

Donkey Finance ApS
Njalsgade 23 C, 3. th.
2300 København S
Business Registration No
38049488

**Annual report 29.09.2016
- 31.12.2017**

The Annual General Meeting adopted the annual report on 02.02.2018

Chairman of the General Meeting

Name: Rune Thorenfeldt Kokholm

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Entity details

Entity

Donkey Finance ApS
Njalsgade 23 C, 3. th.
2300 København S

Central Business Registration No (CVR): 38049488

Registered in: København

Financial year: 29.09.2016 - 31.12.2017

Board of Directors

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

Executive Board

Erdem Ovacik
Rune Thorenfeldt Kokholm

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Donkey Finance ApS for the financial year 29.09.2016 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 29.09.2016 - 31.12.2017.

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

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

Copenhagen, 02.02.2018

Executive Board

Erdem Ovacik

Rune Thorenfeldt Kokholm

Board of Directors

Claus Moseholm

Charles Ehredt

Jesper Lilledal Holmgaard

Jens Kjærby Frandsen

Erdem Ovacik

Independent auditor's report

To the shareholders of Donkey Finance ApS

Opinion

We have audited the financial statements of Donkey Finance ApS for the financial year 29.09.2016 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 29.09.2016 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

Material uncertainty related to going concern

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

Management's responsibilities for the 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.

Independent auditor's report

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:

- 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.

Independent auditor's report

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.

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, 02.02.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant

Identification No (MNE) 32127

Management commentary

Primary activities

The primary activity of the Company is the sale of bicycles and activities related to this.

Development in activities and finances

The income statement shows a loss of DKK 878k and the balance sheet shows negative equity of DKK 828k.

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.

Going concern

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

Events after the balance sheet date

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

Income statement for 2016/17

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>
Gross loss		(740.496)
Other financial income		9.253
Financial expenses from group enterprises		(163.839)
Other financial expenses		<u>(17.588)</u>
Profit/loss before tax		(912.670)
Tax on profit/loss for the year		<u>34.575</u>
Profit/loss for the year		<u>(878.095)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(878.095)</u>
		<u>(878.095)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>
Manufactured goods and goods for resale		814.156
Prepayments for goods		<u>3.255.877</u>
Inventories		<u>4.070.033</u>
Trade receivables		2.940.386
Income tax receivable		<u>34.575</u>
Receivables		<u>2.974.961</u>
Cash		<u>176.288</u>
Current assets		<u>7.221.282</u>
Assets		<u>7.221.282</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>
Contributed capital		50.000
Retained earnings		<u>(878.095)</u>
Equity		<u>(828.095)</u>
Prepayments received from customers		74.297
Trade payables		677.841
Payables to group enterprises		7.160.391
Other payables		<u>136.848</u>
Current liabilities other than provisions		<u>8.049.377</u>
Liabilities other than provisions		<u>8.049.377</u>
Equity and liabilities		<u>7.221.282</u>
Going concern	1	
Contingent assets	2	
Contingent liabilities	3	

Statement of changes in equity for 2016/17

	Contributed capital DKK	Retained earnings DKK	Total DKK
	<u> </u>	<u> </u>	<u> </u>
Contributed upon formation	50.000	0	50.000
Profit/loss for the year	<u>0</u>	<u>(878.095)</u>	<u>(878.095)</u>
Equity end of year	<u>50.000</u>	<u>(878.095)</u>	<u>(828.095)</u>

Notes

1. Going concern

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

2. Contingent assets

The entity has an unrecognized deferred tax asset of DKK 166.000.

3. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Donkeyrepublic 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.

This is the first financial year of the Company. As such, no comparative figures have been presented.

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 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

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

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.

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.