Too Good To Go ApS

Landskronagade 66
2100 Copenhagen Ø
CVR No. 37561304

Annual report 2021

The Annual General Meeting adopted the annual report on 23.06.2022

Kasper Heine
Chairman of the General Meeting

Contents

Entity details

Entity

Too Good To Go ApS

Landskronagade 66

2100 Copenhagen Ø

Business Registration No.: 37561304

Registered office: Copenhagen Ø

Financial year: 01.01.2021 - 31.12.2021

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

Lead Client Service Partner : Bjørn Winkler Jakobsen

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 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 13.06.2022

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 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 13.06.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Niels Skannerup Vendelbo
State Authorised Public Accountant
Identification No (MNE) mne34532

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	(240,198)	(59,145)	8,548	(3,653)	(10,255)
Operating profit/loss	(352,998)	(147,366)	(51,004)	(31,160)	(20,734)
Net financials	3,745	555	347	(77)	(271)
Profit/loss for the year	(347,341)	(144,172)	(48,576)	(29,776)	(20,555)
Total assets	281,992	239,599	118,216	47,699	26,851
Equity	31,408	78,749	22,920	16,497	2,148
Average number of employees	231	171	124	49	24
Ratios					
Equity ratio (%)	11.14	32.87	19.39	34.59	8.00

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

Equity ratio (%):
Equity * 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 2021 was DKK 347 million (DKK 144 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 2021. Overall we managed to save 47.6 million meals in 2021 (compared to 23.5 million meals in 2020).

At the start of 2021 our apps were live in 15 countries (Austria, Belgium, Switzerland, Germany, Denmark, Spain, France, Italy, Netherlands, Norway, Poland, Portugal, Sweden, UK and US). During 2021 we have increased our activities in these countries. Furthermore, we have in 2021 launched the app in Canada and Ireland.

At the end of 2021 the cash position was DKK 104 million. During 2021 we received DKK 300 million in group contribution from the holding company. After deduction of the loss for the year, equity is DKK 31 million.

Profit/loss for the year in relation to expected developments

For 2021 we expected to have a higher the number of meals saved (57.2 million). The continued outbreak of COVID-19 forced a lot of our partners in different countries to close for longer periods of 2021. It caused a slower growth than expected and the growth ended up being 83.2% for 2021.

Unusual circumstances affecting recognition and measurement

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

Outlook

For 2022 we expect to continue growing the number of meals saved and our revenue. The focus for 2022 will be on "efficient growth"; meaning growing our volumes and revenue while having a particular focus on unit economics and path to profitability. We do not expect to launch new countries during 2022 and hence will focus all resources on our existing markets. Several of our more mature markets were profitable in 2021 and our expectation is to reach group profitability by the end of 2022.

We still expect a loss for 2022 but at a lower level than in 2021.

The annual report is prepared under the going concern assumptions as the required cash and loan facilities are in place to operate the group to become profitable despite a negative equity at year-end. With the available cash and loan facilities the group has sufficient liquidity to operate the business in 2022 and beyond.

Knowledge resources

Too Good To Go is growing fast, which means that we see a constant need to upgrade capabilities across the organisation. In 2021 we have been upgrading in key areas, strengthening the knowledgebase and seniority level in order to continue the transition from startup to scaleup. At the same time we have a key focus on learning and development, ensuring that we can attract and retain talent for the future.

Environmental performance

Almost 40% of 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. 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 2021 we saved 47.6 million meals from going to waste. This is equal to 119 million kilos of CO2e saved. In 2020 the number was 23.5 million meals, equivalent to 59 million kilos of CO2e saved.

In 2021 we became Carbon Neutral as a group by offsetting the emissions in 2020. We have worked together with Planetly and our Impact report can be found on: https://toogoodtogo.org/en/download/impactreport2021

Research and development activities

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

In 2021 we invested more than DKK 11 million in our platforms, which make the investment in our systems total DKK 47 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

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

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		**(240,198)**	**(59,145)**
Staff costs	2	(100,420)	(79,657)
Depreciation, amortisation and impairment losses		(12,380)	(8,565)
Operating profit/loss		**(352,998)**	**(147,367)**
Other financial income		4,099	714
Other financial expenses		(354)	(159)
Profit/loss before tax		**(349,253)**	**(146,812)**
Tax on profit/loss for the year	3	1,912	2,640
Profit/loss for the year	4	**(347,341)**	**(144,172)**

