Annual Report 2023

ANNUAL REPORT
1 JANUARY 2023 - 31 DECEMBER 2023

Donkeyrepublic Holding A/S
Skelbækgade 4th floor
1717 Copenhagen, Denmark
CVR-nr. 35 67 82 63

Contents

Management Commentary

"We're building a solid operational foundation and making our finances rock-solid. Set for robust positive cash flow and continued strong growth, we are aligning ourselves for an optimal future. Our financial foresight extends to capitalizing on strategic opportunities, including dynamic project financing, to drive expansive market penetration and maximize investor value..

- Christian Dufft, CFO

Letter from the CEO

In the past year, Donkey Republic has made solid progress in executing its consolidated growth strategy by serving cities and its citizens to become the preferred partner in their green transition. The results echo our strong focus on the above by realizing revenues of DKK 115.2M (70% growth rate) while recording the first year of positive EBITDA in the history of the company. Going into 2024, we are pursuing the next profitability milestone - positive EBIT.

In 2023, the company demonstrated significant performance at both top and bottom line and realised revenues of DKK 115.2M (70% growth compared to 2022) and improved EBITDA by DKK 36.4M to positive EBITDA of DKK 9.5M. The Board of Directors and Management are satisfied with the positive revenue and EBITDA development.

Executing our strategy in 2023 was more concretely carried by our ability to navigate and balance growth and profitability. In 2023 we operated a fleet which was 49% larger than in 2022, while we kept a firm cost management focus to increase operational efficiencies, while ensuring to take advantage of commercial opportunities. This is part of executing on our path to profitability, why we in 2023 also closed operations in three cities, and moved the fleet to more profitable city operations.

During 2023 we also managed to grow our long term contracted operations, we did so by both signing a new long term contract with Hannover and signing an upsell contract in our existing operation in Schleswig-Holstein (KielRegion) - a fleet expansion that supports our growth and traction in the strategically important German market.

In 2024, we continue to focus on realising our consolidated growth strategy through long term contracts with cities, to pursue positive EBIT. I'm confident we will realise our ambitions with a strong and determined team working everyday to make an impact for the cities we serve and their citizens. Moreover, we will explore opportunities to potentially raise capital with the aim of further enhancing B2G growth through long term contracts with cities beyond 2024.

Realizing positive EBIT will be driven by our strategy which is built on three main pillars:

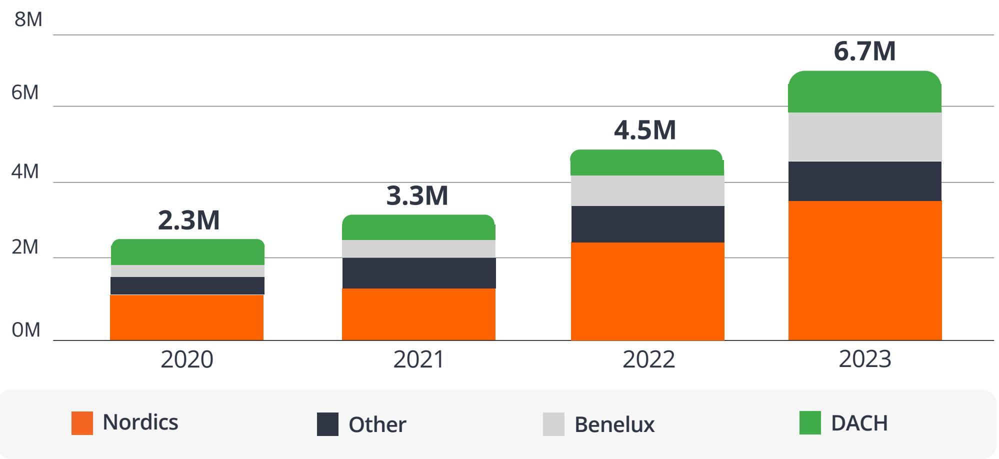
1. A continued strong focus on cost management and operational efficiencies
2. Continuous business development in our cities
3. Securing long term and sustainable contracts with cities (B2G)

Total Key Performance Indicators 2023

Metric	Growth*	2023	2022	2021	2020	2019
Total revenue	↑70%	DKK 115.2M	DKK 67.7M	DKK 37.3M	DKK 21.6M	DKK 33.5M
Riders[1]	↑58%	561k	360.0k	217.4k	138.2k	252.3k
Trips[2]	↑49%	6.7M	4.5M	3.3M	2.3M	3.3M
Fleet size (active bikes)	↑49%	19.9k	13.3k	13k	12.9k	10.5k

[1] Users with a minimum of one rental
[2] Trips are defined from when bike is unlocked to locked again
Growth*: Year on year growth compared to 2022

Trip growth by region (in number of trips)



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Business highlights

In 2023, revenues grew 70% to over DKK 115M and EBITDA significantly improved by DKK 36.4M to positive EBITDA of DKK 9.5M. These results were supported by a record of 561k users and a total of 6.7M trips on Donkey bikes.

Improved unit economics

As revenues increased by 70%, while the fleet only grew by 49%, revenue per bike increased by 15%. The growth is a result of better placement and utilization of bikes and more revenue from contract-based operations. We have also for the first time achieved positive EBITDA per bike proving that our strict operational cost control focus is bearing fruit.

More users and rides

2023 recorded 561k users, resulting in 6.7M trips. These trips contributed to 528 tons CO2 savings and the removal of 2.3M car and bus rides from the streets. Continuous monitoring, data utilization, and collaboration with partners and cities played a key role in delivering a product with sustained high utilization, which is testament to the attractiveness and market fit of the product.

Expansion of B2G deals

In November 2023, Donkey Republic was awarded a contract in Hannover to operate a bike share system with a minimum total contract value of approx. DKK 8.8M for a 3 year duration with the potential of further extensions of 2 year periods.
Launch of the project is expected in Q2-2024.

In 2022, Donkey Republic was awarded a long term contract of 5 years with an annual contract value of approx. DKK 6M in the KielRegion.
The operation was launched towards the end of Q4 2022 and in 2023, the operation was expanded to also cover further municipalities in the region, hereby expanding the market foothold in Germany.

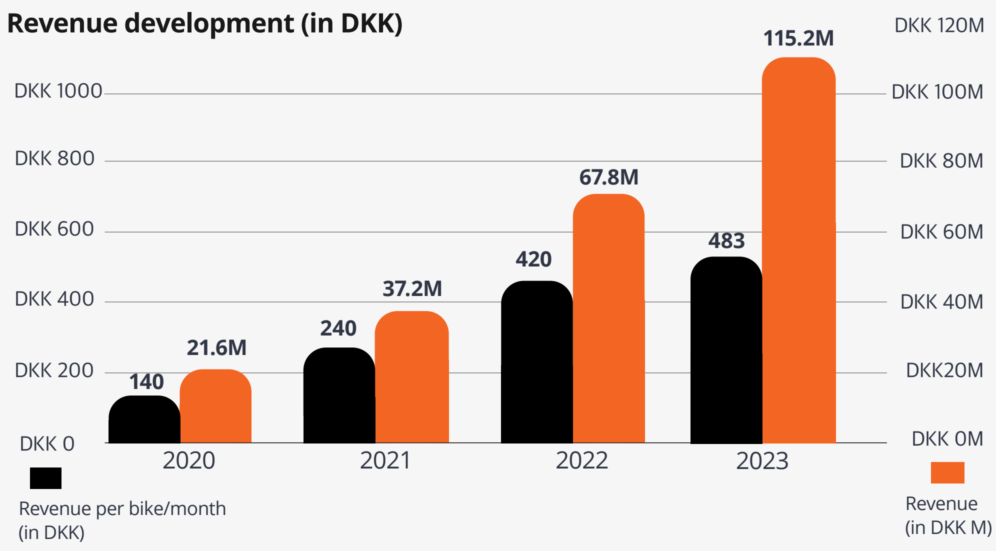
Consolidation of operations

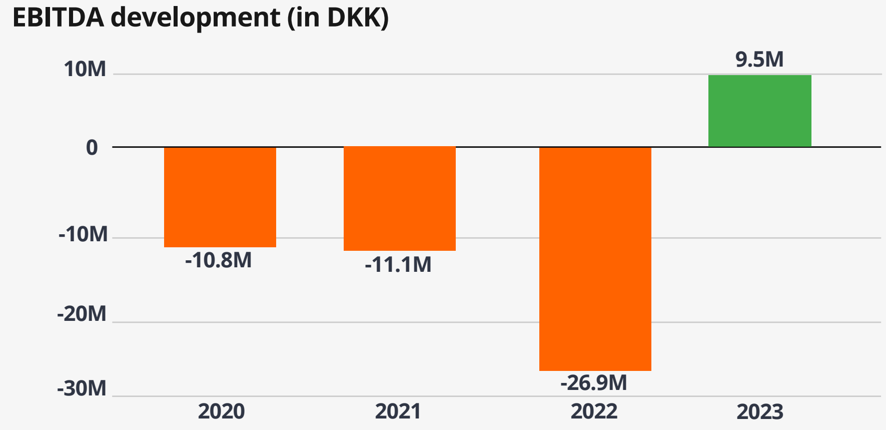
In 2023, we continuously evaluated and closed cities consequently moving the fleet to more profitable cities and leaving 3 operational areas. We are now solely present in operational areas where we have a profitable business and the necessary understanding of the city to be able to provide a valuable and sustainable service.

