Annual Report 2022

ANNUAL REPORT
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Donkeyrepublic Holding A/S
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Pursuing our growth ambitions also in a year of leadership transition

Donkey Republic's revenue for 2022 was EUR 9.1M, exceeding the previous year's figure by 81%. We are satisfied with the result of revenue growth which is in line with our guidance. However, the EBIT has been impacted by supply chain disruptions resulting in a deviation of EUR -1.1M. The EBIT deviation is not satisfactory for the company, but it is a consequence of COVID-19 causing supply chain disruptions, delays in bike production and delivery, as well as inflation and high-interest rates. The company has by the end of the year developed a more effective handling of future potential supply chain disruptions to avoid negative deviations.

In September, the company's executive management underwent a change with the appointment of Niels Henrik Rasmussen as the new CEO. Niels Henrik Rasmussen brings with him a wealth of experience, having previously served as the CEO of Penneo where he successfully led the company's listing on NASDAQ. He is also known for his exceptional leadership in growing and managing companies, having led IT-Recruitment and Secunia to hyper growth and strong profits year after year during his CEO leadership, resulting in successful exits.

"As the new CEO of Donkey Republic, I am confident to lead a successful company towards further growth and also towards profitability. I see many talented and passionate colleagues in the company and I also see a strategic opportunity and challenge in an emerging and developing industry coming to its next level. Donkey Republic has worked closely in building partnerships with cities and delivering a successful product to the riders."
Niels Henrik Rasmussen - CEO of Donkey Republic since September 2022

Cities have shown growing demand for bike sharing schemes, and favoring solutions like the one Donkey Republic offers, is not only convenient, but also affordable and reliable means of transport in integration with public transportation. In line with the EU green deal and the strong commercial momentum, we aim to further strengthen the B2G business by concentrating on high-potential markets.

Another important step for us was the decision to design and build our own stations to add to our product offering. A key enabler to match market development and meeting tender requirements. A move that will enable Donkey Republic to grow our addressable market, and helping us win more tenders in 2023 and 2024. Looking towards 2023, the company needs further funding to execute upon its growth business plan. We are therefore planning to do a capital raise in the first half of the year, in order to strengthen the balance sheet and provide funding for some of our growth projects that will support our path to profitability. We furthermore have an existing loan facility that is connected to our continuous expansion in Antwerp and are in advanced negotiation with a provider of asset backed financing. Based on our past debt raising record the company is confident on securing the necessary funding to execute its strategy. In case of a delay of the above the company has a mitigation strategy in place to secure its runway and its profitability ambitions.

We are also excited to announce the arrival of new bikes and the expansion of our fleet. Our new generation of pedal and ebikes, GEN3, will further improve the ride experience for our users, and grow our business impact with a bigger fleet. We are confident that our focus on team development, data-driven approach, and innovation will continue to drive growth and success for Donkey Republic. With the expansion of our fleet and new product offering we will be able to execute our expansion plan and continue to deliver European cities a solution to mitigate the climate crisis in reducing CO_2 emissions, as well as bringing health benefits, and saving in congestion costs.

Caroline Søeborg Ahlefeldt
Chair Board of Directors

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Highlights

In 2022, Donkey Republic realised EUR 9.1M in revenue and continued its expansion and launches across Europe, driven by commercial execution and growing bike fleet to meet market demands. 2022 has been a year of transition, with change of leadership and management, necessary to strengthen the organisation and drive future growth.

Financing for expansion

Early in 2022 Donkey Republic raised EUR 0.9M in debt capital through Oneplanetcrowd[2] for fleet expansion. In addition, Donkey Republic secured EUR 5.0M in debt for further fleet financing through Nefco[1] (The Nordic Environment Finance Corporation). Based on an assessment made by Nefco, the activity complies with the eligibility criteria 'climate change mitigation' of the EU Taxonomy. The EU taxonomy for sustainable activities is an EU level classification system established to clarify which investments are environmentally sustainable, in the context of the European Green Deal. The aim of the taxonomy is to prevent greenwashing and to help investors make greener choices. The debt raised financed large parts of the fleet extension in 2022 and 2023.

Organisation

Donkey Republic has onboarded new and extended management competencies to drive internationalisation and professionalisation for future growth.

