



Too Good To Go ApS

Landskronagade 66
2100 Copenhagen Ø
CVR No. 37561304

Annual report 2020

The Annual General Meeting adopted the
annual report on 20.05.2021

Kasper Heine

Chairman of the General Meeting

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Entity details

Entity

Too Good To Go ApS

Landskronagade 66

2100 Copenhagen Ø

CVR No.: 37561304

Registered office: Copenhagen Ø

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Preben Damgaard Nielsen, Chairman

Mette Lykke Ravn

Jannik Kruse Petersen

Jesper Lindhardt

Theis Regner Riber Søndergaard

Executive Board

Mette Lykke Ravn

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Too Good To Go ApS for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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 Ø, 22.03.2021

Executive Board

Mette Lykke Ravn

Board of Directors

Preben Damgaard Nielsen
Chairman

Mette Lykke Ravn

Jannik Kruse Petersen

Jesper Lindhardt

Theis Regner Riber Søndergaard

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 22.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Mads Juul Hansen

State Authorised Public Accountant
Identification No (MNE) mne44386

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Gross profit/loss	(59,145)	8,548	(3,653)	(10,255)	(1,779)
Operating profit/loss	(147,366)	(51,004)	(31,160)	(20,734)	(1,779)
Net financials	555	347	(77)	(271)	(22)
Profit/loss for the year	(144,172)	(48,576)	(29,776)	(20,555)	(1,405)
Total assets	239,599	118,216	47,699	26,851	1,041
Equity	78,749	22,920	16,497	2,148	(1,355)
Average number of employees	171	124	49	24	0
Ratios					
Equity ratio (%)	32.87	19.39	34.59	8.00	(130.16)

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

Equity ratio (%):

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

Total assets

Primary activities

Too Good To Go is a social impact company fighting food waste through a marketplace for surplus food. The mobile app connects our users with unsold food from a variety of shops and restaurants. The stores can sell food which would otherwise have gone to waste that day, and the consumer purchases a good meal at a discounted price. In this way we reduce food waste and directly address the impact it has on the environment and the climate crisis.

The mission of the company is to inspire and empower everyone to fight food waste together. To this end, the Movement team initiates projects and builds partnerships with businesses, households, schools, and governments, to create real change in the way we legislate against, educate about and practice reduction in food waste. Too Good To Go works with EU organisations, schools across Europe and international producers and wholesalers.

Development in activities and finances

The loss before tax for 2020 was DKK 147 million. This loss is bigger than in earlier years and bigger than expected before the outbreak of the coronavirus (COVID-19). This loss is a result of the decline in revenue after the outbreak while we still have invested significantly in existing and new markets. While a lot of our partners in the restaurant segment were forced to close in the spring then we invested in other segments like supermarkets and manufactures.

For that reason we were even stronger when everything opened up during summer and our meals saved per day didn't drop significantly when everything closed down at the end of 2020. Overall the group managed to save 28.5 million meals in 2020 (compared to 19 million meals in 2019).

At the start of 2020 our apps were live in 13 countries (Austria, Belgium, Switzerland, Germany, Denmark, Spain, France, Italy, Netherlands, Norway, Poland, Portugal and the UK). During 2020 we have increased our activities in these countries. Furthermore, we have in 2020 launched the app in Sweden and in 3 states in the US.

At the end of 2020 the cash position was DKK 65 million. During 2020 we received DKK 200 million in group contribution from the holding company. After deduction of the loss for the year, equity is DKK 78 million.

Profit/loss for the year in relation to expected developments

We expected to double the number of meals saved for 2020 compared to 2019. The outbreak of covid-19 forced a lot of our partners in different countries to close for longer periods of 2020. We saw an immediate drop in spring 2020. Since mid-April 2020 we saw a continuous increase in the number of meals saved per day and ended the year with an increase of 50% in the number of saved meals.

Unusual circumstances affecting recognition and measurement

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

Outlook

We expect to more than double the number of meals saved and our revenue in 2021 compared to 2020. In the first half of 2021, we plan to expand our activities to several new states in the US and to Canada. In the second half of 2021 we will continue our expansions in the US, Canada and in new countries in Europe. At the same time we will continue our investments in Europe in our existing markets.

