765	10,878
Equity		**46,550**	**30,834**
Trade payables		18,531	21,493
Payables to group enterprises		424,470	202,237
Tax payable		104	195
Other payables		27,151	20,387
Current liabilities other than provisions		**470,256**	**244,312**
Liabilities other than provisions		**470,256**	**244,312**
Equity and liabilities		**516,806**	**275,146**
Going concern	1		
Events after the balance sheet date	2		
Contingent liabilities	16		
Related parties with controlling interest	17		
Group relations	18		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	51	19,905	14,233	34,189
Changes in accounting policies	0	0	(3,355)	(3,355)
Adjusted equity, beginning of year	**51**	**19,905**	**10,878**	**30,834**
Transfer to reserves	0	9,829	(9,829)	0
Profit/loss for the year	0	0	15,716	15,716
Equity end of year	**51**	**29,734**	**16,765**	**46,550**

Notes

1 Going concern

The Company has current liabilities exceeding current assets as of 31 December 2023. The annual report is prepared under the going concern assumptions, and no material uncertainties exist as the company has sufficient liquidity from its cash and credit facilities to operate the business in 2024 and beyond. In addition, a support letter has been provided to Too Good To Go ApS from the parent company, Too Good To Go Holding ApS.

2 Events after the balance sheet date

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

3 Revenue

	2023 DKK'000	2022 DKK'000
Nothern Europe	80,431	127,862
Central Europe	305,296	217,414
Southern Europe	158,722	150,917
North America	536	0
Total revenue by geographical market	**544,985**	**496,193**
Transaction services	47,296	488,889
Non-transaction services	497,689	7,304
Total revenue by activity	**544,985**	**496,193**

4 Fees to the auditor appointed by the Annual General Meeting

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

5 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	144,702	144,532
Pension costs	2,828	2,150
Other social security costs	1,622	6,149
	149,152	**152,831**

Average number of full-time employees	**196**	**216**

	Remuneration of Management 2023 DKK'000	Remuneration of Management 2022 DKK'000
Executive Board	8,275	7,084
	8,275	**7,084**

The company has through its parent company, Too Good To Go Holding ApS, over the years introduced incentive plans aimed at key employees. Share options are vesting over time to ensure the retention of such key employees. The total number of shares for which key employees may become eligible is 105.880. The options are exercisable at a strike exercise price of DKK 1 - 1.961.

6 Depreciation, amortisation and impairment losses

	2023 DKK'000	2022 DKK'000
Amortisation of intangible assets	16,071	10,321
Depreciation of property, plant and equipment	1,126	1,119
	17,197	**11,440**

7 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	55	480
Change in deferred tax	0	(35,800)
	55	**(35,320)**

8 Proposed distribution of profit and loss

	2023 DKK'000	2022 DKK'000
Retained earnings	15,716	(175,213)
	15,716	**(175,213)**

9 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Development projects in progress DKK'000
Cost beginning of year	52,505	16,925	8,888
Transfers	8,888	0	(8,888)
Additions	12,142	0	18,099
Disposals	(22,349)	0	0
Cost end of year	**51,186**	**16,925**	**18,099**
Amortisation and impairment losses beginning of year	(39,230)	(1,180)	0
Amortisation for the year	(14,283)	(1,786)	0
Reversal regarding disposals	22,349	0	0
Amortisation and impairment losses end of year	**(31,164)**	**(2,966)**	**0**
Carrying amount end of year	**20,022**	**13,959**	**18,099**

10 Development projects

Development projects mainly relates to expenses associated with development of the Too Good To Go app and platform.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	2,950	1,329
Additions	214	0
Disposals	0	(40)
Cost end of year	**3,164**	**1,289**
Depreciation and impairment losses beginning of year	(1,618)	(759)
Depreciation for the year	(636)	(86)
Depreciation and impairment losses end of year	**(2,254)**	**(845)**
Carrying amount end of year	**910**	**444**

12 Financial assets

	Deposits DKK'000
Cost beginning of year	3,113
Additions	1,334
Cost end of year	**4,447**
Carrying amount end of year	**4,447**

13 Deferred tax

Changes during the year	2023 DKK'000	2022 DKK'000
Beginning of year	35,800	0
Recognised in the income statement	0	35,800
End of year	**35,800**	**35,800**

Deferred tax assets

The recognised tax asset for tax losses carried forward is 35,8 million DKK. The Company still has an unrecognized 140,6 million DKK of tax losses carried forward, which relates to previous year's tax result. There is no expiring date on the tax losses or carried forward and expectations for utilisation within positive taxable income within a foreseeable future.

14 Prepayments

Prepayments comprises prepaid costs relating to the subsequent financial year.

15 Other investments

The other investments consists of DKK 185,2 million investments in German treasury bills. The unrealized gain/loss is recognized in the profit and loss statement of DKK 560 thousand.

Other investments have a duration of 2 months by 31 December.

16 Contingent liabilities

	2023 DKK'000	2022 DKK'000
Other contingent liabilities	19,436	11,456
Contingent liabilities	**19,436**	**11,456**

Other contingent liabilities relates to lease obligations of DKK 19,436 thousand (2022: DKK 11,456 thousand).

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

17 Related parties with controlling interest

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

18 Group relations

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

Accounting policies

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

Changes in accounting policies
The Entity has changed its accounting policies with regard to completed development projects. The change in accounting policies has led to a decrease in own work capitalised of DKK 8.529 thousand and in decrease in depreciation, amortisation and impairment losses of DKK 5.174 thousand, respectively. Consequently, the total effect of the change in accounting policies is a decrease in this year's pre-tax profit DKK 3.355 thousand. The balance sheet total and equity decreases by DKK 3.355 thousand. The comparative figures have been restated following the change in accounting policies. The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

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

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

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

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

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

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

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

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

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

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

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

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

Estimated useful lives and residual values are reassessed annually.

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

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

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

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

Cost consists of purchase price plus delivery costs.

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

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

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

Other investments
Other investments consists of Marketable securities. Marketable securities are recognized at cost on the initial recognition and subsequently at fair value. The adjustment is recognised in the income statement as a part of the financial income/expenses.

Cash
Cash comprises cash in hand and bank deposits.

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

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

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

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

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