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DONKEYREPUBLIC ApS
Njalsgade 23 C, 3. th.
2300 København S
Central Business Registration
No 35678263

Annual report 2017

The Annual General Meeting adopted the annual report on 02.02.2018

Chairman of the General Meeting

____
Name: Rune Thorenfeldt Kokholm

Contents

Entity details

Entity
DONKEYREPUBLIC ApS
Njalsgade 23 C, 3. th.
2300 København S

Central Business Registration No (CVR): 35678263
Registered in: København
Financial year: 01.01.2017 - 31.12.2017

Board of Directors
Claus Moseholm
Charles Ehredt
Jesper Lilledal Holmgaard
Jens Kjærby Frandsen
Erdem Ovacik

Executive Board
Erdem Ovacik
Rune Thorenfeldt Kokholm

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of DONKEYREPUBLIC ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 02.02.2018

Executive Board

Erdem Ovacik	Rune Thorenfeldt Kokholm

Board of Directors

Claus Moseholm	Charles Ehredt	Jesper Lilledal Holmgaard
Jens Kjærby Frandsen	Erdem Ovacik	

Independent auditor's report

To the shareholders of DONKEYREPUBLIC ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of DONKEYREPUBLIC ApS for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2017, and of the results of their operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board 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.

Material uncertainty related to going concern

We refer to note 1 in the consolidated financial statements and the parent financial statements, which show that the Group and the parent's ability to continue as a going concern, are dependent on obtaining further financing and management expects that sufficient financing can be achieved through the inclusion of a new investor, as well as through a loan from a financial institution to cover investments to be made into new bicycles. At the time of the presentation of the financial statements, no formal agreements have been made, but management expects that sufficient financing can be obtained, and have therefore presented the financial statements under the assumption that the Group and the parent is a going concern. As stated in note 1, this indicates that there is a material uncertainty related to the Group and the parent's ability to continue as a going concern. Our audit opinion have not been qualified as a result of this uncertainty.

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

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing

Independent auditor's report

the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

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

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

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

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

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

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

Independent auditor's report

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary
Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 02.02.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Bjørn Winkler Jakobsen
State Authorised Public Accountant
Identification No (MNE) 32127

Management commentary

Primary activities
The primary activity of the Group is development and sales of electronic bike locks etc., rental of bikes and other related activities.

Development in activities and finances
The consolidated income statement shows a loss of DKK 10.526k and the balance sheet shows equity of DKK 1.829k.

Going concern
The Group is planning to continue its focus on growth during 2018, and plans to invest heavily in bicycles and software development in order to facilitate these plans. The Group's ability to continue as a going concern is therefore dependent on obtaining further financing and management expects that sufficient financing can be achieved through the inclusion of a new investor, as well as through a loan from a financial institution to cover investments to be made into new bicycles. At present time, no formal agreements have been made with either a new investor or financial institutions. Management expects that sufficient financing can be obtained, and have therefore presented the finacial statements under the assumption that the Group is a going concern. However, as stated, there is a material uncertainty relating to the Group's ability to continue as a going concern.

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

Consolidated income statement for 2017

	Notes	2017 DKK	2016 DKK'000
Gross loss		**(3.176.383)**	**(127)**
Staff costs	2	(5.151.421)	(1.689)
Depreciation, amortisation and impairment losses		(2.163.263)	(748)
Operating profit/loss		**(10.491.067)**	**(2.564)**
Other financial income		30.762	1
Other financial expenses		(564.889)	(35)
Profit/loss before tax		**(11.025.194)**	**(2.598)**
Tax on profit/loss for the year		499.312	656
Profit/loss for the year		**(10.525.882)**	**(1.942)**
Proposed distribution of profit/loss			
Retained earnings		(10.525.882)	(1.942)
		(10.525.882)	**(1.942)**

Consolidated balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Completed development projects		5.230.473	3.478
Intangible assets	3	**5.230.473**	**3.478**
Other fixtures and fittings, tools and equipment		2.252.123	2.603
Leasehold improvements		36.066	46
Property, plant and equipment	4	**2.288.189**	**2.649**
Other receivables		179.200	224
Fixed asset investments	5	**179.200**	**224**
Fixed assets		**7.697.862**	**6.351**
Manufactured goods and goods for resale		842.345	660
Prepayments for goods		3.255.877	0
Inventories		**4.098.222**	**660**
Trade receivables		3.085.738	567
Deferred tax		0	109
Other receivables		180.875	243
Income tax receivable		608.725	608
Prepayments		7.696	0
Receivables		**3.883.034**	**1.527**
Cash		**1.120.378**	**1.121**
Current assets		**9.101.634**	**3.308**
Assets		**16.799.496**	**9.659**

