
MATE.mothership ApS

Gråbrødretorv, 11,1, DK-1154 Copenhagen

Annual Report for 2023

CVR No. 40 61 06 50

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 25/6 2024

Janus Christian
Fjeldborg
Chairman of the
general meeting



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Management's statement

Today the Executive Board have discussed and approved the Annual Report of MATE.mothership ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 25 June 2024

Executive Board

Janus Christian Fjeldborg

Independent Auditor's Report

To the shareholders of Mate.mothership ApS

Report on the audit of the Financial Statements

Qualified opinion

In our opinion, except for the possible effects on the comparative information as well as on profit/loss for the year and the classification of the income statement of the matters described in the *Basis for qualified opinion* paragraph, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Mate.mothership ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (the "Financial Statements").

Basis for qualified opinion

We were appointed auditors of the Company at the end of 2023 following the completion of the restructuring of the Company. In the Financial Statements for 2022, the Company's former auditors qualified their report in respect of the completeness of trade payables, the completeness of provisions, the existence and completeness of other payables, the recognition of revenue and the existence and completeness of other expenses. This may affect the profit/loss for 2023, and the comparative information for 2022 in both the income statement and the balance sheet may also be erroneous as a consequence. We therefore qualify our report in this respect.

Until the completion of the restructuring, the Company's accounting records were incomplete, and it has not been possible to verify the completeness of the records. In connection with the restructuring, the Company's debt at the date of the restructuring was compounded in accordance with the decision of the Danish Bankruptcy Court. After the restructuring, the Company's debt was written down accordingly, and the remission of debt was recognised in Other operating income in the income statement. As a result of the Company's accounting records being incomplete prior to the restructuring and the possible errors in the Company's balance sheet at 31 December 2022, the amounts and the classification of the items in the Company's income statement for 2023 may be incorrect. We therefore qualify our report in this respect.

Our opinion on the Financial Statements for the current period has been modified as a result of the possible effect of these matters on the income statement for 2023 and the balance sheet at 31 December 2022 as well as the comparability of the accounting figures for the current period and the comparative information.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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* paragraph of our Report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company 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 Company'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 Company's

Independent Auditor's Report

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 not adequate, 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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.

Report on other legal and regulatory requirements

Non-compliance with the Danish Bookkeeping Act until the reconstruction as 29 September 2023

Until the completion of the restructuring as per 29 September 2023, the Company did not comply with the requirements of the Danish Bookkeeping Act in respect of the bookkeeping being organised and executed in accordance with generally accepted accounting practice with due consideration of the nature and size of its business. Among others this could have meant incorrect VAT filing before the restructuring. The previous Management may incur liability on the basis of this non-compliance with the Danish Bookkeeping Act.

Based on the audit performed for the period after the reconstruction it is our opinion that the Company after the reconstruction complies with the requirements in the Danish Bookkeeping Act.

Hellerup, 25 June 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

René Otto Poulsen
State Authorised Public Accountant
mne26718

Company information

The Company	MATE.mothership ApS Gråbrødretorv, 11,1 1154 Copenhagen CVR No: 40 61 06 50 Financial period: 1 January - 31 December Incorporated: 6 June 2019 Financial year: 5th financial year Municipality of reg. office: Copenhagen
Executive Board	Janus Christian Fjeldborg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Lawyers	Highbridge Advokatanpartsselskab Højbro Plads 10 1200 Copenhagen K
Bankers	Danske Bank

Management's review

Key activities

The principal activities comprise majority ownership of companies within the group, which, amongst other activities, design and sell high-quality electric bicycles globally.

Development in the year

The income statement of the Company for 2023 shows a profit of DKK 37,608,611, and at 31 December 2023 the balance sheet of the Company shows a negative equity of DKK 346,448.

2023 has been an extraordinary year for Mate.Bike. The successful reconstruction, approved by the majority of our creditors in the Danish Maritime and Commercial High Court on November 22nd, 2023, marked a pivotal moment for the company. The acceptance of our reconstruction plan meant that all debt and obligations before September 29th, 2023, were removed, allowing Mate.Bike to reset and refocus its strategic direction.

As part of the reconstruction the company's debt was cancelled. The net impact on the profit/loss after write down etc. amounted to 41 mDKK, which is recognized as part of the financial income. The positive neteffect of the reconstruction is the main reason for a net profit of 38 mDKK in 2023.

Prior to the reconstruction, and besides operational inefficiencies, internal procedures and controls were not effective, implying risk of non-compliance with the Danish Bookkeeping Act. Following the reconstruction, a new management team was appointed, who has taken the necessary steps to ensure operational efficiency as well as compliant bookkeeping and robust internal controls moving forward.

Also, our auditors agree with this assessment, stating in the Independent Auditors report: "Based on the audit performed for the period after the reconstruction, it is our opinion that the Company after the reconstruction complies with the requirements in the Danish Bookkeeping Act."

