

DonkeyRepublic Holding ApS

Njalsgade 21 E, 5.
2300 København S
Central Business Registration
No 35678263

Annual report 2018

The Annual General Meeting adopted the annual report on 06.05.2019

Chairman of the General Meeting

Name: Rune Thorenfeldt Kokholm

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Entity details

Entity

DonkeyRepublic Holding ApS
Njalsgade 21 E, 5.
2300 København S

Central Business Registration No (CVR): 35678263
Registered in: Copenhagen
Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Caroline Søeborg Ahlefeldt-Laurvig-Bille, Chairman
Sascha Hausmann
Karl Erik Wenngren
Søren Grønborg Thorsen
Jesper Lilledal Holmgaard
Jens Kramer Mikkelsen
Claus Moseholm

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 Holding ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 06.05.2019

Executive Board

Erdem Ovacik

Rune Thorenfeldt Kokholm

Board of Directors

Caroline Søbørg Ahlefeldt-
Laurvig-Bille
Chairman

Sascha Hausmann

Karl Erik Wenngren

Søren Grønborg Thorsen

Jesper Lilledal Holmgaard

Jens Kramer Mikkelsen

Claus Moseholm

Independent auditor's report

To the shareholders of DonkeyRepublic Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of DonkeyRepublic Holding ApS for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018, and of the results of their operations for the financial year 01.01.2018 - 31.12.2018 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.

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 Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the 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 exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated

Independent auditor's report

financial statements and these 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 Parent'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 Parent'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.
- 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.

Independent auditor's report

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, 06.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Bjørn Winkler Jakobsen
State Authorised Public Accountant
Identification No (MNE) mne32127

Nikolaj Frausing Borch
State Authorised Public Accountant
Identification No (MNE) mne44062

Management commentary

Primary activities

The primary activity of the Group is development of software which enables the rental of bikes, to operate this software and to own the bikes being rented.

The primary activity of the parent company is to develop software which enables the rental of bikes and to act as a holding company.

Through the year, the Company has also acted as an agent and operator of this software. This activity is no longer present at year-end. As such, the Company's sole activity related to the development of the DonkeyRepublic App and software, which is being operated by the Group.

Development in activities and finances

The consolidated income statement shows a loss of DKK 7.545k and the balance sheet shows equity of DKK 5.768k.

The Group has received funding in the beginning of 2019 of DKK 29 million through capital increases and loans, which allows the Group to continue operating throughout 2019 and ensures the budgets prepared for 2019 can be realized.

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 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Gross profit		6.572.700	(3.176)
Staff costs	1	(7.050.599)	(5.151)
Depreciation, amortisation and impairment losses	2	(7.253.689)	(2.164)
Operating profit/loss		(7.731.588)	(10.491)
Other financial income	3	6.769	31
Other financial expenses	4	(1.273.353)	(566)
Profit/loss before tax		(8.998.172)	(11.026)
Tax on profit/loss for the year	5	1.452.733	500
Profit/loss for the year		(7.545.439)	(10.526)
Proposed distribution of profit/loss			
Retained earnings		(7.545.439)	(10.526)
		(7.545.439)	(10.526)

Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Completed development projects		6.274.730	5.230
Intangible assets	6	6.274.730	5.230
Other fixtures and fittings, tools and equipment		14.673.698	2.252
Leasehold improvements		41.845	36
Property, plant and equipment	7	14.715.543	2.288
Deposits		111.695	0
Other receivables		0	179
Fixed asset investments	8	111.695	179
Fixed assets		21.101.968	7.697
Manufactured goods and goods for resale		692.068	842
Prepayments for goods		2.285.299	3.256
Inventories		2.977.367	4.098
Trade receivables		526.131	3.085
Deferred tax		852.000	0
Other receivables		1.476.620	181
Income tax receivable		600.733	609
Prepayments		171.601	8
Receivables		3.627.085	3.883
Cash		2.579.070	1.120
Current assets		9.183.522	9.101
Assets		30.285.490	16.798

Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital		158.867	125
Reserve for development expenditure		4.638.866	3.582
Retained earnings		970.503	(1.876)
Equity		5.768.236	1.831
Convertible and dividend-yielding debt instruments		0	6.101
Other payables		5.446.096	0
Non-current liabilities other than provisions	9	5.446.096	6.101
Current portion of long-term liabilities other than provisions	9	1.891.766	0
Convertible and dividend-yielding debt instruments		12.181.708	5.230
Prepayments received from customers		0	72
Trade payables		2.074.851	1.326
Payables to shareholders and management		213.959	220
Other payables		1.623.445	1.150
Deferred income	10	1.085.429	868
Current liabilities other than provisions		19.071.158	8.866
Liabilities other than provisions		24.517.254	14.967
Equity and liabilities		30.285.490	16.798
Unrecognised rental and lease commitments	11		
Assets charged and collateral	12		
Subsidiaries	13		