Consolidated balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Contributed capital		125.287	114
Reserve for development expenditure		3.581.867	2.085
Retained earnings		(1.877.710)	6.306
Equity		**1.829.444**	**8.505**
Convertible and dividend-yielding debt instruments		6.100.792	0
Non-current liabilities other than provisions		**6.100.792**	**0**
Convertible and dividend-yielding debt instruments		5.229.739	0
Prepayments received from customers		74.297	0
Trade payables		1.325.610	342
Payables to shareholders and management		219.573	220
Other payables		1.152.234	592
Deferred income	6	867.807	0
Current liabilities other than provisions		**8.869.260**	**1.154**
Liabilities other than provisions		**14.970.052**	**1.154**
Equity and liabilities		**16.799.496**	**9.659**
Going concern	1		
Unrecognised rental and lease commitments	7		
Contingent assets	8		
Subsidiaries	9		

Consolidated statement of changes in equity for 2017

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	114.030	2.085.294	6.305.996	8.505.320
Increase of capital	11.257	0	3.838.749	3.850.006
Profit/loss for the year	0	1.496.573	(12.022.455)	(10.525.882)
Equity end of year	**125.287**	**3.581.867**	**(1.877.710)**	**1.829.444**

Notes to consolidated financial statements

1. Going concern

The Group is planning to continue its focus on growth during 2018, and plans to invest heavily in bicycles and software development in order to facilitate these plans. The Group's ability to continue as a going concern is therefore dependent on obtaining further financing and management expects that sufficient financing can be achieved through the inclusion of a new investor, as well as through a loan from a financial institution to cover investments to be made into new bicycles. At present time, no formal agreements have been made with either a new investor or financial institutions. Management expects that sufficient financing can be obtained, and have therefore presented the finacial statements under the assumption that the Group is a going concern. However, as stated, there is a material uncertainty relating to the Group's ability to continue as a going concern.

	2017 DKK	2016 DKK'000
2. Staff costs		
Wages and salaries	4.306.859	1.626
Other social security costs	166.238	63
Other staff costs	678.324	0
	5.151.421	**1.689**
Average number of employees	**17**	

	Completed develop-ment projects DKK
3. Intangible assets	
Cost beginning of year	3.598.225
Additions	2.766.928
Cost end of year	**6.365.153**
Amortisation and impairment losses beginning of year	(119.941)
Amortisation for the year	(1.014.739)
Amortisation and impairment losses end of year	**(1.134.680)**
Carrying amount end of year	**5.230.473**

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
4. Property, plant and equipment		
Cost beginning of year	3.267.582	49.181
Additions	1.003.872	0
Disposals	(215.164)	0
Cost end of year	**4.056.290**	**49.181**
Depreciation and impairment losses beginning of year	(665.479)	(3.279)
Depreciation for the year	(1.138.688)	(9.836)
Depreciation and impairment losses end of year	**(1.804.167)**	**(13.115)**
Carrying amount end of year	**2.252.123**	**36.066**

	Other receivables DKK
5. Fixed asset investments	
Cost beginning of year	224.000
Additions	11.200
Disposals	(56.000)
Cost end of year	**179.200**
Carrying amount end of year	**179.200**

6. Short-term deferred income

Deferred income relates to grants received in relation to development projects, which are recognized in the income statement over the relevant assets' depreciation period.

7. Unrecognised rental and lease commitments

The Group has liabilities under rental agreements at 31 December 2017 at a total amount of DKK 134.000 compared to DKK 369.900 at 31 December 2016.

8. Contingent assets

The Group has an unrecognized deferred tax asset of DKK 2.306k.

Notes to consolidated financial statements

	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
9. Subsidiaries					
Donkey Finance ApS	København	ApS	100,0	(828.095)	(878.095)

Parent income statement for 2017

	Notes	2017 DKK	2016 DKK'000
Gross loss		**(2.435.887)**	**167**
Staff costs	2	(5.151.421)	(1.982)
Depreciation, amortisation and impairment losses		(2.163.263)	(747)
Operating profit/loss		**(9.750.571)**	**(2.562)**
Other financial income		185.348	1
Other financial expenses		(547.301)	(36)
Profit/loss before tax		**(10.112.524)**	**(2.597)**
Tax on profit/loss for the year		464.737	655
Profit/loss for the year		**(9.647.787)**	**(1.942)**
Proposed distribution of profit/loss			
Retained earnings		(9.647.787)	(1.942)
		(9.647.787)	**(1.942)**

Parent balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Completed development projects		5.230.473	3.478
Intangible assets	3	**5.230.473**	**3.478**
Other fixtures and fittings, tools and equipment		2.252.123	2.603
Leasehold improvements		36.066	46
Property, plant and equipment	4	**2.288.189**	**2.649**
Investments in group enterprises		50.000	0
Other receivables		179.200	224
Fixed asset investments	5	**229.200**	**224**
Fixed assets		**7.747.862**	**6.351**
Manufactured goods and goods for resale		28.189	661
Inventories		**28.189**	**661**
Trade receivables		145.352	567
Receivables from group enterprises		7.160.391	0
Deferred tax		0	109
Other receivables		180.875	243
Income tax receivable		574.150	608
Prepayments		7.696	0
Receivables		**8.068.464**	**1.527**
Cash		**944.090**	**1.122**
Current assets		**9.040.743**	**3.310**
Assets		**16.788.605**	**9.661**