New capital and loan restructuring

Financially, the company successfully raised DKK 30.2M in new equity capital throughout the year from existing and new professional investors. This capital is intended to support profitable growth and the onboarding of new contract-based operations, aligning with the outlined strategy.

Additionally, we completed a loan restructuring in April aimed at ensuring improved liquidity throughout 2023 and 2024.





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Financial highlights

Financial summary

in DKK M	2023	2022	2021	2020	2019
Revenue					
Total revenue	**115.2M**	**67.7M**	**37.5M**	**21.7M**	**32.6M**
MaaS rider revenue	71.7M	44.2M	27.0M	16.7M	28.1M
MaaS B2G and B2B	37.1M	16.6M	2.6M	1.0M	0.0M
SaaS license and hardware sales	6.5M	6.9M	7.8M	3.9M	4.5M
Profitability					
Contribution margin	60.3M	21.6M	13.3M	0.3M	8.0M
EBITDA	9.5M	-26.9M	-11.1M	-10.8M	-8.7M
Operating profit/ loss (excl. IPO cost)	-10.6M	-40.4M	-18.3M	-23.9M	-19.0M
Profit/ loss for the year	-23.1M	-43.2M	-25.4M	-26.2M	-19.5M
Assets	**171.4M**	**175.5M**	**156.8M**	**49.1M**	**59.3M**
PPE	95.3M	96.4M	44.2M	21.2M	30.4M
Cash	39.0M	37.6M	82.6M	7.5M	13.0M
Other assets	37.2M	41.2M	30.1M	20.4M	15.9M
Equity and Liabilities					
Equity	57.2M	50.2M	93.3M	8.0M	22.6M
Debt	85.2M	86.3M	46.1M	29.2M	27.0M
Other liabilities	29.1M	38.7M	17.5M	11.9M	9.7M
Net cash (+) / Net Debt (-)	-46.2M	-48.7M	36.5M	-21.7M	-14.0M

Notes
As of 2022 Donkey Republic also includes the contribution margin and EBITDA into its annual reporting. The contribution margin consist of the revenue minus the cost of sales and cost of rental. Not included are any cost or provision related to the delayed delivery of bikes.
Cost related to the IPO in May 2021 amounted to DKK 4.5M all of it occurred in 2021.
The indebtedness is calculated by deducting debt from the cash, in case the amount is positive it is referred as net cash and in case it is negative it is referred as net debt.
Total revenue is excl. partner revenue, which means that for the years 2019 and before some minor reclassifications were made vs. previous publications to make them comparative .
Profit/loss for the year also includes non-operational one time effects that are not considered in the other profitability figures (see note 2 in the financial statements for more details)

In 2023 the **MaaS rider revenue increased for a second consecutive year by more than 60%** compared to the previous year. Whereas the growth in 2022 was coming mostly from increased utilization of existing fleet, this year's growth is driven by an increasing fleet. In addition to the growing fleet, rider revenue per bike still increased, showing the success of several improvements within its operation and product.

The **MaaS B2G and B2B segment more than doubled** compared to the previous year. The strong growth was achieved by rolling out new city operations (e.g. Kiel) and expanding existing ones.

With the company's increasing strategic focus on existing cities and winning new city tenders, **the importance of the SaaS segment continues to decline.** The revenue stayed on a relatively stable yet low level in 2023.

All previous years' work on improvements of operations and the strong cost control focus during 2023 meant that almost all the revenue increase achieved during the year led to margin improvements. **The contribution margin increased more than 3 fold** compared to the previous year, an improvement of DKK 38M.

Thanks to a strict cost control the improvement in margin can be almost directly forwarded down to the EBITDA. **The EBITDA of DKK 9.5M is an improvement of DKK 36.4M** compared to the previous year and a milestone in the company's path to profitability.

The operating loss improved by close to DKK 30M despite the growing fleet that led to an increase within depreciation. It is now on its lowest lever over the last five years. This is overall in line with the expectation of management and puts the company in a good position to further advance on its path to profitability throughout 2024.

With the majority of bikes already delivered or prepaid by the end of 2022, the main driver for the **value of the fleet (PPE)** has been depreciation, reducing the overall value by around 2%. In regards to **other assets**, liquidity improvement measures have resulted in a reduction despite the growing revenue. This in combination with the capitalraises and debt restructuring throughout 2023 resulted in a **stable cash level compared to previous year** despite the operating loss.

The two capitalraises of around DKK 30M together with the significantly reduced net loss resulted in an **equity improvement of close to DKK 7M**. Furthermore in the first half of 2023 the company agreed on a debt restructuring measure that allowed it to move some of the repayments into 2024, resulting in a stable debt level compared to the previous year.

CFO statement

Five highlights of 2023

- Successful ramp up of existing cities (i.e. high gross margin) is driving positive EBITDA
- EBITDA improved from DKK -26.9M to DKK 9.5M
- Profitable growth leads to positive cash flow from operating activities of DKK 3M
- Prepayments from customers support finance short term operating expenses
- Streamlining of balance sheet concluded and enabling more efficient use of cash.

Three Outlooks of 2024

- Focus on continuing path to profitability and improving cash generating capabilities
- Well positioned to significantly reduce existing debt and financing cost
- Improved supply chain for swifter handling of bike orders

Profitable growth in 2023 enabled the company to have both a positive EBITDA and a positive cash flow from operating activities for the first time

2023 marked a significant stride forward for Donkey Republic. We celebrated not only a notable achievement in attaining a positive EBITDA margin of 8%, coupled with an impressive 70% surge in year-on-year revenue but also a pivotal moment of generating positive cash flow from operating activities for the first time in the company's history. The cash flow from operating activities amounted to DKK 3.0M (and DKK 9.0M if networking capital effects are excluded). This milestone underscores our commitment to financial robustness and sets a noteworthy precedent within the micromobility sector.

Successful streamlining of balance sheet to improve efficient use of available cash

Our strategic emphasis on optimizing city operations yielded tangible results throughout 2023. Unlike the challenges encountered in 2022, notably the disruptions stemming from global supply chain constraints, our operations in 2023 unfolded with greater efficiency. We experienced no further postponements in bike deliveries, allowing our investments to align more closely with revenue generation. Consequently, this equilibrium significantly bolstered our gross margin and culminated in a favorable EBITDA outcome.

While the cash flow impact of our net working capital was negative, this can be largely attributed to corrections from the preceding year, which was characterized by substantial bike investments. We have since firmed up our financial footing and expect a more stable development within our networking capital, thanks in part to strategic enhancements within our finance division. Of particular note is the success of our focus on pre-invoicing and expedited collection. The DKK 15.6 million in deferred income covers 15% of our total operating costs in 2023, effectively prepaying nearly two months of our operations.

Strongly positioned to continue profitability and growth path throughout 2024 and beyond on the back of a stable balance sheet

Moreover, our decision to invest in the development of our supply chain management organization and to prioritize sourcing within Europe is evident in the reduced level of prepayments for new bikes slated for deployment in 2024. Improved payment terms allow us to align supplier payments much closer to deployment dates, minimizing the need for long-term supplier financing.

Regarding financing and debt, the company is well-positioned to repay the DKK 31.4 million of short-term debt over the course of 2024. This substantial repayment obligation stems from the loan restructuring negotiated with our main lenders in the first half of 2023. The subsequent reduction in our existing debt by over one-third will significantly improve our debt ratio, particularly considering that, based on current guidance, the operating result will not strongly impact our equity in 2024. With a diminished debt load and a trajectory of improving profitability, we anticipate a corresponding reduction in financing costs. For 2024 and beyond the company is in a good position to continue the execution of its strategy and depending on market opportunities pursue a positive cash flow, growth, or a balanced combination of both options. Additionally, we will explore possibilities to raise new capital in the form of debt and equity to further drive positive cash flow through B2G prospects beyond 2024. Overall it is great to see that so many of our strategic investments in the company are starting to pay off and that we as a company are ready to turn our continued expansion into profitable and cash generating growth.

Business model and strategy

Established in 2014, Donkey Republic is dedicated to advancing sustainable transportation to enhance urban living and contribute to the sharing economy. Over the years, our services have successfully shifted millions of car and bus journeys away from the streets. With the evolving micromobility market, we have over time adopted our business model.

Today, Donkey Republic is strategically positioned on three parameters.

Business model

Our future operational growth will be driven by engaging in long-term contracts with cities which is built on secured revenue, where the city pays for Donkey Republic to deliver an end to end bike sharing system. Donkey Republic targets cities that look for a long term partner with the focus to drive the green transition and improving urban living for its citizens:

1. Tender/project driven
2. Long selling cycles (6-18 months)
3. Long contracts (3-10 years)
4. Solution integrated into the cities as transport infrastrucutre

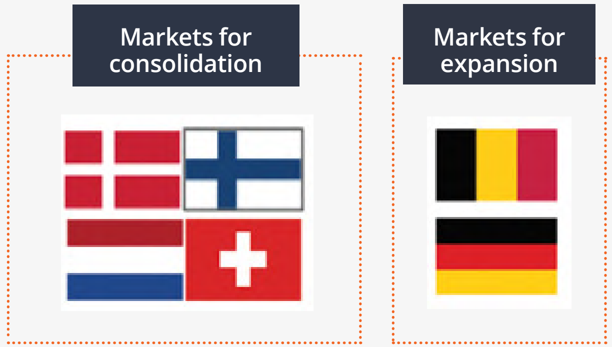
Focus markets

The company is committed to targeted expansion in six key markets. We have already established a presence in all these countries, with four markets representing consolidation due to our strong market position. Germany and Belgium are markets for expansion, as we experience commercial momemtum and traction coupled with high growth potential. In 2023 we further expanded our German foothold by the long-term contracts won with Kiel (opened 2023) and Hannover (opens 2024).

