



Tel.: +45 39 15 52 00  
koebenhavn@bdo.dk  
[www.bdo.dk](http://www.bdo.dk)

BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
DK-1561 København V  
CVR no. 20 22 26 70

**MATE.MOTHERSHIP APS**

**LANDEMÆRKET 29 1., 1119 KØBENHAVN K**

**ANNUAL REPORT**

**1 JANUARY - 31 DECEMBER 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 11 August 2023**

---

**Thomas Lawrence Vulliez**

**CONTENTS**

	Page
<b>Company Details</b>	
Company Details.....	3
<b>Statement and Report</b>	
Management's Statement.....	4
Independent Auditor's Report.....	5-7
<b>Management Commentary</b>	
Management Commentary.....	8
Income Statement.....	9
Balance Sheet.....	10
Equity.....	11
Notes.....	12-13
Accounting Policies.....	14-16



## COMPANY DETAILS

<b>Company</b>	MATE.mothership ApS Landemærket 29 1. 1119 Copenhagen K
CVR No.:	40 61 06 50
Established:	6 June 2019
Municipality:	Copenhagen
Financial Year:	1 January - 31 December
<b>Executive Board</b>	Thomas Lawrence Vulliez
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	Danske Bank
<b>Law Firm</b>	Highbridge Advokatenpartsselskab Højbro Plads 10 1200 Copenhagen K



## 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 2022.

The Annual Report is presented 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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

I recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 11 August 2023

Executive Board

---

Thomas Lawrence Vulliez

**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of MATE.mothership ApS

**AUDITORS OPINION ON THE FINANCIAL STATEMENTS****Adverse Opinion**

We have audited the Financial Statements of MATE.mothership ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Because of the significance of the matter described in the "Basis for Adverse Opinion" paragraph, it is our opinion that the Financial Statements do not give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

**Basis for Adverse Opinion**

The management has submitted the annual accounts under the assumption of continued operations. It is our assessment that there are no realistic opportunities to obtain financing for continued operations, including repayment of loans as they fall due in relation to the guarantees of payment provided. In accordance with the Financial Statements Act, the annual accounts should not have been prepared taking into account continued operations, and the recognition and measurement of the company's assets and liabilities should have been changed accordingly. It has not been possible to calculate the impact of this in the annual accounts.

The company has disclosed a contingent liability concerning provided guarantee for subsidiaries of a total of DKK ('000) 1,616.

We believe that the contingent liability of a total of DKK ('000) 1,616 should be recognized as a current liability. As a consequence, operating profit would be reduced by DKK ('000) 1,616, loss for the year would be increased by DKK ('000) 1,616 and equity would be reduced by DKK ('000) 1,616. The loss regarding the provided guarantee should be explained in a note "Information on significant uncertainties and unusual circumstances", explaining that the provided guarantee is expected to be invoked. As a consequence of recognizing only as a contingent liability this note has not been prepared.

We have not been able to verify the completeness of accounts payable, the existence and completeness of other debts and the existence and completeness of other costs.

As a result of these circumstances, we have not been able to determine whether any adjustments can be considered necessary, besides recognition of current liability of a total of DKK ('000) 1,616, in relation to the recognition of the above-mentioned accounting items, as well as the possible effect on the income statement and equity.

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" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. It We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our adverse conclusion.

**INDEPENDENT AUDITOR'S REPORT****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.

Our responsibility is to carry out an audit of the annual accounts in accordance with International Standards on auditing and the additional requirements applicable in Denmark, and to issue an audit opinion. However, due to the conditions described in the section "Basis for Adverse Opinion", we have not been able to obtain sufficient and suitable audit evidence in all areas.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 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.

## INDEPENDENT AUDITOR'S REPORT

### **Statement on Management Commentary**

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

As described in the "Basis for Adverse Opinion" paragraph, our opinion on the Financial Statements is modified due to lack of prerequisites for continued operation as well as lack of audit evidence for central accounting items. We conclude that for the same reason Management Commentary does not include a description hereof.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### **Violation of the VAT legislation**

The company has, in violation of the VAT Act, reported incorrect VAT declarations to the Danish Tax Agency, and the management may be held liable for this.

