



DonkeyRepublic Admin ApS

Christian IX's Gade 7, 5.
1111 København K
CVR No. 38049488

Annual report 2019

The Annual General Meeting adopted the
annual report on 28.08.2020

Christian Dufft

Chairman of the General Meeting

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Entity details

Entity

DonkeyRepublic Admin ApS

Christian IX's Gade 7, 5.

1111 København K

CVR No.: 38049488

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Caroline Søeborg Ahlefeldt-Laurvig-Bille, Chairman

Jens Kramer Mikkelsen

Henrik Starup

Sascha Hausmann

Jesper Lilledal Holmgaard

Karl Erik Wenngren

Executive Board

Erdem Ovacik, adm. dir.

Rune Thorenfeldt Kokholm, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Lead Client Service Partner : Bjørn Winkler Jacobsen

Statement by Management

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

Rune Thorenfeldt Kokholm
direktør

Board of Directors

Caroline Søeborg Ahlefeldt-Laurvig-Bille
Chairman

Jens Kramer Mikkelsen

Henrik Starup

Sascha Hausmann

Jesper Lilledal Holmgaard

Karl Erik Wenngren

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 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 31.12.2019 and of the results of its 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 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:

- 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.

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, 28.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

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 a platform enabling bike owners to rent their bikes to end users. For this service, the Company keeps a part of the rental income.

Development in activities and finances

2019 has been a very successful year for Donkey Republic Admin 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 ridden. 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 more than double the revenue of Donkey Republic Admin compared to 2018, with the large majority of the growth coming from external revenue sources (i.e. riders and partners).

Even though the expansion involved certain expenditure we managed to keep a positive gross margin, that almost doubled compared to 2018.

Besides growing our topline the Group has also invested in its organization to allow us to better fit the needs of our customers and partners.

The income statement shows a loss of DKK 14.288k and the balance sheet shows positive equity of DKK 3.949k. The loss was expected by the management and is considered satisfactory.

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.

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 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.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		52,229,451	19,000,410
Cost of sales		(39,224,114)	(15,452,132)
Other external expenses		(9,592,203)	(1,811,876)
Property costs		(72,955)	(21,974)
Gross profit/loss		3,340,179	1,714,428
Staff costs	1	(16,503,271)	(4,555,567)
Depreciation, amortisation and impairment losses	2	(801,836)	(348,991)
Operating profit/loss		(13,964,928)	(3,190,130)
Other financial income		57,381	4,004
Financial expenses from group enterprises		(870,285)	(269,992)
Other financial expenses		(183,612)	(37,422)
Profit/loss before tax		(14,961,444)	(3,493,540)
Tax on profit/loss for the year		673,853	558,215
Profit/loss for the year		(14,287,591)	(2,935,325)
Proposed distribution of profit and loss:			
Retained earnings		(14,287,591)	(2,935,325)
Proposed distribution of profit and loss		(14,287,591)	(2,935,325)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	4	441,542	0
Intangible assets	3	441,542	0
Other fixtures and fittings, tools and equipment		4,969,383	379,479
Leasehold improvements		22,605	41,845
Property, plant and equipment	5	4,991,988	421,324
Investments in group enterprises		395,593	186,469
Deposits		548,031	111,695
Other financial assets	6	943,624	298,164
Fixed assets		6,377,154	719,488
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		1,877,186	496,251
Receivables from group enterprises		11,322,208	0
Other receivables		166,682	570,757
Income tax receivable		673,853	558,215
Prepayments		370,018	132,170
Receivables		14,409,947	1,757,393
Cash		2,261,723	752,529
Current assets		18,868,970	5,487,289
Assets		25,246,124	6,206,777

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		50,000	50,000
Reserve for development expenditure		344,403	0
Retained earnings		3,554,587	(3,813,419)
Equity		3,948,990	(3,763,419)
Other payables		468,269	0
Non-current liabilities other than provisions		468,269	0
Trade payables		2,619,609	1,468,631
Payables to group enterprises		13,427,223	7,295,141
Other payables		4,610,358	1,206,424
Deferred income		171,675	0
Current liabilities other than provisions		20,828,865	9,970,196
Liabilities other than provisions		21,297,134	9,970,196
Equity and liabilities		25,246,124	6,206,777
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Assets charged and collateral	9		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	0	(3,813,419)	(3,763,419)
Group contributions etc	0	0	22,000,000	22,000,000
Transfer to reserves	0	344,403	(344,403)	0
Profit/loss for the year	0	0	(14,287,591)	(14,287,591)
Equity end of year	50,000	344,403	3,554,587	3,948,990

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	15,729,940	4,372,342
Other social security costs	214,876	16,618
Other staff costs	558,455	166,607
	16,503,271	4,555,567
Average number of full-time employees	34	7

2 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Amortisation of intangible assets	23,523	0
Depreciation of property, plant and equipment	741,386	348,991
Profit/loss from sale of intangible assets and property, plant and equipment	36,927	0
	801,836	348,991

3 Intangible assets

	Completed development projects DKK
Additions	465,065
Cost end of year	465,065
Amortisation for the year	(23,523)
Amortisation and impairment losses end of year	(23,523)
Carrying amount end of year	441,542

4 Development projects

The entity's development projects relate to development of a new and improved Donkeyrepublic Bike design, which is expected to increase reliability and decrease maintenance cost of bikes as well as a number of other improvements.

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	723,552	46,763
Additions	5,324,676	27,011
Disposals	(4,118)	(46,763)
Cost end of year	6,044,110	27,011
Depreciation and impairment losses beginning of year	(344,073)	(4,918)
Depreciation for the year	(732,062)	(9,324)
Reversal regarding disposals	1,408	9,836
Depreciation and impairment losses end of year	(1,074,727)	(4,406)
Carrying amount end of year	4,969,383	22,605

6 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	186,469	111,695
Additions	209,124	436,336
Cost end of year	395,593	548,031
Carrying amount end of year	395,593	548,031

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Smart Cycles SLA	Barcelona	SLA	100	(53,987)	(132,416)
Donkeyrepublic NL B.V	Utrecht	B.V.	100	(6,873)	(6,874)
DonkeyRepublic Bike B.V.	Utrecht	B.V.	100	7	0
DonkeyRepublic GmbH	Berlin	GmbH	100	7	0

7 Unrecognised rental and lease commitments

	2019	2018
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	1,491,170	72,933

8 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.

9 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 9.508k in DonkeyRepublic Admin 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 financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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

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.

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, and 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, and gains and losses from the sale of intangible assets and 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 or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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 amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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 period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

Other fixtures and fittings, tools and equipment	5 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 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.

Deferred income

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