Parent balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Contributed capital	6	125.287	114
Reserve for development expenditure		3.581.867	2.085
Retained earnings		(999.615)	6.306
Equity		**2.707.539**	**8.505**
Convertible and dividend-yielding debt instruments		6.100.792	0
Non-current liabilities other than provisions		**6.100.792**	**0**
Convertible and dividend-yielding debt instruments		5.229.739	0
Trade payables		647.769	342
Payables to shareholders and management		219.573	219
Other payables		1.015.386	595
Deferred income	7	867.807	0
Current liabilities other than provisions		**7.980.274**	**1.156**
Liabilities other than provisions		**14.081.066**	**1.156**
Equity and liabilities		**16.788.605**	**9.661**

Going concern	1
Unrecognised rental and lease commitments	8
Contingent assets	9
Contingent liabilities	10

Parent statement of changes in equity for 2017

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	114.030	2.085.294	6.305.996	8.505.320
Increase of capital	11.257	0	3.838.749	3.850.006
Profit/loss for the year	0	1.496.573	(11.144.360)	(9.647.787)
Equity end of year	**125.287**	**3.581.867**	**(999.615)**	**2.707.539**

Notes to parent financial statements

1. Going concern

The Company and the Entity is planning to continue its focus on growth during 2018, and plans to invest heavily in bicycles and software development in order to facilitate these plans. The Company and the Group's ability to continue as a going concern is therefore dependent on obtaining further financing and management expects that sufficient financing can be achieved through the inclusion of a new investor, as well as through a loan from a financial institution to cover investments to be made into new bicycles. At present time, no formal agreements have been made with either a new investor or financial institutions. Management expects that sufficient financing can be obtained, and have therefore presented the finacial statements under the assumption that the Company and the Group is a going concern. However, as stated, there is a material uncertainty relating to the Group's, and therefore the Company's, ability to continue as a going concern.

	2017 DKK	**2016 DKK'000**
2. Staff costs		
Wages and salaries	4.306.859	1.667
Other social security costs	166.238	63
Other staff costs	678.324	252
	5.151.421	**1.982**
Average number of employees	**17**	

	Completed development projects DKK
3. Intangible assets	
Cost beginning of year	3.598.225
Additions	2.766.928
Cost end of year	**6.365.153**
Amortisation and impairment losses beginning of year	(119.941)
Amortisation for the year	(1.014.739)
Amortisation and impairment losses end of year	**(1.134.680)**
Carrying amount end of year	**5.230.473**

Notes to parent financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
4. Property, plant and equipment		
Cost beginning of year	3.267.582	49.181
Additions	1.003.872	0
Disposals	(215.164)	0
Cost end of year	**4.056.290**	**49.181**
Depreciation and impairment losses beginning of year	(665.479)	(3.279)
Depreciation for the year	(1.138.688)	(9.836)
Depreciation and impairment losses end of year	**(1.804.167)**	**(13.115)**
Carrying amount end of year	**2.252.123**	**36.066**

	Investments in group enterprises DKK	Other receivables DKK
5. Fixed asset investments		
Cost beginning of year	0	224.000
Additions	50.000	11.200
Disposals	0	(56.000)
Cost end of year	**50.000**	**179.200**
Carrying amount end of year	**50.000**	**179.200**

Specification of investments in group enterprises is shown in the notes for the consolidated statements.

	Number	Par value DKK	Nominal value DKK
6. Contributed capital			
A-shares	80.500	1	80.500
B-shares	44.787	1	44.787
	125.287		**125.287**

Contributed capital for the financial year 2017 amounts to 11.257 nominally.

Notes to parent financial statements

The Entity has established a warrant program for its employees. Total comitted and planned warrants amount to nominal shares of 8.988 with a further 3.041 nominal shares available warrants. The warrants allow employees the option to purchase shares at a fixed price. The vesting period is different from employee to employee but is generally 12, 24 and 36 months. The excercise price is set at DKK 341.

7. Deferred income

Deferred income relates to grants received in relation to development projects, which are recognized in the income statement over the relevant assets' depreciation period.

8. Unrecognised rental and lease commitments

The Entity has liabilities under rental agreements at 31 December 2017 at a total amount of DKK 134.000 compared to DKK 369.900 at 31 December 2016.

9. Contingent assets

The Entity has an unrecognized deferred tax asset of DKK 2.140k.

10. Contingent liabilities

The Entity serves as an administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

This is the first financial year where consolidated statements are presented. The accounting policies applied to the parent financial statements are consistent with those applied 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.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Accounting policies

Income statement

Gross profit or loss

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

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. 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. This item also includes writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

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

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital 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 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.

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 amortisation period is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Development projects relate directly to the Group’s core product, which is its platform for enabling end-users to rent bikes from bike owners. The ongoing improvement and renewal of the Group’s product is an important factor in the realization of the Group’s potential and plans for growth.

Property, plant and equipment

Plant and machinery as well as 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.

Accounting policies

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:

Plant and machinery	3 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

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

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

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.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, 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.

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated 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.

Accounting policies

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

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

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.