### **Violation of the provisions of the Companies Act on lending to the capital owner and management**

The company has, contrary to the Companies Act section 210, subsection 1, granted a loan to one of the company's Executive Board members, and management may be held liable for this. The loan has been repaid in the new year.

### **Violation of the Financial statements Act**

The Company has not filed the annual report within the deadline. The Management may be held reliable in this respect.

### **Violation of the Bookkeeping Act**

In our opinion, the company has not complied with the bookkeeping legislation's requirement that the bookkeeping must be organized and carried out in accordance with good bookkeeping practice, taking into account the nature and scope of the company. The company's management may be held liable for the breach of accounting legislation.

Copenhagen, 11 August 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Morten Christensen  
State Authorised Public Accountant  
MNE no. mne35626



## MANAGEMENT COMMENTARY

### **Principal 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 activities and financial and economic position**

The company has a loss for the year due to write down of financial assets and intercompany receivables.

Management are aware of capital requirements, and are pursuing solutions along several avenues, including discussions with current and potential new creditors, current suppliers, and current and potential new investors, and are furthermore executing a plan to reach operational breakeven in the very near future.

### **Significant events after the end of the financial year**

To support the financial position of the Group, additional capital for an amount of DKK 20,3 mio. was raised by the group parent company MATE.WORLD A/S in July 2023.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	2022 DKK	2021 DKK
<b>GROSS PROFIT.....</b>		<b>1,732,458</b>	<b>-452,865</b>
Staff costs.....	1	-5,632,880	-3,097,001
<b>OPERATING LOSS.....</b>		<b>-3,900,422</b>	<b>-3,549,866</b>
Income from investments in subsidiaries.....		-2,472,151	-20,628,466
Other financial income.....	2	2,681,520	1,379,120
Impairment of asset investments.....		-78,426,919	0
Other financial expenses.....	3	-2,139,382	-1,867,450
<b>LOSS BEFORE TAX.....</b>		<b>-84,257,354</b>	<b>-24,666,662</b>
Tax on profit/loss for the year.....		0	0
<b>LOSS FOR THE YEAR.....</b>		<b>-84,257,354</b>	<b>-24,666,662</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained earnings.....		-84,257,354	-24,666,662
<b>TOTAL.....</b>		<b>-84,257,354</b>	<b>-24,666,662</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>ASSETS</b>	<b>Note</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Equity investments in group enterprises.....		39,239	2,511,390
<b>Financial non-current assets.....</b>	<b>4</b>	<b>39,239</b>	<b>2,511,390</b>
<b>NON-CURRENT ASSETS.....</b>		<b>39,239</b>	<b>2,511,390</b>
Receivables from group enterprises.....		0	64,619,642
Receivables from owners and management.....	5	85,787	0
Other receivables.....		464,847	364,800
Prepayments.....		208,635	257,536
<b>Receivables.....</b>		<b>759,269</b>	<b>65,241,978</b>
<b>Cash and cash equivalents.....</b>		<b>11,385,181</b>	<b>0</b>
<b>CURRENT ASSETS.....</b>		<b>12,144,450</b>	<b>65,241,978</b>
<b>ASSETS.....</b>		<b>12,183,689</b>	<b>67,753,368</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....		627,572	627,572
Retained earnings.....		-38,582,631	45,674,721
<b>EQUITY.....</b>		<b>-37,955,059</b>	<b>46,302,293</b>
Mortgage debt.....		6,307,268	12,848,577
Other liabilities.....		320,497	0
<b>Non-current liabilities.....</b>	<b>6</b>	<b>6,627,765</b>	<b>12,848,577</b>
Mortgage debt.....		5,051,756	3,140,976
Bank debt.....		18,847,583	1,846,681
Trade payables.....		6,181,466	2,931,558
Debt to group enterprises.....		6,113,299	0
Corporation tax.....		0	536,999
Other liabilities.....		7,316,879	146,284
<b>Current liabilities.....</b>		<b>43,510,983</b>	<b>8,602,498</b>
<b>LIABILITIES.....</b>		<b>50,138,748</b>	<b>21,451,075</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>12,183,689</b>	<b>67,753,368</b>

Contingencies etc.

