

DonkeyRepublic Holding ApS

Christian IX's Gade 7, 5.
1111 København K
Central Business Registration
No 35678263

Annual report 2019

The Annual General Meeting adopted the annual report on 28.08.2020

Chairman of the General Meeting

Name: Christian Dufft

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Entity details

Entity

DonkeyRepublic Holding ApS
Christian IX's Gade 7, 5.
1111 København K

Central Business Registration No (CVR): 35678263
Registered in: København
Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Caroline Søeborg Ahlefeldt-Laurvig-Bille
Sascha Hausmann
Jens Kramer Mikkelsen
Karl Erik Wenngren
Jesper Lilledal Holmgaard
Henrik Starup

Executive Board

Erdem Ovacik
Rune Thorenfeldt Kokholm

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of DonkeyRepublic Holding ApS for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.08.2020

Executive Board

Erdem Ovacik

Rune Thorenfeldt Kokholm

Board of Directors

Caroline Søbørg Ahlefeldt-
Laurvig-Bille

Sascha Hausmann

Jens Kramer Mikkelsen

Karl Erik Wenngren

Jesper Lilledal Holmgaard

Henrik Starup

Independent auditor's report

To the shareholders of DonkeyRepublic Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of DonkeyRepublic Holding ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

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

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

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

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

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

Independent auditor's report

financial statements and these parent financial statements.

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

Independent auditor's report

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

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

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

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

Copenhagen, 28.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

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

Management commentary

Primary activities

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

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

Development in activities and finances

2019 has been a very successful year for Donkey Republic in regards to growth, especially when looking at locals using our services and expanding our partner network.

Trips by locals have more than tripled, now this group is responsible for the majority of our trips. Winning by far the most permits to operate bikes in Copenhagen, exclusive permits in Utrecht, as well as launching ebikes in three cities, are just two reasons behind this growth. We have furthermore significantly increased the amount of pedal bikes in cities that we are operating ourselves.

Also in regards to expanding our network and therefore our bike footprint across Europe we are very pleased with the development in 2019. In cooperation with partners, who are operating the fleets locally, we managed to expand into appr. 20 new locations. Now in Reykjavik, Geneva and many other European cities and towns, people have the possibility to rent a bike through our app. All these launches made our SaaS-model an elementary part of our business moving forward.

Overall we managed to grow our consolidated revenue by over two-thirds (+67%) compared to 2018.

Even though the expansion involved certain expenditure we managed to keep a positive gross margin, that stayed on a similar total level as in 2018.

Besides growing our topline the Group has also invested in its organization and the continuous development of our soft- and hardware. This allows us to better fit the needs of our customers and partners.

The consolidated income statement shows a loss of DKK 19.488k, which was in line with expectations and the balance sheet shows equity of DKK 22.574k.

Our expectation for 2020 is that we can further improve our unit economics, expand both our own and partner network and continue to focus on offering sustainable and affordable mobility solutions to cities.

Events after the balance sheet date

In March 2020, COVID-19 hit Europe. The lockdowns across Europe due to COVID-19 and the impact the virus has on overall international tourism, has had a big impact on our revenue. Overall we expect to be at

Management commentary

approximately at 50%-70% of our originally budgeted revenue for the financial year of 2020. This also means that the expected revenue for 2020 is lower than actual revenue for 2019. Revenue has started to pick up in July and August and we expect that trend to continue throughout 2020 and into 2021.

A strict cost saving program, government support, postponement of loan repayment as well as the continuous good performance of the partner business alongside a capital injection in August of 2020, allows Donkey Republic to make it through 2020 and positions the Group with a strong starting point for 2021.