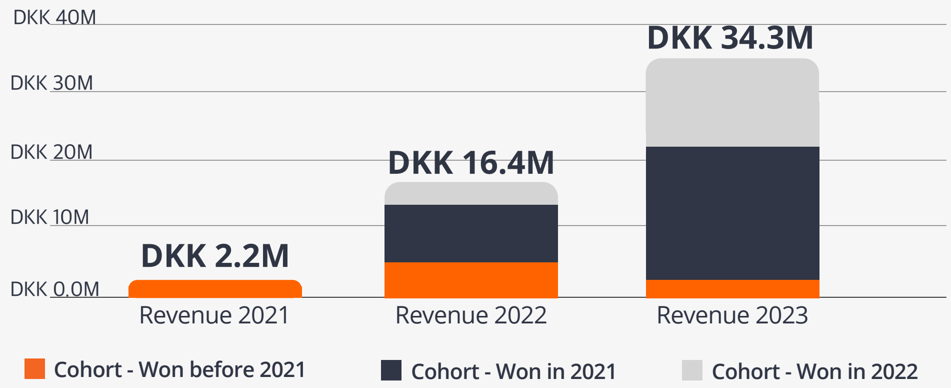
Strong product

Donkey Republic provides an end-to-end solution for bicycle-sharing systems. This includes exclusive hardware, user-friendly applications for bike booking and unlocking, and advanced backend systems that support our mechanics and operational teams. Rooted in a data-driven strategy, all our products and services are developed with a consistent emphasis on leveraging data. This ongoing commitment to data enables us to deliver solutions that are not only reliable but also cost-effective for us and cities.

Focus markets for growth and consolidation



MaaS B2G segment - contracted subsidies



Business model and strategy

1. Ensuring profitability and mitigating risk
By engaging in long-term contracts, the company strategically minimizes risks and ensures profitability. These contracts provide a high degree of certainty during the operational period, with a significant portion of revenues already secured through subsidies. This certainty allows the company to confidently manage investments in fleet expansion and operational setup, contributing to financial sustainability. Moreover, these contracts are expected to enhance the company's ability to attract competitive growth capital, thereby securing the necessary working capital for sustained expansion.

2. Maximizing impact on cities and mobility
Embedded in Donkey Republic's DNA is a commitment to addressing mobility challenges in partnership with cities. Long-term contracts facilitate collaborative efforts with cities, enabling joint investments in sustainable solutions. The inclusion of city subsidies enhances service accessibility, allowing for the implementation of long-term mobility solutions with expanded operational coverage and increased usage. Examples include our regional projects in Antwerp and Kiel, where city subsidies contribute to maintaining affordable end-user prices, ensuring profitability in specific scenarios and enhancing overall mobility in the serviced areas. Moreover, these contracts are expected to enhance the company's ability to attract competitive growth capital, thereby securing the necessary working capital for sustained expansion.

3. Responding to high demand and market dynamics
Observing a growing trend, cities are increasingly inclined to invest in bike-sharing systems. We have in recent years seen a shift in city preferences, with a notable emphasis on selecting partners and regulating providers and/or vehicle types within cities' jurisdictions. Donkey Republic's strategic focus on long-term contracts positions the company to meet the rising demand and navigate evolving market dynamics, solidifying its role as a preferred partner for cities investing in sustainable mobility solutions.

	B2G / CONTRACT BASED	LICENSE BASED	SaaS
Operation / Contract model		EU	
Descriptions	Long term contract often between 3-10 years with cities or transport companies, secured by winning a tender	Licenses giving by the municipalities, either given to everyone living up to criteria, or awarded yearly or by multiple years	Partner buys hardware from Donkey Republic and operates the bikes themselves using the Donkey app and backend systems, for which they pay a yearly licence fee
Revenue streams	Subcities Rider revenue B2B memberships/ Sponsorships	Rider revenue B2B memberships/ Sponsorships	License fee Hardware sales

Making cities more liveable

The 6.7M trips taken with an average of 2 km per trip on Donkey Republic bikes in 2023 correspond to a total positive impact of:

DKK 77.7M
in health benefits

528 Tons
in CO2 savings

DKK 1.2M
in congestion savings

The accuracy of the replacement study has been improved, by surveying riders about the replacement of their mode of transportation on a recurring basis, the updated methodology applies from 2023 onwards.

Today more than 70% of Europeans live in cities and therefore transforming the way we move is critical in achieving a sustainable future.

There are 4 major areas that bike sharing has a positive impact on:

improving public health

reducing congestion

minimizing emissions

better use of public space

Note: The calculations are based on data from the following sources:

DTU / COWI: Transportøkonomiske enhedspriser for cykling
Minister of Transport of Denmark: Evaluation of small motorized vehicles
Eurostat: Handbook on the external costs of transport
OECD: Assessing the Environmental Performance of New Mobility

See more about sources, and calculations on this GoogleSheet: Donkey Footprint Analyses

Meet the Donkey Squad

What made you want to start working at Donkey Republic?
I started as a simple bike mechanic, I was coming from years of work behind a desk and I desired to move into the "hands-on" department. Then I had the chance to develop into a lead mechanic in the city of Berlin and to develop even further into a City and then Country Operations Manager. It has been an amazing and exciting adventure so far.

You are the Country Operations Manager for Germany. Tell us more about this role!
My work entails many aspects regarding the present and future of German operations: building happy teams to face the many challenges that our business poses, making sure the partners we work with are heard, and that our riders get the best riding experience. We are also looking at new cities where we could bring our beloved Donkeys!

What is the most challenging part?
So far I had a lot of fun, of course, there are easier and harder days, but that's life. I do enjoy challenges, they fire me up! I would say the most important and challenging part is keeping everybody happy. Partners, Coworkers, Headquarters. I am not sure if I manage all the time, but I try hard every day.

What other role within the company would you be most interested in trying out for a day, and why?
I am a creative soul so I would want to try a day in the Marketing team. Brainstorming for a campaign that could reach many people and resonate is super exciting to me. I am also known for being terrible at selling anything, so I would also be very happy to learn the ropes with the Bizdev team.

Let's say we invited ourselves over for dinner. What would be on the three-course menu?
I am a big fan of Tiramisu, I will never miss it from my table. I enjoy food from all over the world, even if my capabilities are mostly in the Italian direction.

You can expect a lasagna or a pasta for sure and you might even try your luck with a Curry or a Burrito.

> *I do enjoy challenges, they fire me up! I would say the most important and challenging part is keeping everybody happy. Partners, Coworkers, Headquarters. I am not sure if I manage all the time, but I try hard every day.*

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Outlook for 2024

Guidance: Revenue, EBITDA, EBIT

Guidance 2024

Revenue:
DKK 135M-160M (17%-39% growth rate compared to 2023)

EBITDA:
DKK 15M-30M (58%-215% growth rate compared to 2023)

EBIT:
DKK 0M-5M

Commentary of particular items

Revenue

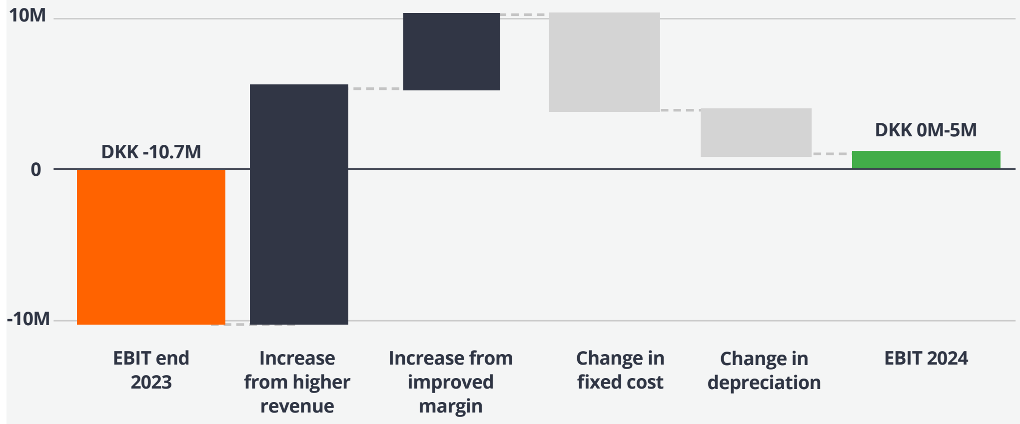
Management sees that the company is well positioned in the market to attract and win further long term contracts to realise the growth rates. For 2024 especially the Belgian and German markets have a strong pipeline. This is why the company sees it realistic to win contracts for between 2000-4000 bikes in 2024 to be deployed the following year. It is however also stated by the company that the tender outcomes are very binary.

EBITDA and EBIT

With the existing operational setup the company is able to translate large parts of the revenue gains to improved profitability. Stable existing operations and smooth ramp up of new operations are the main drivers behind that while doing selected investments to better enable the growth of the company.

The company guides to reach a positive EBIT for 2024, which is driven by its profitable growth strategy which is based on growing the revenues coupled with improving margins. This comes with a cost of higher investments in the organisation to manage both current and future growth.