7

**EQUITY**

	Share capital	Retained earnings	Total
<b>Equity at 1 January 2022.....</b>	627,572	45,674,723	46,302,295
<b>Proposed profit allocation.....</b>		-84,257,354	-84,257,354
<b>Equity at 31 December 2022.....</b>	<b>627,572</b>	<b>-38,582,631</b>	<b>-37,955,059</b>

**NOTES**

		Note
	2022 DKK	2021 DKK
<b>Staff costs</b>		1
Average number of employees	4	2
Wages and salaries.....	5,342,212	2,962,670
Pensions.....	190,776	128,818
Social security costs.....	23,967	7,100
Other staff costs.....	75,925	-1,587
	<b>5,632,880</b>	<b>3,097,001</b>
<b>Other financial income</b>		2
Group enterprises.....	2,584,107	1,379,120
Other interest income.....	97,413	0
	<b>2,681,520</b>	<b>1,379,120</b>
<b>Other financial expenses</b>		3
Other interest expenses.....	2,139,382	1,867,450
	<b>2,139,382</b>	<b>1,867,450</b>
<b>Financial non-current assets</b>		4
		Equity investments in group enterprises
Cost at 1 January 2022.....	69,138,438	
<b>Cost at 31 December 2022.....</b>	<b>69,138,438</b>	
Revaluation at 1 January 2022.....	-43,613,039	
Profit/loss for the year.....	-78,104,376	
Other adjustments.....	79,439,885	
<b>Revaluation at 31 December 2022.....</b>	<b>-42,277,530</b>	
Impairment losses and amortisation of goodwill at 1 January 2022.....	23,014,009	
Amortisation of goodwill.....	3,807,660	
<b>Impairment losses and amortisation of goodwill at 31 December 2022.....</b>	<b>26,821,669</b>	
<b>Carrying amount at 31 December 2022.....</b>	<b>39,239</b>	

## NOTES

	Note
<b>Fixed asset investments (continued)</b>	<b>4</b>
<b>Investments in subsidiaries (DKK)</b>	
<b>Name and domicil</b>	<b>Equity</b>
	Profit/loss for the year
MATE.BIKE INTERNATIONAL ApS, København.....	-143,034,041
ROCKnWOOL ApS, København.....	39,239
MATE.BIKE UK Ltd., UK.....	-47,044
MATE.BIKE US Inc. , US.....	-
	-90,500,846
	-2,472,151
	-54,016
	-
	100 %
	100 %
	85 %
	100 %
<b>Receivables from owners and management</b>	<b>5</b>
Receivables from management totals DKK 85,787. The loan bears interest with the National Bank's lending rate with an addition of 10%, currently corresponding to 9.55%.	
Balance as per 01.01.2022: DKK 0	
Withdrawal DKK 83,133	
Interest DKK 2,654	
Balance as per 31.12.2022 DKK 85,787	
<b>Long-term liabilities</b>	<b>6</b>
	Debt
	31/12 2022
	total liabilities
	Repayment next year
	outstanding after 5 years
	31/12 2021
	total liabilities
Mortgage debt.....	11,359,024
Other liabilities.....	320,497
	5,051,756
	0
	0 15,989,553
	0
	0 15,989,553
	11,679,521 5,051,756
	0 15,989,553
<b>Contingencies etc.</b>	<b>7</b>
<b>Contingent liabilities</b>	
The company has provided a guarantee for subsidiary loans to bank, which as of 31. December 2022 amounts to DKK ('000) 1,616.	
<b>Joint liabilities</b>	
The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.	
Tax payable on the Group's joint taxable income is stated in the annual report of MATE.world A/S, which serves as management Company for the joint taxation.	

## ACCOUNTING POLICIES

The Annual Report of MATE.mothership ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

### **Consolidated Financial Statements**

Consolidated Financial Statements are not prepared because the Group fulfils the requirements for exemption in section 110 of the Danish Financial Statements Act.

## INCOME STATEMENT

### **Other operating income**

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

### **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 costs**

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

### **Income from investments in subsidiaries**

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

### **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.

### **Tax**

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

### **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.

## ACCOUNTING POLICIES

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.

### **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.

## ACCOUNTING POLICIES

### Tax payable and deferred tax

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.