Consolidated income statement for 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Revenue		33.351.520	19.925.689
Other operating income		311.349	326.831
Cost of sales		(17.176.882)	(9.926.449)
Other external expenses		(11.274.342)	(3.753.371)
Gross profit/loss		5.211.645	6.572.700
Staff costs	1	(14.032.831)	(7.050.599)
Depreciation, amortisation and impairment losses	2	(10.122.390)	(7.253.689)
Operating profit/loss		(18.943.576)	(7.731.588)
Other financial income	3	57.884	6.769
Other financial expenses	4	(1.279.919)	(1.273.353)
Profit/loss before tax		(20.165.611)	(8.998.172)
Tax on profit/loss for the year	5	677.284	1.452.733
Profit/loss for the year		(19.488.327)	(7.545.439)
Proposed distribution of profit/loss			
Retained earnings		(19.488.327)	(7.545.439)
		(19.488.327)	(7.545.439)

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Completed development projects		8.513.188	6.274.729
Intangible assets	6	8.513.188	6.274.729
Other fixtures and fittings, tools and equipment		30.332.199	14.673.698
Leasehold improvements		22.605	41.845
Property, plant and equipment	7	30.354.804	14.715.543
Deposits		548.031	111.695
Fixed asset investments	8	548.031	111.695
Fixed assets		39.416.023	21.101.967
Manufactured goods and goods for resale		915.900	692.068
Prepayments for goods		1.281.400	2.285.299
Inventories		2.197.300	2.977.367
Trade receivables		1.916.441	526.131
Deferred tax		429.000	852.000
Other receivables		837.624	1.476.620
Income tax receivable		1.100.284	600.733
Prepayments		370.018	171.601
Receivables		4.653.367	3.627.085
Cash		12.941.797	2.579.070
Current assets		19.792.464	9.183.522
Assets		59.208.487	30.285.489

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Contributed capital		244.677	158.867
Reserve for development expenditure		6.904.858	4.638.866
Retained earnings		15.424.461	970.503
Equity		22.573.996	5.768.236
Convertible and dividend-yielding debt instruments		3.758.829	0
Other payables		7.965.646	5.446.096
Non-current liabilities other than provisions	9	11.724.475	5.446.096
Current portion of long-term liabilities other than provisions	9	15.180.052	14.073.473
Trade payables		3.870.675	2.074.851
Payables to shareholders and management		213.960	213.959
Other payables		4.737.418	1.623.445
Deferred income	10	907.911	1.085.429
Current liabilities other than provisions		24.910.016	19.071.157
Liabilities other than provisions		36.634.491	24.517.253
Equity and liabilities		59.208.487	30.285.489
Unrecognised rental and lease commitments	11		
Assets charged and collateral	12		
Subsidiaries	13		

Consolidated statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	158.867	4.638.866	970.503	5.768.236
Increase of capital	85.810	0	36.443.324	36.529.134
Exchange rate adjustments	0	0	(235.047)	(235.047)
Transfer to reserves	0	2.265.992	(2.265.992)	0
Profit/loss for the year	0	0	(19.488.327)	(19.488.327)
Equity end of year	244.677	6.904.858	15.424.461	22.573.996

Notes to consolidated financial statements

	2019 DKK	2018 DKK
1. Staff costs		
Wages and salaries	12.952.091	6.522.060
Pension costs	16.456	0
Other social security costs	505.829	119.750
Other staff costs	558.455	408.789
	14.032.831	7.050.599
Average number of employees	40	20
	2019 DKK	2018 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	2.171.150	1.526.395
Depreciation of property, plant and equipment	7.310.116	3.901.299
Impairment losses on property, plant and equipment	552.436	1.517.802
Profit/loss from sale of intangible assets and property, plant and equipment	88.688	308.193
	10.122.390	7.253.689
	2019 DKK	2018 DKK
3. Other financial income		
Exchange rate adjustments	57.884	6.769
	57.884	6.769
	2019 DKK	2018 DKK
4. Other financial expenses		
Other interest expenses	1.120.862	1.232.793
Exchange rate adjustments	159.057	40.560
	1.279.919	1.273.353
	2019 DKK	2018 DKK
5. Tax on profit/loss for the year		
Current tax	(1.100.284)	(600.733)
Change in deferred tax	423.000	(852.000)
	(677.284)	(1.452.733)

Notes to consolidated financial statements

	Completed develop- ment projects DKK
6. Intangible assets	
Cost beginning of year	8.935.805
Additions	4.409.607
Cost end of year	13.345.412
Amortisation and impairment losses beginning of year	(2.661.074)
Amortisation for the year	(2.171.150)
Amortisation and impairment losses end of year	(4.832.224)
Carrying amount end of year	8.513.188

