

DonkeyRepublic Admin ApS

Njalsgade 21 E, 5.
2300 København S
Business Registration No
38049488

Annual report 2018

The Annual General Meeting adopted the annual report on 06.05.2019

Chairman of the General Meeting

Name: Rune Thorenfeldt Kokholm

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Entity details

Entity

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

Central Business Registration No (CVR): 38049488
Registered in: København
Financial year: 01.01.2018 - 31.12.2018

Board of Directors

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

Executive Board

Erdem Ovacik
Rune Thorenfeldt Kokholm

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of DonkeyRepublic Admin ApS for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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

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

Copenhagen, 06.05.2019

Executive Board

Erdem Ovacik

Rune Thorenfeldt Kokholm

Board of Directors

Caroline Søbørg Ahlefeldt-
Laurvig-Bille

Sascha Hausmann

Karl Erik Wenngren

Søren Grønborg Thorsen

Jesper Lilledal Holmgaard

Jens Kramer Mikkelsen

Claus Moseholm

Independent auditor's report

To the shareholders of DonkeyRepublic Admin ApS

Opinion

We have audited the financial statements of DonkeyRepublic Admin ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

Independent auditor's report

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, 06.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

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

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

Management commentary

Primary activities

The primary activity of the Company is acting as an agent in regards to the rental of bikes. The Company operates an platform enabling bike owners to rent their bikes to end users. For this service, the Company keeps a part of the rental income.

For a part of the year, the Company also purchased and sold bikes as a main activity. This activity has been scaled down at the end pof the year.

Development in activities and finances

The income statement shows a loss of DKK 2.935k and the balance sheet shows negative equity of DKK 3.763k. The loss was expected by management and is considered satisfactory.

The Company have lost more than half of its share capital. The Company is therefore affected by the rules in the Danish Companies Act. Management expects to reestablish the share capital by capital investments.

The Company's sole owner, DonkeyRepublic Holding ApS, has issued a letter of support, whereby it confirms that it has undertaken the obligation to provide the necessary cash and capital, to ensure that the Company will be able to continue operating.

Events after the balance sheet date

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

Income statement for 2018

| | <u>Notes</u> | <u>2018 DKK</u> | <u>2017 DKK</u> |
|--|--------------|---------------------|---------------------|
| Gross profit/loss | | 1.714.428 | (740.496) |
| Staff costs | 1 | (4.555.567) | 0 |
| Depreciation, amortisation and impairment losses | 2 | (348.991) | 0 |
| Operating profit/loss | | (3.190.130) | (740.496) |
| Other financial income | | 4.004 | 9.253 |
| Financial expenses from group enterprises | | (269.992) | (163.839) |
| Other financial expenses | | (37.422) | (17.588) |
| Profit/loss before tax | | (3.493.540) | (912.670) |
| Tax on profit/loss for the year | | 558.215 | 34.575 |
| Profit/loss for the year | | (2.935.325) | (878.095) |
| Proposed distribution of profit/loss | | | |
| Retained earnings | | (2.935.325) | (878.095) |
| | | (2.935.325) | (878.095) |

Balance sheet at 31.12.2018

| | <u>Notes</u> | <u>2018 DKK</u> | <u>2017 DKK</u> |
|--|--------------|-------------------------|-------------------------|
| Other fixtures and fittings, tools and equipment | | 379.478 | 0 |
| Leasehold improvements | | 41.845 | 0 |
| Property, plant and equipment | 3 | <u>421.323</u> | <u>0</u> |
| Investments in group enterprises | | 186.469 | 0 |
| Deposits | | 111.695 | 0 |
| Fixed asset investments | 4 | <u>298.164</u> | <u>0</u> |
| Fixed assets | | <u>719.487</u> | <u>0</u> |
| Manufactured goods and goods for resale | | 692.068 | 814.156 |
| Prepayments for goods | | 2.285.299 | 3.255.877 |
| Inventories | | <u>2.977.367</u> | <u>4.070.033</u> |
| Trade receivables | | 496.251 | 2.940.386 |
| Other receivables | | 570.757 | 0 |
| Income tax receivable | | 558.215 | 34.575 |
| Prepayments | | 132.170 | 0 |
| Receivables | | <u>1.757.393</u> | <u>2.974.961</u> |
| Cash | | <u>752.529</u> | <u>176.288</u> |
| Current assets | | <u>5.487.289</u> | <u>7.221.282</u> |
| Assets | | <u>6.206.776</u> | <u>7.221.282</u> |