Indicative EBIT bridge 2024 (in DKK M)



Assumptions

The revenue guidance is based on the following assumptions:

- A fleet growth of 5-10% of which the biggest expected deployment is the city of Hannover in H1-2024. Other bigger deployments of bikes are expected to happen in H2-2024 thereby having less impact on revenue for 2024.
- Continued ability to operate subsidized operations within the service level agreements.
- Continued demand and operational condition for our existing bikes sharing systems

For the EBITDA and EBIT guidance all of the aforementioned assumptions are valid as well and in following assumptions also apply:

- Current cost level remains stable throughout 2024
- Current growth investments to continue through 2024
- Current interest rates levels to continue through 2024

Forward looking statements

Statements about the future expressed in the annual report reflect Donkey Republics current expectations for future events and financial results. The nature of these statements is affected by risk and uncertainties. Therefore, the company's actual results may differ from the expectations expressed in the management report.

Corporate Governance

Caroline Søeborg Ahlefeldt
Chairperson, Donkey Republic

ESG

Donkey Republic's ESG report for 2023 highlights the company's commitment to sustainability and an ESG focused approach.

- Visit https://invest.donkey.bike/esg/
  for more information on the company policies ESG report.

- The company's fleet and software solution contribute to the sustainability agenda by providing citizens with an alternative to less sustainable modes of transportation. Donkey Republic's taxonomy-eligible activity fulfills the DNSH criteria, minimum safeguards, and contributes to mitigating climate change.

Finally, the report outlines the steps in developing an ESG strategy and presents an ESG data framework.

Risk factors

Industry risk

The micro mobility market is competitive with a multitude of players being active in this market. Some of these players are significantly larger in terms of fleet size or funding. This can become a risk for Donkey Republics growth plans. Donkey Republic has however a strong position in the market based on our long experience with both operating a bike share and the sourcing and development of bikes. In addition to that Donkey Republic is operating both small and large scale projects with municipalities often on a contract that spans over several years, that are directly or indirectly funded by the cities. The strong focus on city relations is a key driver for winning such subsidized contracts and a good differentiator from many of our competitors. Throughout 2023 the industry has experienced a consolidation phase, driven by a change in macroeconomic factors and increasing pressure on achieving profitability targets. This is expected to continue throughout 2024. This volatility within the industry can become another risk for the company. With both its experience within funding and its successful path on improving profitability, Donkey Republic is well positioned to not be negatively impacted by these developments.

Throughout 2022 and also partially in 2023 the delivery timeline for new bikes was severely under pressure due to global supply chain challenges. Even though the situation has significantly improved towards the end of 2023, the timely delivery of ordered bikes can be a challenge. Donkey Republic cannot fully mitigate these risks, but has implemented several control support team is also actively blocking riders that procedures to detect any potential delay as early as possible and has invested in the ramp up of a supply chain organization that can then quickly find solutions to minimize these potential delays. Furthermore the company has taken concrete steps in nearshoring, so that the majority of its suppliers are now within Europe.

There is an increased demand across cities and countries to improve the bike sharing infrastructure and significant amounts of funds are made available for this. A trend that continued throughout 2023. There is the risk that this trend stops or dedicated funds are directed to other means. Donkey Republic does not foresee a change of this trend, as it is a vital piece in the green agenda of most of the countries. Donkey Republic however also mitigates this risk by being active in many cities across several countries. Additionally even though public financing is an important part of the company's business plan, other revenue sources especially the revenue from riders directly remains a vital part in the company's revenue mix.

Operational risk

The profitable operation of a large, enabled and utilized bike fleet can be endangered especially by reckless rider behavior or vandalism of the bikes. Donkey Republic has several measures in place to reduce this risk. For example the virtual hub concept is incentivisíng proper bike parking and a sophisticated ticketing system in the app allows the company to quickly fix potential damages on the bike. The customer support team is also actively blocking riders that have shown criminal behavior and push legal action whenever it is reasonable. The risk of targeted vandalism in specific cities remains, the multicity focus of Donkey Republic across several countries within Europe however lowers the potential impact of it.

The targeted growth over the coming years as well as the continuous product development can stretch the organizational capacities. In case not sufficient qualified resources are allocated to these activities there is the risk of missing targeted growth and profitability plans. Donkey Republic is therefore putting a high focus on both expanding the team with experts in their fields and to continuously develop the skill set of their current staff. Examples for this are the hiring of local and experienced city managers to ensure successful roll out, tender and sales experts to continue future growth or implementing a training initiative to improve the employee's qualificatoins.

In 2022 Donkey Republic developed both a new pedal bike and a new e-bike, which was rolled out in 2023 across many cities. The proper functioning of these bikes is essential both in regards to rider revenue generation and fulfillment of subsidized city contracts. A severe malfunctioning of the bikes can pose a large risk. The already mentioned long experience and good qualification of the team allows us however to quickly detect and solve potential product issues. A large focus of the development and supply chain management team as well as the operational teams themself is on the detection regards to the bikes the increasing age of the earlier generation of bikes, can pose another risk to cost of operation or the functionality thereof. Regular maintenance, including large winter maintenance effort, as well as a focus on quality when it come to spare parts in combination with the company's experience of running these bikes, are ensuring to limit this risk. Asset backed financing is crucial for any kind of fleet expansion that Donkey Republic is aiming for. The lack of it could limit the company's growth ambition or put even its liquidity at risk. So far the company has always secured sufficient financing for its investment in the fleet and has also done so for 2024. A strong focus especially within the executive team is also on the continuous expansion and professionalization of the debt raising activities.

As a software-driven company, Donkey Republic, faces a general cyber security risk where a hacker attack on the company's backend could lead to a data leak or potentially interrupt the operational functions with immediate consequences for the customer relations, revenue, etc. This threat is addressed by a vigilant oversight on our part.

Shareholder information

Share capital

As of December 31, 2023, Donkey Republic Holding A/S share capital had a nominal value of DKK 2,070,127.60 divided into 20,701,276 shares with a nominal value of DKK 0.10 each. Each share carries one vote, thereby the shares are equal to 20,701,276 votes, all with the same rights. Donkey Republic Holding A/S' shares are admitted to trading on NASDAQ First North Growth Market Copenhagen under the symbol "DONKEY" and the ISIN is DK0060817898.

Share price as of 31.12.2023

DKK 5.25

Ownership as of 31.12.2023

As of December 31, 2023, Donkey Republic Holding A/S had 681 registered shareholders. The following shareholders state that they own 5% or more of the company's shares/voting rights, at the end of 2023.
1) Danmarks Eksport -og Investerings fond- 21.86%
2) Bladt Invest ApS - 12.49%
3) Vækstfonden Growth H/S - 11.18%
4) CDM Holding 2016 ApS - 10.00%
5) Spintop Ventures - 5.80%

Financial calendar

Please visit Donkey Republic's website:
https://invest.donkey.bike/#Legal

Company details

Company

DonkeyRepublic Holding A/S
Skelbækgade 4 4th floor
1717 Copenhagen V

CVR No.: 35 67 82 63
Established: 4 March 2014
Municipality: Copenhagen
Financial Year: 1 January - 31 December 2023

Board of Directors

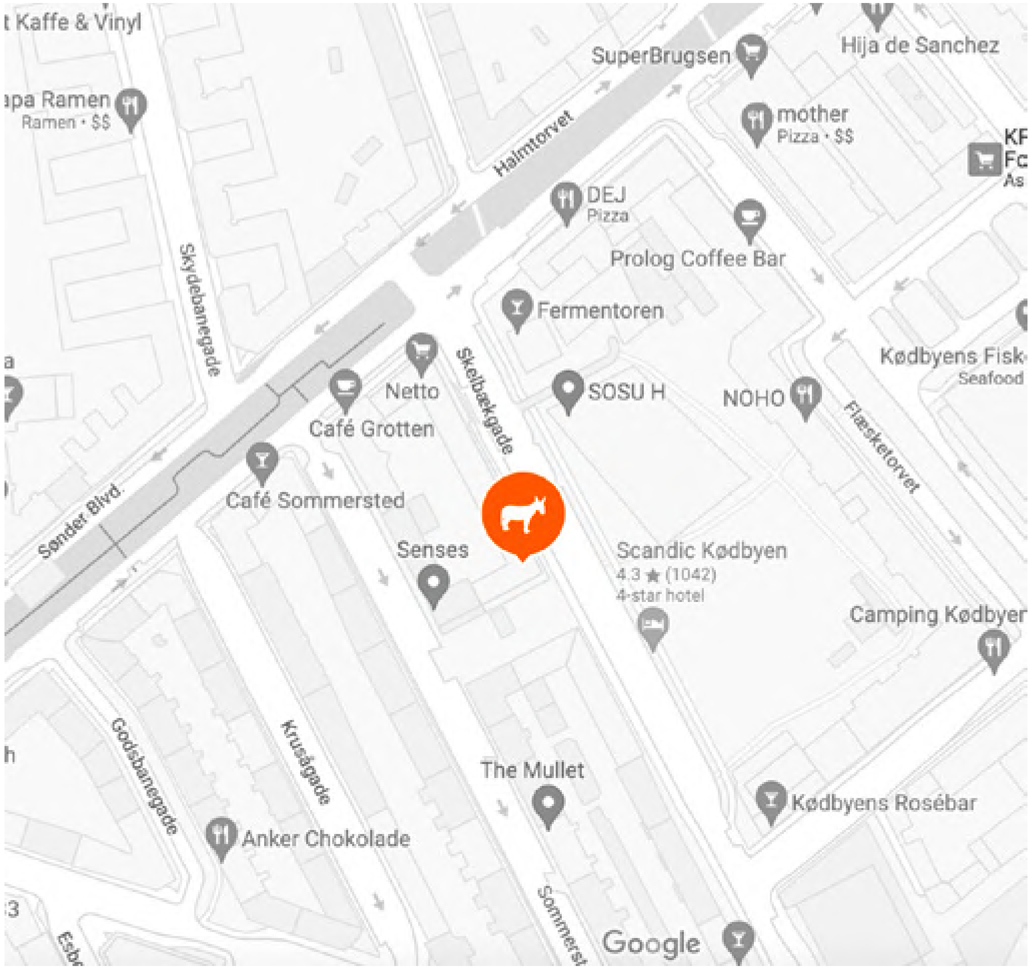
Caroline Søeborg Ahlefeldt, Chairperson
Karl Erik Wenngren
Jens Kramer Mikkelsen
Laurent Mercat
Marina Kolesnik
Jesper Lilledal Holmgaard
Marion Galan Alfonso (employee representative)
Erdem Ovacik