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Completed development projects	6	16,681	18,513
Acquired intangible assets		707	1,179
Development projects in progress	6	2,272	447
Intangible assets	5	**19,660**	**20,139**
Other fixtures and fittings, tools and equipment		1,143	810
Leasehold improvements		693	568
Property, plant and equipment	7	**1,836**	**1,378**
Deposits		2,492	2,251
Financial assets	8	**2,492**	**2,251**
Fixed assets		**23,988**	**23,768**
Manufactured goods and goods for resale		744	619
Inventories		**744**	**619**
Trade receivables		12,386	7,086
Receivables from group enterprises		127,307	135,683
Other receivables		4,260	795
Tax receivable		2,252	3,110
Prepayments	9	6,630	3,701
Receivables		**152,835**	**150,375**
Cash		**104,425**	**64,837**
Current assets		**258,004**	**215,831**
Assets		**281,992**	**239,599**

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		51	51
Reserve for development expenditure		14,785	14,605
Retained earnings		16,572	64,093
Equity		**31,408**	**78,749**
Trade payables		204,085	121,709
Payables to group enterprises		30,023	15,788
Other payables		16,476	23,353
Current liabilities other than provisions		**250,584**	**160,850**
Liabilities other than provisions		**250,584**	**160,850**
Equity and liabilities		**281,992**	**239,599**
Going concern	1		
Contingent assets	10		
Contingent liabilities	11		
Related parties with controlling interest	12		
Non-arm's length related party transactions	13		
Group relations	14		

Statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	51	14,605	64,093	78,749
Group contributions etc	0	0	300,000	300,000
Transfer to reserves	0	180	(180)	0
Profit/loss for the year	0	0	(347,341)	(347,341)
Equity end of year	**51**	**14,785**	**16,572**	**31,408**

Notes

1 Going concern

The annual report is prepared under the going concern assumptions as the required cash and loan facilities are in place to operate the company to become profitable. With the available cash and loan facilities the company has sufficient liquidity to operate the business in 2022 and beyond. A support letter has been provided to Too Good To Go ApS from the parent company, Too Good To Go Holding ApS.

2 Staff costs

	2021 DKK'000	**2020 DKK'000**
Wages and salaries	103,986	85,276
Pension costs	1,464	936
Other social security costs	6,147	4,784
	111,597	**90,996**
Staff costs classified as assets	(11,177)	(11,339)
	100,420	**79,657**
Average number of full-time employees	**231**	**171**

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

3 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	(1,921)	(2,811)
Adjustment concerning previous years	9	171
	(1,912)	**(2,640)**

4 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Retained earnings	(347,341)	(144,172)
	(347,341)	**(144,172)**

5 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Development projects in progress DKK'000
Cost beginning of year	34,938	1,415	447
Transfers	447	0	(447)
Additions	8,904	0	2,272
Cost end of year	**44,289**	**1,415**	**2,272**
Amortisation and impairment losses beginning of year	(16,426)	(236)	0
Amortisation for the year	(11,182)	(472)	0
Amortisation and impairment losses end of year	**(27,608)**	**(708)**	**0**
Carrying amount end of year	**16,681**	**707**	**2,272**

6 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 of completed and in progress development projects is DKK 19 million at 31.12.2021 (compared to DKK 19 million 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.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	1,151	773
Additions	838	345
Cost end of year	**1,989**	**1,118**
Depreciation and impairment losses beginning of year	(341)	(205)
Depreciation for the year	(505)	(220)
Depreciation and impairment losses end of year	**(846)**	**(425)**
Carrying amount end of year	**1,143**	**693**

8 Financial assets

	Deposits DKK'000
Cost beginning of year	2,251
Additions	519
Disposals	(278)
Cost end of year	**2,492**
Carrying amount end of year	**2,492**

9 Prepayments

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

10 Contingent assets

The group has a non-recognised deferred tax asset of DKK 128 million at 31.12.2021 (compared to DKK XX million at 31.12.2020) primarily related to tax losses to be carried forward. Due to uncertainties in future earnings the Company has determined not to recognise the deferred tax asset.

11 Contingent liabilities

	2021 DKK'000	2020 DKK'000
Other contingent liabilities	11,202	7,633
Contingent liabilities	**11,202**	**7,633**

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.

12 Related parties with controlling interest

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

13 Non-arm’s length related party transactions

Only related party transactions not conducted on an arm’s length basis are disclosed in the annual report. A tax -free group contribution of DKK 300 million was provided in 2021. Other than the group contribution, no other transactions have been conducted in the financial year that were not performed on arm's length.

14 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, cost of sales and external expenses. The Company has chosen to present gross profit or loss in accordance with § 32 of the Danish Financial Statements Act.

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.

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

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

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

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

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

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

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

Balance sheet

Intangible assets

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

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

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

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

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

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

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

Property, plant and equipment

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

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

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

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.

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

Cash flow statement

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