



DonkeyRepublic Admin ApS

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

Annual report 2020

The Annual General Meeting adopted the
annual report on 15.04.2021

Christian Dufft

Chairman of the General Meeting

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Entity details

Entity

DonkeyRepublic Admin ApS

Christian IX's Gade 7, 5.

1111 Copenhagen K

CVR No.: 38049488

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Caroline Søborg Ahlefeldt-Laurvig-Bille, Chairman

Jens Kramer Mikkelsen

Henrik Starup

Jesper Lilledal Holmgaard

Sascha Hausmann

Karl Erik Wenngren

Executive Board

Erdem Ovacik, Chief Executive Officer

Christian Dufft, Chief Financial Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

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 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 30.03.2021

Executive Board

Erdem Ovacik
Chief Executive Officer

Christian Dufft
Chief Financial Officer

Board of Directors

Caroline Søbørg Ahlefeldt-Laurvig-Bille
Chairman

Jens Kramer Mikkelsen

Henrik Starup

Jesper Lilledal Holmgaard

Sascha Hausmann

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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, 30.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Mads Juul Hansen

State Authorised Public Accountant

Identification No (MNE) mne44386

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

For a more detailed overview of the operational highlights, please see the Group commentary in the Annual Report of the Donkey Republic Holding ApS.

Donkey Republic Admin ApS recorded a revenue of DKK 31,0 million in 2020, which is appr. DKK 21,2 million less than in the previous year. The revenue decline can be solely contributed to negative impact of COVID on the company's revenue.

Even though the company recorded higher intercompany cost, due to a revised transfer pricing logic, the total cost of sales improved by DKK 7,3 million DKK to DKK -31,8 million, allowing the company to compensate part of the revenue decline compared to the previous year.

The Company 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 both now and in the future.

The income statement shows a loss of DKK 23,0 million and the balance sheet shows equity of DKK 5,9 million. The loss was expected by the management and stayed below the revised COVID expectations.

The Company's sole owner, Donkey Republic 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.

For 2021 our expectation is that we can continue to grow our own and partner network and achieve a result significantly better than in 2020. COVID however remains the main uncertainty in the short term for the business.

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 2020

	Notes	2020 DKK	2019 DKK
Revenue		31,027,726	52,229,451
Other operating income	1	1,989,002	0
Cost of sales		(31,860,124)	(39,224,114)
Other external expenses		(8,308,637)	(9,665,158)
Gross profit/loss		(7,152,033)	3,340,179
Staff costs	2	(14,672,300)	(16,503,271)
Depreciation, amortisation and impairment losses	3	(633,851)	(801,836)
Operating profit/loss		(22,458,184)	(13,964,928)
Other financial income from group enterprises		325,922	306,015
Other financial income	4	123,895	57,381
Financial expenses from group enterprises		(974,942)	(1,173,769)
Other financial expenses	5	(825,371)	(186,143)
Profit/loss before tax		(23,808,680)	(14,961,444)
Tax on profit/loss for the year	6	785,582	673,853
Profit/loss for the year		(23,023,098)	(14,287,591)
Proposed distribution of profit and loss:			
Retained earnings		(23,023,098)	(14,287,591)
Proposed distribution of profit and loss		(23,023,098)	(14,287,591)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	8	573,390	441,542
Prepayments for intangible assets		229,618	0
Intangible assets	7	803,008	441,542
Other fixtures and fittings, tools and equipment		146,389	4,969,383
Leasehold improvements		13,593	22,605
Property, plant and equipment	9	159,982	4,991,988
Investments in group enterprises		395,593	395,593
Deposits		511,927	548,031
Financial assets	10	907,520	943,624
Fixed assets		1,870,510	6,377,154
Manufactured goods and goods for resale		196,197	915,900
Prepayments for goods		208,799	1,281,400
Inventories		404,996	2,197,300
Trade receivables		2,866,657	1,877,186
Receivables from group enterprises		8,058,651	11,322,208
Other receivables		221,197	166,682
Income tax receivable		785,582	673,853
Prepayments		0	370,018
Receivables		11,932,087	14,409,947
Cash		1,385,376	2,261,723
Current assets		13,722,459	18,868,970
Assets		15,592,969	25,246,124

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		50,000	50,000
Reserve for development expenditure		447,244	344,403
Retained earnings		5,428,648	3,554,587
Equity		5,925,892	3,948,990
Other payables		1,233,233	468,269
Non-current liabilities other than provisions	11	1,233,233	468,269
Trade payables		2,078,555	2,619,609
Payables to group enterprises		883,070	13,427,223
Other payables		2,855,459	4,610,358
Deferred income		2,616,760	171,675
Current liabilities other than provisions		8,433,844	20,828,865
Liabilities other than provisions		9,667,077	21,297,134
Equity and liabilities		15,592,969	25,246,124
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Assets charged and collateral	14		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	344,403	3,554,587	3,948,990
Group contributions etc	0	0	25,000,000	25,000,000
Transfer to reserves	0	102,841	(102,841)	0
Profit/loss for the year	0	0	(23,023,098)	(23,023,098)
Equity end of year	50,000	447,244	5,428,648	5,925,892

Notes

1 Other operating income

Other operating income includes COVID-19 related compensation for fixed cost of DKK 714,268 and salary compensation of DKK 1,274,734.

2 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	14,257,911	15,729,940
Other social security costs	301,291	214,876
Other staff costs	113,098	558,455
	14,672,300	16,503,271
Average number of full-time employees	41	34

3 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Amortisation of intangible assets	130,732	23,523
Depreciation of property, plant and equipment	503,119	741,386
Profit/loss from sale of intangible assets and property, plant and equipment	0	36,927
	633,851	801,836

4 Other financial income

	2020	2019
	DKK	DKK
Exchange rate adjustments	123,895	57,381
	123,895	57,381

5 Other financial expenses

	2020	2019
	DKK	DKK
Other interest expenses	538,653	31,453
Exchange rate adjustments	286,718	154,690
	825,371	186,143

6 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(785,582)	(673,853)
	(785,582)	(673,853)

7 Intangible assets

	Completed development projects DKK	Prepayments for intangible assets DKK
Cost beginning of year	465,065	0
Additions	262,580	229,618
Cost end of year	727,645	229,618
Amortisation and impairment losses beginning of year	(23,523)	0
Amortisation for the year	(130,732)	0
Amortisation and impairment losses end of year	(154,255)	0
Carrying amount end of year	573,390	229,618

8 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.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	6,044,110	27,011
Additions	53,850	0
Disposals	(5,224,678)	0
Cost end of year	873,282	27,011
Depreciation and impairment losses beginning of year	(1,074,727)	(4,406)
Depreciation for the year	(494,107)	(9,012)
Reversal regarding disposals	841,941	0
Depreciation and impairment losses end of year	(726,893)	(13,418)
Carrying amount end of year	146,389	13,593

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	395,593	548,031
Disposals	0	(36,104)
Cost end of year	395,593	511,927
Carrying amount end of year	395,593	511,927

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Smart Cycles SLA	Barcelona	SLA	100
Donkeyrepublic NL B.V	Utrecht	B.V.	100
DonkeyRepublic GmbH	Berlin	GmbH	100
DonkeyRepublic Hungary	Budapest	Kft	100

11 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Other payables	1,233,233	1,233,233
	1,233,233	1,233,233

Long-term other payables relates to frozen holiday pay.

12 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	897,316	1,491,170

13 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.

14 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 4.235k in DonkeyRepublic Admin ApS. The assets are charged as collateral against loans from Vækstfonden across the three Companies.

Furthermore, a negative pledge has 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.

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.

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 from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

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.

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.

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.