Executive Board

Niels Henrik Rasmussen, CEO
Christian Dufft, CFO

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S



Company details / Ownership & Structure

Executive Management

Niels Henrik Rasmussen, CEO
CEO since 2022
Shares: 158,154
Warrants: 1,324,855

Christian Dufft, CFO
CFO since 2019
Shares: 49,750
Warrants: 272,054

Morten Nybye-Petersen, COO
COO since 2022
Shares: 0
Warrants: 82,803

Board of directors

Caroline Søeborg Ahlefeldt
Chairman since 2019
Shares: 25,000
Warrants: 0
Independency Assessment: Dependent

Laurent Mercat
Member since 2021
Shares: 0
Warrants: 15,000
Independency Assessment: independent

Jens Kramer Mikkelsen
Member since 2019
Shares: 0
Warrant: 15,650
Independency Assessment: independent

Marion Galan Alfonso
Employee Representative since 2022
Shares: 1,161
Warrant: 4,500

Marina Kolesnik
Member since 2021
Share: 0
Warrants: 15,000
Independency Assessment: independent

Karl Erik Wenngren
Member since 2019
Shares: 0
Warrants: 0
Independency Assessment: dependent

Jesper Lilledal Holmgaard
Member since 2016
Shares: 0
Warrants: 0
Independency Assessment: dependent

Erdem Ovacik
Co-founder & Executive Board Member since 2014
Shares: 619,325
Warrants: 155,582
Independency Assessment: dependent

Statements

Statement by management

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of DonkeyRepublic Holding A/S for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and the consolidated cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen,

15 March 2024

Executive Board

Niels Henrik Rasmussen
Chief Executive Officer

Christian Dufft
Chief Financial Officer

Board of Directors

Caroline Søeborg Ahlefeldt-Laurvig-Bille
Chairperson

Karl Erik Wenngren

Jens Kramer Mikkelsen

Marion Galan Alfonso

Laurent Mercat

Marina Kolesnik

Jesper Lilledal Holmgaard

Erdem Ovacik

Independent auditor's report

To the Shareholders of DonkeyRepublic Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of DonkeyRepublic Holding A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. 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 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 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 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 determine 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 the consolidated financial statements and the parent 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 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 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.

- 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.

• 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 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, 15.03.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Rasmus Christiansen
State Authorised Public Accountant
Identification No (MNE) mne50632

Financial Statements

Comments on financial statements

Comments on P&L items

Revenue

Donkey Republic recorded a revenue of DKK 115.2M which is an increase of 70% (DKK +47.6M) compared to 2022. This is primarily driven by an increasing bike fleet and successful roll out of subsidized city contracts. The share of services that is invoiced and paid ahead of them being provided continues to increase. Also Donkey wallet, a prepayment option in the app, is being more used. Donkey Republic only recognizes the revenue for the month where the service was actually provided or when prepaid amounts were actually used to pay for a ride. Because of this the deferred income in 2023 increased by 25% to DKK 15.6M from DKK 12.5M in 2022, the majority of that income is expected to become recognized revenue in the first half of 2024.

Other operating income

Besides income related to received grants for the Group's development projects, other operating income also includes the repayment of funds it received as part of Covid support programs by the Danish government in 2020, worth negative DKK 1.0M. This repayment is a one time effect and not considered to be part of the company's operations and therefore also excluded from its profitability measures. Furthermore the company is in a dialogue with the authorities as it considers the reasons for a repayment not fulfilled. It is expected that this will be resolved in the course of 2024.

Cost of sale

Cost of sales decreased to DKK 20.7M in 2023 from DKK 22.7M in 2022. This is driven by constant focus on cost efficiency and that the majority of the ramp up cost for the fleet expansion in 2023 already occurred in 2022. Furthermore the company lived up to its commitment within the subsidized cities, resulting in no significant penalty payments and penalties for the delayed roll out of the bike fleet in 2022 were negotiated down, positively impacting the cost of sales in 2023.

Other external expenses

Other external expenses amounted to DKK 25.2M in 2023 which is a decrease of DKK 6.2M compared to 2022. The company's consistent focus on cost efficiency contributed to this development. A negative impact came from a provision that was made in 2023 regarding the future cost for the extension of the lifetime of some parts of the bike fleet.

Staff cost

Staff cost rose to DKK 65.8M in 2023 from DKK 46.6M in 2022 (an increase of 41%). The increase is driven by having the full year effect of the increased operational headcount especially in the companies focus markets Belgium and Germany. Another driver is the continuous focus on development and sales as well as management to ensure a successful execution of the company's growth strategy. This driver consists of both the full year impact of strategic hires in 2022 as well as further investments in 2023.

Net financial items

The total net financial expense amounted to DKK 11.1M, an increase of DKK 6.5M compared to 2022. Financial expenses consist primarily of interest expenses on loans, bank interest and loss on exchange rate adjustments. Increasing interest rates, new loans and full year effect of loans taken in the course 2022 are the main drivers behind the increase.

Tax on profit/loss for the year

This amounted to negative DKK 0.4M compared to a positive DKK 1.7M in the previous year.

Comments on Balance sheet items

Intangible assets

As of December 31, 2023 Donkey Republic had intangible assets of DKK 15.8M, which is on similar level as the year before (DKK 15.6M). Investment in the continuous improvement in the companies app, are offset by the depreciation of design components of the new generation of the bike. The company's decision to have a stronger focus on external hardware development instead of in house is another factor for a stable development of the intangible assets.

Property, plant and equipment

As of December 31, 2023 tangible assets amounted to DKK 95.3M, which is on a similar level compared to the end of 2022 (DKK 96.4M). Within the fixed assets a change from prepayment for tangible assets, which are mostly bikes in production, towards other fixtures and fittings, tools and equipment, which consists mostly of the companies own bike fleet, reflects the roll out of the fleet in the beginning of the year.

The remaining DKK 2.2M in prepayment for tangible assets, are related to a new batch of bikes that is expected to be deployed in the course of 2024. A revised production approach has led to improved payment terms moving the main payments to the supplier much closer to the date of deployment.

For the DKK 2.2M of prepayments there is no indication of impairment or uncertainty related to the value of the prepayments. Donkey Republic has a number of internal processes and controls to mitigate the risk of impairment including detailed supplier verification test, factory visits and regular status meetings. However, future impact of suppliers being challenged by the current economic uncertainties in supply chain and inflation etc. could entail uncertainties in delivery time etc. Management has a high focus on this and if any potential risk arises management will ensure to mitigate and take action if needed.
Other fixtures and fittings, tools and equipment under conmtruction is DKK 23.6M as of December 2023, compared to DKK 19.1M in the previous year. The increase is due to larger stock of readily assembled bikes that are planned to be deployed in the course of 2024.

Inventory

Compared to the previous year, components needed for the maintenance of the bike fleet are now booked as inventory and not as part of fixed assets anymore. In 2023 the inventory amounted to DKK 4.4M. Last year the corresponding amount (DKK 2.2M) was reported under Other fixtures and fittings, tools and equipment under construction. The driver behind the growth is the increased need for spare parts resulting from the fleet growth.

Trade receivables

Trade receivables as of December 31, 2023 were DKK 8.1M, compared to DKK 8.5M Trade debtor balance decreased by 1.1M, the readily available cash in payment gateway platforms increased by 0.7M. This is achieved by a strong focus on receivable management by the finance team.

Other receivables

Compared to last year other receivable improved to DKK 5.5M from DKK 9.9M in 2022. This was driven by the collection of larger VAT receivables related to the production and roll out of the bike fleet. An increased focus on VAT by the finance team further ensures a better control and swifter recovery of VAT expenses.

Cash

As of December 31, 2023 Donkey Republic had cash of DKK 39.0M, which is DKK 1.4M more than in the previous period. The stable development is due to having a positive cash flow from operation and both the investment in the fleet and the repayment of loans in 2023 was covered by the two capital raises that occurred during the year.

Equity

Equity amounted to DKK 57.2M as of December, 2023, compared to DKK 50.2M in the same period in 2022. The increase is coming from the two capital raises in 2023, which more than offset the loss of the year in 2023.

Debt

Total debt amounted to DKK 85.2M as of December, 2023 compared to DKK 86.3M in the same period in 2022. The main reason behind the stable debt level is the restructuring of large parts of the loan portfolio that were concluded in the course of H1 2023. For several loans a principal repayment pause was agreed until the second half of 2024, at that point the repayment will continue. This is also the driver behind the strong increase in short term debt, that now amount to DKK 31.4M compared to DKK 14.0M the year before.

Trade payables

As of December 31 2023 trade payables amounted to DKK 4.2M which is just about a third compared to the same period in the previous year (DKK 12.1M). This is due to finalizing the production of the large batch of bikes that were rolled out in the beginning of 2023.