To support the accelerated growth and launch in new states in the US and in other new countries, investments in marketing and employees will continue increasing. Even though we currently see material restrictions in a lot of our markets we still continue to grow and have reached all-time highs in the beginning of 2021. For that reason and with the current level of restrictions, we expect a continued growth, however, still reduced growth rates from restrictions. More and more of the old markets become profitable and cover some of the investments in product and new markets. With the current level of investment, the loss of 2021 is expected to be higher than the loss in 2020.

We have the required cash to support the planned level of activities.

Particular risks

Here in the beginning of 2021 we still see restrictions due to the outbreak of the coronavirus (COVID-19). But even though this still causes a lot of uncertainty to business all over the world we now see solid growth in our activities and to meals saved per day. So even though the pandemic still has significant impact on our operations, results and cash flows, the management does not believe that these events necessitate any adjustment to its financial statements for the year ended 31 December 2020.

Other risks identified is our currency risk. Payments from consumers are received within a few days in local currencies and paid back to the stores in the same currency. We buy the necessary currencies when needed for investment in new countries and convert any excess currency to DKK. This way we keep our credit and currency risk very low. No further material risks have been identified.

Intellectual capital resources

We have continued the focus on adding knowledge capabilities by recruiting more competent and experienced candidates to strengthen knowledge and competences in Too Good To Go.

Too Good To Go is under exponential growth which means that roles and job descriptions are changing all the time and responsibilities and decision making is growing. This requires knowledge and insight, which is obtained through internal training and through close collaboration with partners, customers and colleagues, who all contribute with their knowledge and experience within a lot of different areas and in different places in the value chain.

Environmental performance

One third of the world's food produced for human consumption goes to waste. Reducing food waste is the single most impactful action an individual can take to fight the climate crisis, according to Project Drawdown, and so our mission is to inspire and empower everyone to fight food waste together. We know that to live and breathe this, words must become actions. With this in mind we have set out a new ambition - to contribute in every way we can to building the global food waste movement. It's only when we all come together to fight food waste, that we'll be able to generate a positive change in society.

In 2020 we saved 28.5 million meals from going to waste. This is equal to 72 million kilos of CO₂e saved. In 2019 the number was 19 million meals, equivalent to 48 million kilos of CO₂e saved.

Research and development activities

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

In 2020 we invested almost DKK 15 million in our systems, which make the investment in our systems total DKK 35 million.

Foreign branches

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

Events after the balance sheet date

The outbreak of coronavirus still leads to several precautions that will affect the planning and execution of day-to-day operations, and the company's suppliers, business partners and customers may be affected as well. However we evaluate the situation from day to day, and adapt where needed.

Other than that, no material events have occurred after the balance sheet date to this date, which would influence the annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss	1	(59,144,874)	8,547,886
Staff costs	2	(79,656,903)	(54,548,926)
Depreciation, amortisation and impairment losses	3	(8,564,437)	(5,002,620)
Operating profit/loss		(147,366,214)	(51,003,660)
Other financial income		713,630	421,534
Other financial expenses	4	(159,008)	(74,495)
Profit/loss before tax		(146,811,592)	(50,656,621)
Tax on profit/loss for the year	5	2,639,869	2,080,527
Profit/loss for the year	6	(144,171,723)	(48,576,094)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	8	18,512,585	12,157,891
Acquired intangible assets		1,179,432	0
Development projects in progress	8	447,270	0
Intangible assets	7	20,139,287	12,157,891
Other fixtures and fittings, tools and equipment		809,950	439,223
Leasehold improvements		568,002	641,866
Property, plant and equipment	9	1,377,952	1,081,089
Deposits		2,251,233	2,631,637
Other financial assets	10	2,251,233	2,631,637
Fixed assets		23,768,472	15,870,617
Manufactured goods and goods for resale		618,874	1,229,008
Inventories		618,874	1,229,008
Trade receivables		7,086,443	6,137,714
Receivables from group enterprises		135,682,989	14,095,194
Other receivables		795,067	1,306,326
Tax receivable		3,109,555	2,163,864
Prepayments	11	3,701,078	2,194,131
Receivables		150,375,132	25,897,229
Cash		64,836,632	75,218,785
Current assets		215,830,638	102,345,022
Assets		239,599,110	118,215,639