Consolidated statement of changes in equity for 2018

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity beginning of year	125.287	3.581.867	(1.877.708)	1.829.446
Increase of capital	33.580	0	11.450.649	11.484.229
Profit/loss for the year	<u>0</u>	<u>1.056.999</u>	<u>(8.602.438)</u>	<u>(7.545.439)</u>
Equity end of year	<u>158.867</u>	<u>4.638.866</u>	<u>970.503</u>	<u>5.768.236</u>

Notes to consolidated financial statements

	2018 DKK	2017 DKK'000
1. Staff costs		
Wages and salaries	6.522.060	4.307
Other social security costs	119.750	166
Other staff costs	408.789	678
	7.050.599	5.151
Average number of employees	20	17
	2018 DKK	2017 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1.526.395	1.015
Depreciation of property, plant and equipment	3.901.299	1.149
Impairment losses on property, plant and equipment	1.517.802	0
Profit/loss from sale of intangible assets and property, plant and equipment	308.193	0
	7.253.689	2.164
	2018 DKK	2017 DKK'000
3. Other financial income		
Exchange rate adjustments	6.769	31
	6.769	31
	2018 DKK	2017 DKK'000
4. Other financial expenses		
Other interest expenses	1.232.793	519
Exchange rate adjustments	40.560	47
	1.273.353	566
	2018 DKK	2017 DKK'000
5. Tax on profit/loss for the year		
Current tax	(600.733)	(609)
Change in deferred tax	(852.000)	109
	(1.452.733)	(500)

Notes to consolidated financial statements

	Completed develop- ment projects DKK
6. Intangible assets	
Cost beginning of year	6.365.153
Additions	2.570.652
Cost end of year	8.935.805
Amortisation and impairment losses beginning of year	(1.134.680)
Amortisation for the year	(1.526.395)
Amortisation and impairment losses end of year	(2.661.075)
Carrying amount end of year	6.274.730

The Group's development projects relate to the development and improvement of the DonkeyRepublic platform and app. The platform is an important part in realizing the long-term growth strategy for the Group.

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
7. Property, plant and equipment		
Cost beginning of year	4.056.290	49.181
Additions	18.138.544	16.105
Disposals	(363.320)	0
Cost end of year	21.831.514	65.286
Depreciation and impairment losses beginning of year	(1.804.167)	(13.115)
Impairment losses for the year	(1.517.802)	(4.918)
Depreciation for the year	(3.890.974)	(5.408)
Reversal regarding disposals	55.127	0
Depreciation and impairment losses end of year	(7.157.816)	(23.441)
Carrying amount end of year	14.673.698	41.845

Notes to consolidated financial statements

	Deposits DKK	Other receivables DKK
8. Fixed asset investments		
Cost beginning of year	0	179.200
Additions	111.695	0
Disposals	0	(179.200)
Cost end of year	111.695	0
Carrying amount end of year	111.695	0

	Due within 12 months 2018 DKK	Due after more than 12 months 2018 DKK
9. Liabilities other than provisions		
Other payables	1.891.766	5.446.096
	1.891.766	5.446.096

10. 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.

	2018 DKK	2017 DKK'000
11. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	72.933	134

12. Assets charged and collateral

A floating charge of nominally DKK 7.500k has been provided for debt to Vækstfonden og DKK 7.338k. The floating charge provides collateral in property, plant and equipment with a total book value of DKK 14.688k. Furthermore, a negative pledge have been made in favor of Vækstfonden, which ensures that no other debtor can post a collateral in the same assets.

	Registered in	Corpo- rate form	Equity inte- rest %	Equity DKK	Profit/loss DKK
13. Subsidiaries					
DonkeyRepublic Bike ApS	Copenhagen	ApS	100,0	16.395.199	529.492
DonkeyRepublic Admin ApS	Copenhagen	ApS	100,0	(3.763.419)	(2.935.325)
Smart Cycles SLA	Barcelona	SLA	100,0	278.429	(79.588)

Parent income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Gross profit		1.186.789	(2.437)
Staff costs	1	(3.561.384)	(5.150)
Depreciation, amortisation and impairment losses	2	(2.653.351)	(2.164)
Operating profit/loss		(5.027.946)	(9.751)
Other financial income	3	228.974	185
Other financial expenses	4	(938.754)	(547)
Profit/loss before tax		(5.737.726)	(10.113)
Tax on profit/loss for the year	5	1.044.054	465
Profit/loss for the year		(4.693.672)	(9.648)
Proposed distribution of profit/loss			
Retained earnings		(4.693.672)	(9.648)
		(4.693.672)	(9.648)

Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Completed development projects		6.418.688	5.230
Intangible assets	6	6.418.688	5.230
Other fixtures and fittings, tools and equipment		0	2.252
Leasehold improvements		0	36
Property, plant and equipment	7	0	2.288
Investments in group enterprises		15.915.707	50
Other receivables		0	179
Fixed asset investments	8	15.915.707	229
Fixed assets		22.334.395	7.747
Manufactured goods and goods for resale		0	28
Inventories		0	28
Trade receivables		29.880	145
Receivables from group enterprises		4.046.866	7.160
Other receivables		806.399	181
Income tax receivable		1.044.054	574
Prepayments		39.431	8
Receivables		5.966.630	8.068
Cash		83.655	944
Current assets		6.050.285	9.040
Assets		28.384.680	16.787

Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital	9	158.867	125
Reserve for development expenditure		4.638.866	3.582
Retained earnings		4.700.364	(1.000)
Equity		9.498.097	2.707
Convertible and dividend-yielding debt instruments		0	6.101
Non-current liabilities other than provisions		0	6.101
Convertible and dividend-yielding debt instruments		12.181.708	5.230
Trade payables		407.797	648
Payables to group enterprises		4.903.581	0
Payables to shareholders and management		213.959	219
Other payables		94.109	1.014
Deferred income	10	1.085.429	868
Current liabilities other than provisions		18.886.583	7.979
Liabilities other than provisions		18.886.583	14.080
Equity and liabilities		28.384.680	16.787
Contingent liabilities	11		

Parent statement of changes in equity for 2018

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity beginning of year	125.287	3.581.867	(999.614)	2.707.540
Increase of capital	33.580	0	11.450.649	11.484.229
Profit/loss for the year	<u>0</u>	<u>1.056.999</u>	<u>(5.750.671)</u>	<u>(4.693.672)</u>
Equity end of year	<u>158.867</u>	<u>4.638.866</u>	<u>4.700.364</u>	<u>9.498.097</u>

Notes to parent financial statements

	2018 DKK	2017 DKK'000
1. Staff costs		
Wages and salaries	3.216.070	4.306
Other social security costs	103.132	166
Other staff costs	242.182	678
	3.561.384	5.150
Average number of employees	13	17
	2018 DKK	2017 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1.542.390	1.015
Depreciation of property, plant and equipment	1.450.225	1.149
Impairment losses on property, plant and equipment	133.458	0
Profit/loss from sale of intangible assets and property, plant and equipment	(472.722)	0
	2.653.351	2.164
	2018 DKK	2017 DKK'000
3. Other financial income		
Financial income arising from group enterprises	226.229	164
Exchange rate adjustments	2.745	21
	228.974	185
	2018 DKK	2017 DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	4.348	0
Other interest expenses	920.126	517
Exchange rate adjustments	14.280	30
	938.754	547
	2018 DKK	2017 DKK'000
5. Tax on profit/loss for the year		
Current tax	(1.044.054)	(574)
Change in deferred tax	0	109
	(1.044.054)	(465)

Notes to parent financial statements

	Completed development projects DKK
6. Intangible assets	
Cost beginning of year	6.365.153
Additions	2.730.605
Cost end of year	9.095.758
Amortisation and impairment losses beginning of year	(1.134.680)
Amortisation for the year	(1.542.390)
Amortisation and impairment losses end of year	(2.677.070)
Carrying amount end of year	6.418.688

The entity's development projects relate to the development and improvement of the DonkeyRepublic platform and app. The platform is an important part in realizing the long-term growth strategy for the entity and its subsidiaries.

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
7. Property, plant and equipment		
Cost beginning of year	4.056.290	49.181
Additions	14.667.338	15.615
Disposals	(18.723.628)	(64.796)
Cost end of year	0	0
Depreciation and impairment losses beginning of year	(1.804.167)	(13.115)
Impairment losses for the year	(133.458)	0
Depreciation for the year	(1.444.817)	(5.408)
Reversal regarding disposals	3.382.442	18.523
Depreciation and impairment losses end of year	0	0
Carrying amount end of year	0	0

Notes to parent financial statements

	Invest- ments in group enterprises DKK	Other receivables DKK
8. Fixed asset investments		
Cost beginning of year	50.000	179.200
Additions	15.865.707	0
Disposals	0	(179.200)
Cost end of year	15.915.707	0
Carrying amount end of year	15.915.707	0

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	Number	Par value DKK	Nominal value DKK
9. Contributed capital			
A-shares	80.500	1	80.500
B-shares	78.367	1	78.367
	158.867		158.867

Contributed capital for the financial year 2018 amounts to 33.580 nominally.

The Entity has established a warrant program for its employees. Total committed and planned warrants amount to nominal shares of 4.939 with a further 10.948 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 48 months. The exercise price is set at either DKK 1 (only for those who joined before July 2016) or DKK 342 per share.

10. 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.

11. Contingent liabilities

The Entity serves as the 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 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Notes to parent financial statements

The Company has issued letter of supports for its two subsidiaries, DonkeyRepublic Admin ApS and DonkeyRepublic Bike ApS, whereby it has undertaken the obligation to provide the necessary cash and capital to ensure that the subsidiaries will be able to continue operating.

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.

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

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

Subsidiaries' financial statement items are 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.

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.

Accounting policies

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

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, 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 dividend etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital 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.

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

Accounting policies

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 costs that are directly and indirectly 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.

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 measured at cost. Investments 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.

Accounting policies

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 the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

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.

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.