Other payables

With DKK 6.4M as of December 31 2023, the position is DKK 3.9M lower than last year. Similar to other receivables the main reason is a swifter management of VAT payables compared to 2023.

Deferred income

See comment under revenue

Comments on cash flow items

Compared to the previous years' reporting financing cost is reclassified from operating activities to financing activities. This is in line with the Danish accounting standards and better reflects the company's business activities.

Cash flow from operating activities

The cash flow from operating activities amounted to DKK 3.0M in 2023 compared to negative DKK 11.8M in the previous year. This is driven by the operational performance in 2023, which offsets the negative development within the networking capital. Most changes within the networking capital are related to offsetting effects from 2022 in regards to the large order of bikes and a stronger focus of the finance team to more efficiently deal with outstanding receivables and payables.

Cash flow from investing activities

The cash flow from investing activities was a negative DKK 19.5M in 2023 compared to negative DKK 68M in the previous year. With the majority of the investment for the fleet expansion in 2023 already done in 2022 and improved payment terms for the production of future bike batches, the investment level was reduced significantly in 2023.

Cash flows from financing activities

The cash flows from financing activities was DKK 17.8M in 2023 compared to DKK 35.8M in 2022. Lower activity in regards to debt raising in 2023 compared to the previous year, can only be partially offset by two capital raised in 2023. As the cash flow from financing activities covers the one for investing activities, it is in line with the company's expectations.

Consolidated and parent financial statements

Income statement 1 January - 31 December

	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
REVENUE		**115.198.943**	**67.581.408**	**447.000**	**447.685**
Operating income	1	(406.594)	458.771	177.239	170.985
Own work capitalized		5.417.791	5.832.644	-	-
Cost of sales		(20.700.863)	(22.690.597)	-	-
Other external expenses	2	(25.243.420)	(31.445.754)	(1.752.744)	(1.701.849)
GROSS PROFIT		**74.265.857**	**19.736.472**	**(1.128.505)**	**(1.083.179)**
Staff costs	3	(65.776.775)	(46.636.961)	(583.504)	(445.680)
Depreciation, amortisation and impairment losses	4	(20.070.035)	(13.412.722)	(6.246.781)	(3.370.302)
					-
OPERATING PROFIT (EBIT)		**(11.580.953)**	**(40.313.211)**	**(7.958.790)**	**(4.899.161)**
Financial income	5	338.157	3.473.898	275.927	1.024.167
Financial expenses	7	(11.449.008)	(8.075.551)	(670.812)	(621.658)
PROFIT BEFORE TAX		**(22.691.804)**	**(44.914.864)**	**(8.353.675)**	**(4.496.652)**
Tax on profit/loss for the year	8	(391.354)	1.729.370	2.083.191	499.134
PROFIT/LOSS FOR THE YEAR		**(23.083.158)**	**(43.185.494)**	**(6.270.484)**	**(3.997.518)**

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Balance sheet at 31 December

ASSETS		Group		Parent Company	
	Note	2023 DKK	2022 DKK	2023 DKK	2022 DKK
NON-CURRENT ASSETS					
Development projects completed		14.351.619	15.118.385	16.030.717	16.564.261
Development projects in progress		1.399.134	441.526	1.381.017	450.987
Intangible assets	**10**	**15.750.753**	**15.559.911**	**17.411.734**	**17.015.247**
Other fixtures and fittings, tools and equipment		69.491.845	52.732.028	-	-
Leasehold improvements		17.389	39.270	-	-
Prepayment for tangible assets		2.159.453	24.554.669	-	-
Other fixtures and fittings, tools and equipment under construction		23.617.182	19.110.808	-	-
Property, plant and equipment	**11**	**95.285.869**	**96.436.774**	-	**-**
Investments in group enterprises		-	-	140.824.184	140.731.070
Deposits		1.797.908	1.448.988	**-**	-
Financial non-current assets	**12**	**1.797.908**	**1.448.988**	**140.824.184**	**140.731.070**
TOTAL NON-CURRENT ASSETS		**112.834.530**	**113.445.673**	**158.235.918**	**157.746.317**
CURRENT ASSETS					
Inventory		4.435.920	2.152.456	-	-
Inventory		**4.435.920**	**2.152.456**	-	-
				-	-
Trade receivables		8.098.117	8.530.650		
Receivables from group enterprises		-	-	7.309.588	5.883.521
Other receivables		5.520.316	9.889.974	1.430.682	1.573.482
Income tax receivables		-	1.947.238	-	498.364
Prepayments	13	1.554.684	1.627.863	18.750	22.600
Receivables		**15.173.117**	**21.995.725**	**8.759.020**	**7.977.966**
Cash and cash equivalents	**14**	**39.000.880**	**37.621.618**	**16.104.017**	**186.760**
TOTAL CURRENT ASSETS		**58.609.917**	**61.769.799**	**24.863.037**	**8.164.727**
ASSETS		**171.444.447**	**175.215.473**	**183.098.955**	**165.911.044**

Balance sheet at 31 December

EQUITY AND LIABILITIES		Group		Parent Company	
	Note	2023 DKK	2022 DKK	2023 DKK	2022 DKK
EQUITY					
Contributed capital		2.070.128	1.546.514	2.070.183	1.546.569
Reserve for development costs		-	-	13.581.153	13.272.204
Foreign currency translation reserve		(892.735)	(879.415)	-	-
Retained earnings		55.977.053	49.522.411	155.135.295	134.260.119
Equity		**57.154.446**	**50.189.510**	**170.786.631**	**149.078.892**
Provisions	**15**	**2.460.653**	**3.612.637**	**-**	**-**
				-	-
Debt to other credit institutions		53.821.283	72.345.413	-	8.892.767
TOTAL NON-CURRENT LIABILITIES	**16**	**56.281.936**	**75.958.050**	**-**	**8.892.767**
CURRENT LIABILITIES					
Current portion of non-current liabilities	16	31.378.309	13.990.191	9.966.878	421.880
Bank debt		45.054	-	45.054	-
Trade payables		4.211.627	12.071.380	348.769	162.844
Payables to group enterprises		-	-	818.109	6.060.130
Corporate tax payable		328.240	240.364	-	-
Other payables current		6.431.002	10.300.241	33.089	16.864
Deferred income	17	15.613.833	12.465.738	1.100.425	1.277.665
TOTAL CURRENT LIABILITIES		**58.008.065**	**49.067.914**	**12.312.324**	**7.939.384**
TOTAL LIABILITIES		**114.290.001**	**125.025.963**	**12.312.324**	**16.832.152**
TOTAL EQUITY AND LIABILITIES		**171.444.447**	**175.215.473**	**183.098.955**	**165.911.044**
Contingencies etc.	**18**				
Charges and securities	**19**				
Related parties	**20**				
Earnings per share	**21**				
Events after balance sheet date	**22**				

Equity

	Group			
	Share capital	Foreign currency translation reserve	Retained earnings	Total
Equity at 1 January 2023	1.546.514	(879.415)	49.522.411	50.189.510
Profit/loss for the year	-	-	(23.083.158)	(23.083.158)
Transactions with owners				
Capital increase	523.614	-	9.672.356	30.195.970
Cost of capital increase	-	-	(134.556)	(134.556)
Foreign exchange adjustments	-	(13.320)	-	(13.320)
Transfer of reserves	-	-	-	-
Equity at 31 December 2023	**2.070.128**	**(892.735)**	**55.977.053**	**57.154.446**

	Parent Company			
	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2023	1.546.569	13.272.204	134.260.119	149.078.892
Proposed loss allocation	-	-	(8.353.675)	(8.353.675)
Transactions with owners				
Capital increase	523.614	-	29.672.356	30.195.970
Cost of capital increase	-	-	(134.556)	(134.556)
Other legal bindings				
Capitalized development costs	-	308.950	(308.950)	-
Equity at 31 December 2023	**2.070.183**	**13.581.153**	**155.135.295**	**170.786.631**

The Parent Company has established a warrant program for its employees. Total committed and available warrants amounts to nominal shares of 2,374,868. 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 36 or 48 months. The exercise price is set at either DKK 7.00 per share, DKK 8.8 per share, DKK 13.68 per share, DKK 16.3 per share or DKK 18.24 per share with the average price being DKK 10.79 per share.

Donkey Republic Holding A/S has a position of own shares with a total of 8.025 shares.

Cash flow statement 1 January- 31 December

	Group	
	2023 DKK	2022 DKK
Earnings before interest and tax	(11.580.953)	(40.313.211)
Depreciation and amortisation, reversed	20.070.035	13.412.722
Accrual for provision	(1.151.984)	3.614.123
Reversed realization gains	-	-
Change in inventory	(2.283.464)	(1.079.891)
Corporation tax paid	1.643.760	1.047.096
Change in receivables (ex tax)	4.875.370	4.483.245)
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	(8.535.843)	- 16.027.294
Other cash flows from operating activities		
CASH FLOWS FROM OPERATING ACTIVITY	**3.036.921**	**(11.775.112)**
Purchase of intangible assets	(5.925.643)	(7.823.693)
Purchase of property, plant and equipment	(8.352.601)	(43.548.662)
Sale of property, plant and equipment	-	-
Purchase of financial assets	(348.920)	(140.927)
Purchase of other fittings, tools and equipment	(4.663.274)	(16.467.047)
CASH FLOWS FROM INVESTING ACTIVITY	**(19.458.892)**	**(67.980.329)**
Capital increase	30.061.414	-
Proceeds from non-current borrowing	4.956.150	40.410.098
Instalments on loans	(6.102.642)	-
Interest and foreign exchange	(11.110.851)	(4.655.300)
CASH FLOWS FROM FINANCING ACTIVITY	**17.814.551**	**35.754.799**
CHANGE IN CASH AND CASH EQUIVALENTS	**1.392.584**	**(44.000.642)**
Cash and cash equivalents at 1 januar	37.621.618	82.480.751
Currency translation adjustments of cash and cash equivalents	(13.318)	(858.491)
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**39.000.880**	**37.621.618**

Compared to the previous years reporting financing cost is reclassified from operating activities to financing activities. This is in line with the Danish accounting standards and better reflects the companies business activities.

