



DonkeyRepublic Bike ApS

Christian IX's Gade 7, 5.
1111 København K
CVR No. 39537001

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 Bike ApS

Christian IX's Gade 7, 5.

1111 København K

CVR No.: 39537001

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Caroline Søeborg Ahlefeldt-Laurvig-Bille, Chairman

Sascha Hausmann

Jens Kramer Mikkelsen

Henrik Starup

Karl Erik Wenngren

Jesper Lilledal Holmgaard

Executive Board

Erdem Ovacik, CEO

Rune Thorenfeldt Kokholm, COO

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 Bike 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
CEO

Rune Thorenfeldt Kokholm
COO

Board of Directors

Caroline Søeborg Ahlefeldt-Laurvig-Bille
Chairman

Sascha Hausmann

Jens Kramer Mikkelsen

Henrik Starup

Karl Erik Wenngren

Jesper Lilledal Holmgaard

Independent auditor's report

To the shareholders of DonkeyRepublic Bike ApS

Opinion

We have audited the financial statements of DonkeyRepublic Bike 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 entity's primary activities consist of owning bikes which can be rented by end users through the DonkeyRepublic App and software. The App is operated by the Group.

Description of material changes in activities and finances

The income statement shows a loss after tax amounting to DKK -3.181k and the balance sheet shows equity of DKK 13.214k with a total asset sum of DKK 34.614k. The result 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.

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		19,929,608	8,531,104
Other operating income		0	17,901
Cost of sales		(14,589,539)	(3,712,164)
Other external expenses		(96,310)	(31,012)
Gross profit/loss		5,243,759	4,805,829
Depreciation, amortisation and impairment losses	1	(7,330,501)	(3,873,407)
Operating profit/loss		(2,086,742)	932,422
Other financial income	2	362,712	49,863
Other financial expenses	3	(1,257,358)	(303,257)
Profit/loss before tax		(2,981,388)	679,028
Tax on profit/loss for the year	4	(200,077)	(149,536)
Profit/loss for the year		(3,181,465)	529,492
Proposed distribution of profit and loss:			
Retained earnings		(3,181,465)	529,492
Proposed distribution of profit and loss		(3,181,465)	529,492

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		25,599,178	14,688,155
Property, plant and equipment	5	25,599,178	14,688,155
Fixed assets		25,599,178	14,688,155
Receivables from group enterprises		7,156,811	7,737,415
Deferred tax		429,000	852,000
Other receivables		363,369	88,011
Income tax receivable		222,923	0
Receivables		8,172,103	8,677,426
Cash		842,578	1,567,439
Current assets		9,014,681	10,244,865
Assets		34,613,859	24,933,020

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		50,000	50,000
Retained earnings		13,163,734	16,345,199
Equity		13,213,734	16,395,199
Other payables		7,497,377	5,446,096
Non-current liabilities other than provisions	6	7,497,377	5,446,096
Current portion of non-current liabilities other than provisions	6	3,882,765	1,891,766
Trade payables		295,423	198,423
Payables to group enterprises		9,724,560	0
Income tax payable		0	1,001,536
Current liabilities other than provisions		13,902,748	3,091,725
Liabilities other than provisions		21,400,125	8,537,821
Equity and liabilities		34,613,859	24,933,020
Contingent liabilities	7		
Assets charged and collateral	8		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	16,345,199	16,395,199
Profit/loss for the year	0	(3,181,465)	(3,181,465)
Equity end of year	50,000	13,163,734	13,213,734

Notes

1 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Depreciation of property, plant and equipment	6,726,304	2,180,870
Impairment losses on property, plant and equipment	552,436	1,384,344
Profit/loss from sale of intangible assets and property, plant and equipment	51,761	308,193
	7,330,501	3,873,407

2 Other financial income

	2019 DKK	2018 DKK
Financial income from group enterprises	362,701	49,843
Exchange rate adjustments	11	20
	362,712	49,863

3 Other financial expenses

	2019 DKK	2018 DKK
Financial expenses from group enterprises	257,302	0
Other interest expenses	997,568	303,257
Exchange rate adjustments	2,488	0
	1,257,358	303,257

4 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	(222,923)	1,001,536
Change in deferred tax	423,000	(852,000)
	200,077	149,536

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	18,198,242
Additions	18,300,124
Disposals	(146,500)
Cost end of year	36,351,866
Depreciation and impairment losses beginning of year	(3,510,087)
Impairment losses for the year	(552,436)
Depreciation for the year	(6,726,304)
Reversal regarding disposals	36,139
Depreciation and impairment losses end of year	(10,752,688)
Carrying amount end of year	25,599,178

6 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK
Other payables	3,882,765	1,891,766	7,497,377
	3,882,765	1,891,766	7,497,377

7 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where 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.

8 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 25.599k in DonkeyRepublic Bike 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.

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 lease of rental bikes are 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.

Other external expenses

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

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 interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, 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.

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	3-5 years
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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.

Receivables

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

Deferred tax

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

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at

their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax 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.