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

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
7. Property, plant and equipment		
Cost beginning of year	21.831.514	65.286
Additions	23.624.800	27.011
Disposals	(150.618)	(65.286)
Cost end of year	45.305.696	27.011
Depreciation and impairment losses beginning of year	(7.157.816)	(23.441)
Impairment losses for the year	(552.436)	0
Depreciation for the year	(7.300.792)	(9.324)
Reversal regarding disposals	37.547	28.359
Depreciation and impairment losses end of year	(14.973.497)	(4.406)
Carrying amount end of year	30.332.199	22.605

Notes to consolidated financial statements

	Deposits DKK
8. Fixed asset investments	
Cost beginning of year	111.695
Additions	436.336
Cost end of year	548.031
Carrying amount end of year	548.031

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK
9. Liabilities other than provisions			
Convertible and dividend-yielding debt instruments	11.297.287	12.181.707	3.758.829
Other payables	3.882.765	1.891.766	7.965.646
	15.180.052	14.073.473	11.724.475

10. Short-term deferred income

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

	2019 DKK	2018 DKK
11. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	1.491.170	72.933

12. Assets charged and collateral

A floating charge of nominally DKK 12.750k has been provided to Vækstfonden. 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 ApS. The book value of assets charged as collateral amounts to DKK 42.982k in total for the Group. The assets are charged as collateral against loans from Vækstfonden across the three Companies.

Furthermore, a negative pledge have been made in favor of Vækstfonden, which ensures that no other debtor can post a colleteral in the Group's assets.

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
13. Subsidiaries					
DonkeyRepublic Bike ApS	Copenhagen	ApS	100,0	13.213.734	(3.181.465)
DonkeyRepublic Admin ApS	Copenhagen	ApS	100,0	3.948.990	(14.287.591)
Smart Cycles SLA	Barcelona	SLA	100,0	(53.987)	(132.416)
Donkeyrepublic NL	Utrecht	B.V	100,0	(6.873)	(6.874)
Donkeyrepublic Bike	Utrecht	B.V	100,0	7	0
Donkeyrepublic GmbH	Berlin	GmbH	100,0	7	0

Parent income statement for 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Revenue		484.844	6.049.997
Other operating income		311.349	216.971
Cost of sales		(13.175)	(3.191.669)
Other external expenses		(1.174.608)	(2.016.010)
Gross profit/loss		(391.590)	1.059.289
Staff costs	1	0	(3.433.884)
Depreciation, amortisation and impairment losses	2	(2.238.786)	(2.653.351)
Operating profit/loss		(2.630.376)	(5.027.946)
Other financial income	3	762.847	228.974
Other financial expenses	4	(93.721)	(938.754)
Profit/loss before tax		(1.961.250)	(5.737.726)
Tax on profit/loss for the year	5	203.508	1.044.054
Profit/loss for the year		(1.757.742)	(4.693.672)
Proposed distribution of profit/loss			
Retained earnings		(1.757.742)	(4.693.672)
		(1.757.742)	(4.693.672)

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Completed development projects		8.716.126	6.418.689
Intangible assets	6	8.716.126	6.418.689
Investments in group enterprises		37.915.707	15.915.707
Fixed asset investments	7	37.915.707	15.915.707
Fixed assets		46.631.833	22.334.396
Trade receivables		67.989	29.880
Receivables from group enterprises		13.015.196	4.046.867
Other receivables		274.759	806.399
Income tax receivable		203.508	1.044.054
Prepayments		0	39.431
Receivables		13.561.452	5.966.631
Cash		9.612.394	83.654
Current assets		23.173.846	6.050.285
Assets		69.805.679	28.384.681

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Contributed capital	8	244.677	158.867
Reserve for development expenditure		6.560.455	4.638.866
Retained earnings		37.464.347	4.700.354
Equity		44.269.479	9.498.087
Convertible and dividend-yielding debt instruments		3.758.829	0
Non-current liabilities other than provisions	9	3.758.829	0
Current portion of long-term liabilities other than provisions	9	11.297.287	0
Convertible and dividend-yielding debt instruments		0	12.181.708
Trade payables		775.429	407.796
Payables to group enterprises		8.754.459	4.903.581
Payables to shareholders and management		213.960	213.970
Other payables		0	94.110
Deferred income	10	736.236	1.085.429
Current liabilities other than provisions		21.777.371	18.886.594
Liabilities other than provisions		25.536.200	18.886.594
Equity and liabilities		69.805.679	28.384.681
Contingent liabilities	11		
Assets charged and collateral	12		