Notes

Note

Significant accounting estimatees 1

In preparing the financial statements, Management relies on numerous accounting estimates and assumptions, particularly in conducting impairment tests for Donkey Republic's assets. These decisions, alongside the application of accounting policies, are grounded in prudence and experience but remain inherently uncertain and subject to volatility. Unforeseen events may lead to variances between actual results and these estimates. Detailed information on significant accounting estimates and judgments, including impairment tests, is provided below:

Impairment on subsidiaries

In case the booked value within Donkey Republic Holding balance sheet exceeds the equity of the subsidiary an impairment test is conducted. The test looks into the impact of a company's business plan on the subsidiaries equity as well as other possibilities to evaluate the value of a company. The impairment test is based on the assumption that the company can execute its strategy and achieve its guidance. In regards to other valuation possibilities management assumes that current valuations ratios within the industry remain at least constant.

Depreciation and impairment on the bike fleet

The useful life for a bike is defined as an estimate of the number of months a bike is likely to remain in service for the purpose of cost-effective revenue generation. As Donkey Republic is developing new bikes which have not been tested over long periods of time the initial estimates often have to be based on approximations and past experience with older models. In the interest of commercial prudence a general more conservative approach is taken when estimating both lifetime and residual value.

An ongoing impairment test is also conducted in regards to lost bikes. This is based on the expected recovery rate for the time a bike has been lost. The recovery rate is calculated by using data of past years experience and assumes that a similar recovery pattern will continue.

Impairment on development projects

All development projects are to be tested for impairment annually.

In regular intervals the software manager checks if all features are still useful and adding value. In addition, the CFO is verifying in the annual budgeting process if the app and all other products can still deliver the targeted overall return for the company. This is done through common management discussions where market potential and current resources are matched. Another verification regarding the value of the app is the rating of it in the app store.

Hardware projects are either aiming to increase the company's chances of winning tenders (fulfill certain requirements), improve the revenue potential of the bikes, or reduce the production or maintenance cost of the bikes. The potential upside of these projects is so high compared to the expected development cost, that project decisions are normally made based on the management assessment.

Other operating income 2

Other operating income is income related to received grants for the Group’s development projects and and for projects to expand bike sharing services in Finland in collaboration with a partner. Also included in here is the repayment of Covid support funds the Group received in 2020 to cover some parts of its fixed cost. This repayment is not considered being part of the operational result, as it is a one time effect not directly related to the companies operations. Further more the company considers to challenge this decision as it does not see the grounds for a repayment fulfilled. At the time of the report no concrete action in that regard have been taken.

	Group		Parent Company		
	2023 DKK	**2022 DKK**	**2023 DKK**	**2022 DKK**	
Fees to statutory auditors					**3**
Statutory Audit	350.000	283.797	202.000	157.302	
Audit-Related services	-	60.997	-	60.997	
Tax assurance services	102.000	-	72.000	-	
Other services	305.300	247.499	115.000	-	
	757.300	**592.293**	**389.000**	**218.299**	
Staff costs					**4**
Average number of employees	137	113	0	0	
Wages and salaries	58.948.726	42.313.253	583.504	445.680	
Pensions	1.273.927	774.183	0	0	
Social security costs	4.294.722	2.282.300	0	0	
Other staff costs	1.259.400	1.267.225	0	0	
	65.776.775	**46.636.961**	**583.504**	**445.680**	
Remuneration of Executive Management	3.343.541	1.983.520	0	0	
Remuneration of Board of Directors	583.504	444.997	583.504	445.680	
	3.927.045	**2.428.517**	**583.504**	**445.680**	

	Group		Parent Company		Note
	2023 DKK	**2022 DKK**	**2023 DKK**	**2022 DKK**	
Depreciation, amortisation and impairment losses					**5**
Development projects completed	5.734.801	3.104.305	6.246.781	3.370.302	
Leasehold improvements	21.882	26.463	0	-	
Other plants, tools and equipment	12.071.314	9.249.303	0	-	
Capital loss on assets sold	1.004.460	-	0		
Impairment loss	1.237.578	1.032.652		-	
	20.070.035	**13.412.722**	**6.246.781**	**3.370.302**	
Financial income					**6**
Group enterprises	313.101	3.470.321	252.189	1.021.433	
Foreign exchange gains	25.056	3.577	67	2.729	
Other interest income	**338.157**	**3.473.898**	23.671	5	
			275.927	**1.024.167**	
Financial expenses					**7**
Group enterprises	-	-	551.972	24.737	
Foreign exchange gains	1.154.236	2.237.247	11.770	29.862	
Other interest expenses	10.294.772	5.838.304	107.070	567.058	
	11.449.008	**8.075.551**	**670.795**	**621.658**	
Tax on profit/loss for the year					**8**
Calculated tax on taxable income of	-391.354	1.729.370	-	499.134	
the year	**-391.354**	**1.729.370**	-	**499.134**	
Proposed distribution of profit/loss					**9**
Retained earnings	-23.083.158	-43.185.494	-8.353.658	-3.997.518	

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Intangible assets

Note 10

	Group	
	Development projects completed	Development projects in progress
Cost at 1 January 2023	29.260.605	441.526
Transfers	10.627	-
Additions	4.969.519	957.608
Disposals	(7.600)	-
Cost at 31 December 2023	34.233.151	**1.399.134**
Amortisation at 1 January 2023	14.142.219	0
Transfers	10.627	0
Amortisation for the year	5.734.801	0
Reversal of amortization on assets disposed of	(7.600)	**-**
Amortisation at 31 December 2023	**19.880.048**	**0**
Carrying amount at 31 December 2023	**14.351.619**	**1.399.134**

The Group's development projects relate to the development and improvement of the DonkeyRepublic platform and app as well the improvement and development of bikes and bike related hardware. Both the platform and bike related hardware are an important part in realizing the long-term growth strategy for the Group.

	Parent Company	
	Development projects completed	Development projects in progress
Cost at 1 January 2023	31.365.872	450.987
Transfers	11.377	-
Additions	5.713.237	930.030
Disposals	-	-
Cost at 31 December 2023	**37.090.486**	**1.381.017**
Amortisation at 1 January 2023	14.801.611	0
Transfers	11.377	0
Amortisation for the year	6.246.781	0
Reversal of amortization on assets disposed of	**-**	**-**
Amortisation at 31 December 2023	**21.059.769**	**0**
Carrying amount at 31 December 2023	**16.030.717**	**1.381.017**

The Parent Company'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.

Property, plant and equipment

Note 11

	Group			
	Other plant, machinery tools and equipment	Leasehold improvements	Tangible fixed assets in progress and prepayment	Other fixtures and fittings, tools and equipment under construction
Cost at 1 January 2023	93.733.677	92.656	24.554.669	19.110.808
Foreign currency translation adjustment	9.231	-	-	-
Transfers	22.429.296	-	(22.395.216)	-
Additions	13.779.451	-	-	4.663.274
Disposals	(18.690.269)	(27.011)	-	-
Cost at 31 December 2023	**111.261.319**	**65.645**	**2.159.453**	**23.774.122**
Depreciation and impairment losses at 1 January 2023	41.001.649	53.385	0	0
Foreign currency translation adjustment	5.141	0	0	0
Impairment losses	1.080.678	0	0	156.900
Reversal of depreciation of assets disposed of	(12.423.388)	(27.011)	0	0
Transfers	34.080	-	-	-
Depreciation for the year	12.071.314	21.882	0	0
Depreciation and impairment losses at 31 December 2023	**41.769.473**	**48.256**	**0**	**156.900**
Carrying amount at 31 December 2023	**69.491.845**	**17.389**	**2.159.453**	**23.617.182**

Prepayments for tangible assets amounts to DKK 2,159k for 2023, and consists of prepayments made to the number of the groups suppliers of components and bikes. At 31 December 2023 an updated assessment has been made and management has no indications of impairment or uncertainty related to the value ofthe prepayments. The bikes and components are expected to be delivered throughout the year of 2024. Donkey Republic has a number of internal process and controls to mitigate the risk of impairment including detailed supplier verification test, factory visits and regular status meetings. However, future impact ofsuppliers being challenged by the current economic uncertainties in supply chain and inflation etc. couldentail uncertainties in delivery time etc. Management has very high focus on this and if any potential riskarise management will ensure to mitigate and take action if needed.