Balance sheet at 31.12.2018

| | <u>Notes</u> | <u>2018 DKK</u> | <u>2017 DKK</u> |
|--|--------------|---------------------------|-------------------------|
| Contributed capital | | 50.000 | 50.000 |
| Retained earnings | | <u>(3.813.419)</u> | <u>(878.094)</u> |
| Equity | | <u>(3.763.419)</u> | <u>(828.094)</u> |
| | | | |
| Prepayments received from customers | | 0 | 74.297 |
| Trade payables | | 1.468.631 | 677.841 |
| Payables to group enterprises | | 7.295.140 | 7.160.391 |
| Other payables | | <u>1.206.424</u> | <u>136.847</u> |
| Current liabilities other than provisions | | <u>9.970.195</u> | <u>8.049.376</u> |
| | | | |
| Liabilities other than provisions | | <u>9.970.195</u> | <u>8.049.376</u> |
| | | | |
| Equity and liabilities | | <u>6.206.776</u> | <u>7.221.282</u> |
| | | | |
| Unrecognised rental and lease commitments | 5 | | |
| Contingent liabilities | 6 | | |

Statement of changes in equity for 2018

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|---------------------------|--|--------------------------------------|---------------------------|
| Equity beginning of year | 50.000 | (878.094) | (828.094) |
| Profit/loss for the year | <u>0</u> | <u>(2.935.325)</u> | <u>(2.935.325)</u> |
| Equity end of year | <u>50.000</u> | <u>(3.813.419)</u> | <u>(3.763.419)</u> |

Notes

| | 2018 | 2017 |
|--|---|---|
| | DKK | DKK |
| 1. Staff costs | | |
| Wages and salaries | 4.372.342 | 0 |
| Other social security costs | 16.618 | 0 |
| Other staff costs | 166.607 | 0 |
| | 4.555.567 | 0 |
| | | |
| Average number of employees | 7 | |
| | | |
| | 2018 | 2017 |
| | DKK | DKK |
| 2. Depreciation, amortisation and impairment losses | | |
| Depreciation of property, plant and equipment | 348.991 | 0 |
| | 348.991 | 0 |
| | | |
| | Other fixtures and fittings, tools and equipment DKK | Leasehold improve- ments DKK |
| 3. Property, plant and equipment | | |
| Additions | 723.552 | 46.763 |
| Cost end of year | 723.552 | 46.763 |
| | | |
| Depreciation for the year | (344.074) | (4.918) |
| Depreciation and impairment losses end of year | (344.074) | (4.918) |
| | | |
| Carrying amount end of year | 379.478 | 41.845 |

Notes

| | Invest- ments in group enterprises DKK | Deposits DKK |
|------------------------------------|---|-------------------------|
| 4. Fixed asset investments | | |
| Additions | <u>186.469</u> | <u>111.695</u> |
| Cost end of year | <u>186.469</u> | <u>111.695</u> |
| Carrying amount end of year | <u>186.469</u> | <u>111.695</u> |

| | Registered in | Corpo- rate form | Equity inte- rest % | Equity DKK | Profit/loss DKK |
|--|----------------------|---------------------------------|--|-----------------------|----------------------------|
| Investments in group enterprises comprise: | | | | | |
| Smart Cycles SLA | Barcelona | SLA | 100,0 | 278.429 | (79.588) |

| | 2018 DKK | 2017 DKK |
|--|----------------------|---------------------|
| 5. Unrecognised rental and lease commitments | | |
| Liabilities under rental or lease agreements until maturity in total | <u>72.933</u> | <u>0</u> |

6. Contingent liabilities

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

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 are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, other operating income, cost of raw materials and consumables and external expenses.

Revenue

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

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

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

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

Depreciation, amortisation and impairment losses

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

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.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

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

Property, plant and equipment

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

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

Accounting policies

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

| | |
|--|---------|
| Other fixtures and fittings, tools and equipment | 5 years |
| Leasehold improvements | 5 years |

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Income tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Accounting policies

Prepayments received from customers

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