Parent statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	158.867	4.638.866	4.700.354	9.498.087
Increase of capital	85.810	0	36.443.324	36.529.134
Transfer to reserves	0	1.921.589	(1.921.589)	0
Profit/loss for the year	0	0	(1.757.742)	(1.757.742)
Equity end of year	244.677	6.560.455	37.464.347	44.269.479

Notes to parent financial statements

	2019 DKK	2018 DKK
1. Staff costs		
Wages and salaries	0	3.088.570
Other social security costs	0	103.132
Other staff costs	0	242.182
	0	3.433.884
Average number of employees	0	13
	2019 DKK	2018 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	2.238.786	1.542.390
Depreciation of property, plant and equipment	0	1.450.225
Impairment losses on property, plant and equipment	0	133.458
Profit/loss from sale of intangible assets and property, plant and equipment	0	(472.722)
	2.238.786	2.653.351
	2019 DKK	2018 DKK
3. Other financial income		
Financial income arising from group enterprises	762.355	226.229
Exchange rate adjustments	492	2.745
	762.847	228.974
	2019 DKK	2018 DKK
4. Other financial expenses		
Financial expenses from group enterprises	0	4.348
Other interest expenses	91.841	920.126
Exchange rate adjustments	1.880	14.280
	93.721	938.754
	2019 DKK	2018 DKK
5. Tax on profit/loss for the year		
Current tax	(203.508)	(1.044.054)
	(203.508)	(1.044.054)

Notes to parent financial statements

	Completed development projects DKK
6. Intangible assets	
Cost beginning of year	9.095.758
Additions	4.536.223
Cost end of year	13.631.981
Amortisation and impairment losses beginning of year	(2.677.069)
Amortisation for the year	(2.238.786)
Amortisation and impairment losses end of year	(4.915.855)
Carrying amount end of year	8.716.126

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

	Investments in group enterprises DKK
7. Fixed asset investments	
Cost beginning of year	15.915.707
Additions	22.000.000
Cost end of year	37.915.707
Carrying amount end of year	37.915.707

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

	Number	Par value DKK	Nominal value DKK
8. Contributed capital			
A-shares	71.429	1	71.429
B-shares	173.248	1	173.248
	244.677		244.677

Contributed capital for the financial year 2019 amounts to 85.810 nominally.

The Entity has established a warrant program for its employees. Total committed and planned warrants amount to nominal shares of 13.513 with a further 4.955 nominal shares available warrants. The warrants

Notes to parent financial statements

allow employees the option to purchase shares at a fixed price. The vesting period is different from employee to employee but is generally 48 months. The exercise price is set at either DKK 1 (only for those who joined before July 2016) or DKK 342 per share or 456 DKK per share.

	Due within 12 months 2019 DKK	Due after more than 12 months 2019 DKK
9. Liabilities other than provisions		
Convertible and dividend-yielding debt instruments	11.297.287	3.758.829
	11.297.287	3.758.829

10. Deferred income

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

11. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

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

12. Assets charged and collateral

A floating charge of nominally DKK 12.750k has been provided to Vækstfonden. 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 ApS. The book value of assets charged as collateral amounts to DKK 8.784k in DonkeyRepublic Holding ApS. The assets are charged as collateral against loans from Vækstfonden across the three Companies.

Furthermore, a negative pledge have been made in favor of Vækstfonden, which ensures that no other debtor can post a collateral in the entity's assets.

Accounting policies

Reporting class

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

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

Consolidated financial statements

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

Basis of consolidation

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

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

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

Income statement

Revenue

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

Other operating income

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

Cost of sales

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

Staff costs

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

Depreciation, amortisation and impairment losses

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

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

Other financial income

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

Other financial expenses

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

Tax on profit/loss for the year

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

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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

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

Accounting policies

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

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

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

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

Plant and machinery	3 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs. The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Deferred tax

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

Accounting policies

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

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

Other financial liabilities

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

Deferred income

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