Financial non-current assets — Note 12

	Group	
	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2023	0	1.448.987
Additions	0	348.921
Cost at 31 December 2023	**0**	**1.797.908**
Carrying amount at 31 December 2023	**0**	**1.797.908**

Fixed asset investments (continued)	Parent Company
	Investments in subsidiaries
Cost at 1 January 2023	140.731.070
Additions	93.137
Foreign currency translation effect	(23)
Cost at 31 December 2023	**140.824.184**
Carrying amount at 31 December 2023	**140.824.184**

Investments in subsidiaries

Name and domicil	Ownership
DonkeyRepublic Admin ApS Copenhagen	100%
DonkeyRepublic Bike ApS Copenhagen	100%
Smart Cycles SLA Barcelona*	100%
DonkeyRepublic NL BV Utrecht*	100%
DonkeyRepublic Bike NL BV Utrecht	100%
DonkeyRepublic Deutschland GmbH Berlin*	100%
DonkeyRepublic Hungary Budapest*	100%
SAS Donkey Republic France Paris*	100%
Donkey Republic Belgium BV Antwerp*	100%
Donkey Republic Deutschland Bike GMBH	100%

*Subsidiary of Donkey Admin

Prepayments — Note 13

Prepayments include costs deferred for rent, operational licences, IT platform fees related to the subsequent financial year.

Cash and cash equivalents — Note 14

	2023	2022
Deposits with restrictions	8.359.145	7.102.501
	8.359.145	**7.102.501**

Provisions — 15

	2023	2022
0-1 year	745.290	3.612.637
1-5 years	1.715.363	-
	2.460.653	**3.612.637**

In 2023, the group made a provision of DKK 2.5M in regards to refurbishment of its fleet for the coming years.

Long-term liabilities — 16

	Group			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Debt to other credit institutions	85.199.592	31.378.309	0	86.335.601
Other non-current liabilities	**85.199.592**	**31.378.309**	**0**	**86.335.601**

	Parent Company			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Debt to other credit institutions	9.966.878	9.966.878	0	9.314.604
	9.966.878	**9.966.878**	**0**	**9.314.604**

Note

Deferred income 17

Deferred income relate to payments received regarding income in subsequent years.

Contingencies etc.

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Contingent assets

Group

The Group has a tax loss carryforward, which is not recognized in the balance sheet, as it is not assessed that it can be utilized within a period of 3-5 years. The value of the tax loss amounts to DKK 35.4M per December 31, 2023.

Parent Company

The Parent Company has a tax loss carryforward, which is not recognized in the balance sheet, as it is not assessed that it can be utilized within a period of 3-5 years. The value of the tax loss amounts to DKK 11.3M per December 31, 2023.

Contingent liabilities

Group

The Group has entered into rent obligations, which at the balance sheet date amount to DKK 3M in the notice period, which expires on 31 March 2027.
The Group has entered into leasing agreements with a remaining term of up to 48 months. The leasing contracts have a total residual leasing obligation of DKK 3.6M.

Parent Company

The Parent Company has issued letter of support 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. Both companies have a positive equity as of 31 December 2023.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax, etc. Tax payable of the group's jointly taxed income amounts to DKK 0M at the Balance Sheet date.

Note

Charges and securities 19

Group

A floating charge of nominally DKK 37.4M has been provided and a floating charge of nominally DKK 53.2M has been provided. The floating charge provides collateral in intangible assets, property, plant and equipment, inventories and trade receivables across DonkeyRepublic Admin ApS, DonkeyRepublic Bike ApS and DonkeyRepublic Holding A/S. The book value of assets charged as collateral amounts to DKK 120.5M for the Group. The assets are charged as collateral against loans from Vækstfonden across the three Companies. Lastly, a negative pledge have been made in favor of Vækstfonden, which ensures that no other debtor can post a colleteral in the entity's assets.

Parent Company

A floating charge of nominally DKK 37.4M has been provided and a floating charge of nominally DKK 53.2M has been provided. The floating charge provides collateral in intangible assets, property, plant and equipment, inventories and trade receivables across DonkeyRepublic Admin ApS, DonkeyRepublic Bike ApS and DonkeyRepublic Holding A/S. The book value of assets charged as collateral amounts to DKK 17.4M in DonkeyRepublic Holding A/S. The assets are charged as collateral against loans from Vækstfonden across the three Companies. Lastly, a negative pledge have been made in favor of Vækstfonden, which ensures that no other debtor can post a colleteral in the entity's assets.

	Note
Related parties	20

Transactions with related parties

The Group did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed oncommon market conditions.

	Group 2023 DKK	Group 2022 DKK	
Earnings per share			21
Average amount of shares	18.327.303	15.465.136	
Loss for the year	(23.083.158)	(43.185.494)	
Earnings per share	**(1,26)**	**(2,79)**	

Accounting Policies

Accounting policies

The Annual Report of DonkeyRepublic Holding A/S for 2023 has been presented following the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-sized enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year except for the below mentioned changes. The functional currency of the Parent Company is the Danish krone (DKK) which is also used for the Group's consolidated financial statements in 2023 with comparative figures translated from EUR to DKK as Management find this to be the most relevant currency.

Minor mapping changes have been made to the comparative figures, as a change is found to give a better true and fair view. The change in mapping does not affect the profit and loss statement, the asset value, or the equity value. The changes relate to the following accounts:

- In line with the change in the Danish Financial Statements Act, salary capitalized as part of the intangible assets is now shown as Own work capitalized.
- The portion of the fee paid to long-term contractors that is not capitalized is now reported under Staff cost (was Other external expenses in the past) as the company treats these contractors as employees. This change also impacts the number of employees.
- Finance expenses are now reported as part of the cash flow from financing activities (was cash flow from operating activities in 2022).
- Spare parts used in the operations are now reported as inventory (was reported as tangible assets in 2022) as these are used up in the operations. This change impacted categories within the Balance sheet and the cash flow statement.
- The reporting of the bike components sent to the bike manufacturers has been revised resulting in adjustments in the Other fixtures and fittings, tools and equipment under construction and Trade receivables for 2022. This has also impacted the cash flow from operating activities and from investment activities for 2022.

Recognition and measurement

Assets are recognized 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 recognized 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 for recognition and measurement.

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

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company DonkeyRepublic Holding A/S and the subsidiaries in which DonkeyRepublic Holding A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform account items. Intercompany income and expenses, shareholdings, intercompany accounts, and dividends, and realized and unrealized gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Income statement

Net revenue

Revenue from the sale of manufactured goods, goods for resale, and lease of rental bikes is recognized in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognized in the income statement when delivery is made to the buyer. Revenue is recognized net of VAT, duties, and sales discounts and is measured at fair value of the consideration fixed.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from the sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognized when the income is deemed to be realizable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from the sale of intangible and tangible fixed assets are also included.

Cost of sales
Cost of sales comprises costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

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 recognized in current assets.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security, etc., for the Group and the Parent Company's employees.

Income from investments in subsidiaries
Dividend from subsidiaries is recognized in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognized when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realized or is regarded as realizable. Moreover, realized losses other than impairments are included where identified.

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

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realized and unrealized gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognized by the amounts that relate to the financial year. Interest income and expenses are calculated on amortized cost prices.

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 recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intangible fixed assets
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 utilization, 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 recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred. When recognizing development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that are reduced as the development projects are amortized and written down.

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

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 amortization is the remaining duration of the relevant rights. The amortization periods used are 3-5 years.

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

Tangible fixed assets
Plant and machinery, and 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 based on the following estimated useful lives of the assets:

	Useful life	Residual value
Other plant, fixtures and equipment	3-5 years	0-30 %
Leasehold improvements	5 years	0-30 %

Estimated useful lives and residual values are reassessed annually.

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

Fixed asset investments
Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realizable value, this is written down to the lower value. Deposits include rental deposits which are recognized and measured at cost. Deposits are not depreciated.

Financial fixed assets include also other equity interests that are not expected to be disposed of. These are measured at cost because the equity interests are unlisted.

Other receivables are measured at amortized cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortization and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less the expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from the sale of assets after their useful lives end. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined under the standards within the industry.

Inventories
Inventories include spare parts used to maintain the bikes. Inventories are measured at cost using the FIFO principle. If the net realizable amount is lower than the cost, the inventories are written down to the lower amount.

The net realizable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence, and development in the expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets Accruals
recognized as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognized in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years, and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognized in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured based on the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallize as current tax. Any changes in the deferred tax resulting from changes in tax rates are recognized in the income statement, except from items recognized directly in equity.

Liabilities
Financial liabilities are recognized at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at an amortized cost equal to the capitalized value when using the effective interest, the difference between the proceeds, and the nominal value being recognized in the Income Statement over the loan period.

The amortized cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognized as liabilities include payments received regarding income in subsequent years.

Cash flow statement

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The interest payments are reported as Cash flow from financing activities in 2023, while they were reported as Cash flow from operating activities in 2022, therefore the comparative balances have been restated resulting in DKK 4.6M lower cash flow from financing activities.

The cash flow statement shows the Group's cash flows for the year for operating activities, investing activities, and financing activities in the year, the change in cash and cash equivalents of the year, and cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the earnings before interest and tax adjusted for non-cash operating items, changes in net working capital, and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with the purchase and sale of intangible and tangible fixed assets and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, borrowings and repayment of interest-bearing debt, and payment of dividends to shareholders and interest installments.

Cash and cash equivalents:
Cash and cash equivalents include cash in hand.

JOIN OUR CEO & CFO FOR 2023 ANNUAL REPORT WEBINAR

DATE: March 18th
TIME: 13.00-13.30 (CET)

Donkey Republic invites for an online Webinar presentation of our Annual Report 2023.

Program

- Introduction and company highlights from Donkey Republic CEO (10 min)
- Financial highlights from Donkey Republic CFO (10 min)
- Q&A (10 min)
- Thank you for today!

Registration and participation through this link

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Every Ride Counts

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