After the reconstruction, a new strategy was presented, "Mate Made Simple," shifting the company's focus solely to business-to-business (BtB) operations and closing down all business-to-consumer (BtC) activities. This strategic shift will allow Mate.Bike to concentrate on product development and innovation, positioning us for a stronger future.

Mate.Bike is now operating as a healthy business, free of debt and collateral and a sound financial position. While old investors had their investments written down due to the reconstruction, we have had the privilege of some of them rejoining alongside new ones in the setup. Our investors have shown strong support for us, not only believing in our vision but also contributing with a capital injection after the reconstruction.

The income statement of Mate.Bike for 2023 shows a profit of 38 mDKK. As of 31 December 2023, the balance sheet reflects a negative equity of 0,3 mDKK. However, the company's ownership of Mate.Bike International, will be impacted by that companies subordinate loan capital of 21 mDKK, which will be converted to equity in 2024, resulting in a positive equity position.

Subsequent events

In 2024, Mate.Bike performed another capital injection with the support of our existing investors. This additional funding will help us further our mission and continue our growth journey.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit		2,077,603	1,732,458
Staff expenses	1	-4,748,524	-5,632,880
Impairment of current assets		0	-78,426,919
Profit/loss before financial income and expenses		-2,670,921	-82,327,341
Income from investments in subsidiaries		0	-2,472,151
Financial income	2	42,453,337	2,681,520
Financial expenses	3	-2,075,805	-2,139,382
Profit/loss before tax		37,706,611	-84,257,354
Tax on profit/loss for the year	4	-98,000	0
Net profit/loss for the year		37,608,611	-84,257,354

Distribution of profit

	2023	2022
	DKK	DKK
Proposed distribution of profit		
Retained earnings	37,608,611	-84,257,354
	37,608,611	-84,257,354

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investments in subsidiaries	5	0	39,239
Fixed asset investments		0	39,239
Fixed assets		0	39,239
Other receivables		62,589	464,847
Receivable from shareholders and Management		0	85,787
Prepayments		0	208,635
Receivables		62,589	759,269
Cash at bank and in hand		0	11,385,181
Current assets		62,589	12,144,450
Assets		62,589	12,183,689

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		627,572	627,572
Retained earnings		-974,020	-38,582,631
Equity		-346,448	-37,955,059
Mortgage loans		0	6,307,268
Other payables		0	320,497
Long-term debt		0	6,627,765
Mortgage loans		0	5,051,756
Credit institutions		0	18,847,583
Trade payables		0	6,181,466
Payables to group enterprises		359,660	6,113,299
Other payables		49,377	7,316,879
Short-term debt		409,037	43,510,983
Debt		409,037	50,138,748
Liabilities and equity		62,589	12,183,689
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Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	627,572	-38,582,631	-37,955,059
Net profit/loss for the year	0	37,608,611	37,608,611
Equity at 31 December	627,572	-974,020	-346,448

The company has lost more than half of the share capital. The company's management has explained the company's position in accordance with §119 of the Companies Act. The equity will be reestablished in 2024.

Notes to the Financial Statements

	2023	2022
	DKK	DKK
1. Staff Expenses		
Wages and salaries	4,631,103	5,342,212
Pensions	65,189	190,776
Other social security expenses	26,808	23,967
Other staff expenses	25,424	75,925
	<u>4,748,524</u>	<u>5,632,880</u>
Average number of employees	<u>4</u>	<u>4</u>
	2023	2022
	DKK	DKK
2. Financial income		
Interest received from group enterprises	0	2,584,107
Gain on remission of debt etc.	40,635,166	0
Other financial income	1,815,240	97,413
Exchange gains	2,931	0
	<u>42,453,337</u>	<u>2,681,520</u>
	2023	2022
	DKK	DKK
3. Financial expenses		
Other financial expenses	<u>2,075,805</u>	<u>2,139,382</u>
	<u>2,075,805</u>	<u>2,139,382</u>
	2023	2022
	DKK	DKK
4. Income tax expense		
Adjustment of tax concerning previous years	<u>98,000</u>	<u>0</u>
	<u>98,000</u>	<u>0</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
5. Investments in subsidiaries		
Cost at 1 January	69,138,438	69,138,438
Cost at 31 December	69,138,438	69,138,438
Value adjustments at 1 January	-69,099,199	-43,613,039
Net profit/loss for the year	-39,239	-78,104,376
Revaluations for the year, net	0	-23,014,009
Amortisation of goodwill	0	-3,807,660
Other adjustments	0	79,439,885
Value adjustments at 31 December	-69,138,438	-69,099,199
Carrying amount at 31 December	0	39,239

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
MATE.BIKE INTERNATIONAL ApS,	København	40,000	100%	-9,516,653	133,517,388
				-9,516,653	133,517,388

Notes to the Financial Statements

7. Accounting policies

The Annual Report of MATE.mothership ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Notes to the Financial Statements

Tax on profit/loss for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Balance sheet

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Financial non-current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Impairment of fixed assets

The carrying amount of fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.