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		51,000	51,000
Reserve for development expenditure		14,604,696	9,483,155
Retained earnings		64,093,025	13,386,289
Equity		78,748,721	22,920,444
Other payables		0	1,696,746
Non-current liabilities other than provisions		0	1,696,746
Trade payables		121,709,203	84,493,566
Payables to group enterprises		15,788,280	2,667,106
Other payables		23,352,906	6,437,777
Current liabilities other than provisions		160,850,389	93,598,449
Liabilities other than provisions		160,850,389	95,295,195
Equity and liabilities		239,599,110	118,215,639
Contingent liabilities	12		
Related parties with controlling interest	13		
Non-arm's length related party transactions	14		
Group relations	15		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	51,000	9,483,155	13,386,289	22,920,444
Group contributions etc	0	0	200,000,000	200,000,000
Transfer to reserves	0	5,121,541	(5,121,541)	0
Profit/loss for the year	0	0	(144,171,723)	(144,171,723)
Equity end of year	51,000	14,604,696	64,093,025	78,748,721

Notes

1 Gross profit/loss

Due to Covid-19 the company has been entitled to receive cost reimbursement of DKK 9,207k. The amount is included in other operating income.

2 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	85,276,022	60,065,658
Pension costs	935,520	388,802
Other social security costs	4,784,389	2,775,716
	90,995,931	63,230,176
Staff costs classified as assets	(11,339,028)	(8,681,250)
	79,656,903	54,548,926
Average number of full-time employees	171	124

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

3 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	8,132,758	4,889,087
Depreciation of property, plant and equipment	431,679	113,533
	8,564,437	5,002,620

4 Other financial expenses

	2020 DKK	2019 DKK
Other interest expenses	159,008	74,495
	159,008	74,495

5 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(2,810,521)	(2,080,527)
Adjustment concerning previous years	170,652	0
	(2,639,869)	(2,080,527)

6 Proposed distribution of profit and loss

	2020 DKK	2019 DKK
Retained earnings	(144,171,723)	(48,576,094)
	(144,171,723)	(48,576,094)

7 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	20,686,849	0	0
Additions	14,251,566	1,415,318	447,270
Cost end of year	34,938,415	1,415,318	447,270
Amortisation and impairment losses beginning of year	(8,528,958)	0	0
Amortisation for the year	(7,896,872)	(235,886)	0
Amortisation and impairment losses end of year	(16,425,830)	(235,886)	0
Carrying amount end of year	18,512,585	1,179,432	447,270

8 Development projects

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

The carrying amount is DKK 18,960k at 31.12.2020. The platform is expected to bring significant competitive advantages and thus a significant increase in the level of activity and profit for the company.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	531,909	662,713
Additions	618,601	109,941
Cost end of year	1,150,510	772,654
Depreciation and impairment losses beginning of year	(92,686)	(20,847)
Depreciation for the year	(247,874)	(183,805)
Depreciation and impairment losses end of year	(340,560)	(204,652)
Carrying amount end of year	809,950	568,002

10 Financial assets

	Deposits DKK
Cost beginning of year	2,631,637
Disposals	(380,404)
Cost end of year	2,251,233
Carrying amount end of year	2,251,233

11 Prepayments

Prepayments are amounts paid for the company in advance of goods and services.

12 Contingent liabilities

	2020 DKK	2019 DKK
Other contingent liabilities	7,632,921	10,907,540
Contingent liabilities	7,632,921	10,907,540

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.

13 Related parties with controlling interest

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

14 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

15 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 prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are presented below.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

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

Other operating income

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

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.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

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

Depreciation, amortisation and impairment losses

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

Other financial income

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

Other financial expenses

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

Tax on profit/loss for the year

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

Balance sheet

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

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

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

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

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:

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.

Inventories

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

Cost consists of purchase price plus delivery costs.

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

Receivables

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

Income tax payable or receivable

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

Prepayments

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

Cash

Cash comprises of bank deposits.

Other financial liabilities

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

Cash flow statement

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