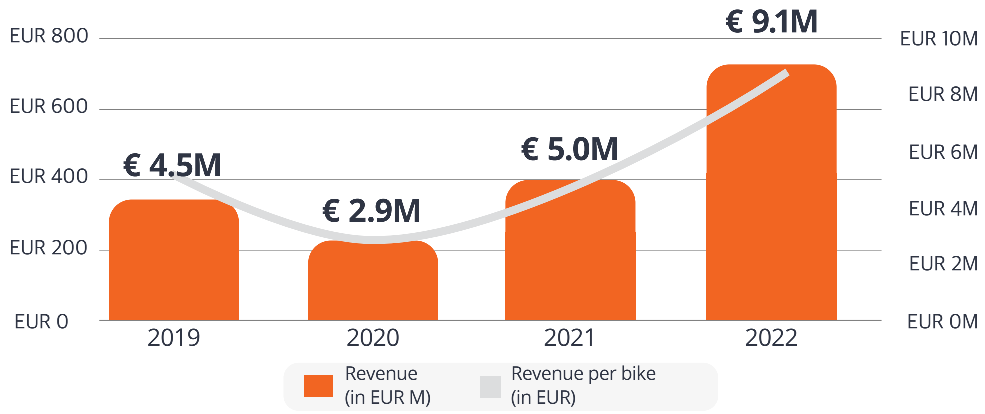
Niels Henrik Rasmussen, ex-CEO at Penneo, joined Donkey Republic as new CEO - while, Erdem Ovacik transitioned to an active advisory role as an Executive Board Member. In addition, the executive management team added Morten Nybye-Petersen, former Vice President of Business Governance & Development of Penneo, to help solidify the organisational structures and the strategic development and execution.

Performance

In 2022, Donkey Republic achieved EUR 9.1M in revenue, corresponding to an increase of 81% compared to 2021 while improving the contribution margin by 63%. The increase in contribution margin was achieved on a 3.2% larger active fleet during the year compared to 2021, thus an improvement of both revenue and margin per bike. Additionally, we achieved a 1M user milestone in 2022, which is testament to the attractiveness and market fit of the product while facilitating more than 4.5M trips during the year which demonstrates the growing impact of our service on the transportation method within cities, driving a more sustainable and healthy way of transportation.

Improvement of performance per bike

In 2022, the MaaS (Mobility as a Service) rider revenue increased by more than 60% compared to 2021, despite the fleet of active bikes being relatively stable and only increased by 3.2% during the year. Consequently, revenue per bike increased 73% in 2022 compared to 2021. The increase was mainly driven by the high reliability of our fleet, improved monetization and continuous product improvements. The number of bikes at the end of 2022 amounted to 18.7K bikes, as we ramped up the number of bikes rapidly in Q4 2022. These bikes are expected to have a positive effect on the revenue growth in 2023.



Total Key Performance Indicators 2022

Metric	Growth*	2022	2021	2020	2019	2018
Total Rev	⬆81%	EUR 9.1M	EUR 5.0M	EUR 2.9M	EUR 4.5M	EUR 2.7M
Riders[3]	⬆66%	360.0k	217.4k	138.2k	252.3k	152.6k
Trips[4]	⬆36%	4.5M	3.3M	2.3M	3.3M	1.8M
Fleet size (active bikes)	⬆2%	13.3k	13k	12.9k	10.5k	5.7k
CO_2 saved (tonnes)	⬆38%	573	416	290	416	227
Cities	⬆17%	97	83	62	52	39

[1] nefco.int
[2] oneplanetcrowd.com
[3] Users with a minimum of one rental
[4] Trips are defined from when bike is unlocked to locked again

Growth*: Year on year growth compared to 2021

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Highlights

Donkey Republic had 3 successful launches across three countries, adding to a total of +3K bikes and ebikes to our operations, as part of its expansion of our subsidised operation.

Antwerp, Belgium

Donkey Republic will receive EUR 1.6M per annum for running the operation. In addition, Donkey Republic will collect the rider revenue plus potential proceeds from sponsoring deals and other corporate partners. A total annual revenue of EUR 2-3M is expected throughout the 10 year life time of the contract. For 2022, Donkey Republic received EUR 1.2M, as the operation was not run for a full year.

Turku, Finland

Annual recurring revenue of EUR 0,6M over 4 years (with possibility for 4 years extension). (in 2022, EUR 0.3M) and total contract value of EUR 2.4M (potential 4.8M).

KielRegion, Germany

Donkey Republic has signed an agreement for deploying pedal bikes and ebikes in the region of Kiel, Germany with a contract volume of EUR 0.8M per annum for the coming 5 years. The operation was launched towards the end of Q4 2022.

"

City of Turku

We have been really satisfied about the system and users have given on average 4.4/5 for the satisfaction rate about the service. NPS score was also high 68/100.

As every bike has a unique name, we got 4,400 name suggestions and people are keen to find the bike with their own name."

Copenhagen, Denmark

Donkey Republic has entered into a partnership with DSB with the aim of extending its reach throughout the capital region. This partnership is essential in integrating the bike sharing service with public transportation by introducing new transportation modes to the service. This partnership demonstrates the company's commitment to developing sustainable cities infrastructure in collaboration with municipalities.

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Highlights

Financial summary

in m EUR	2022	2021	2020	2019	2018
Revenue					
Total revenue	**9.1M €**	**5.0M €**	**2.9M €**	**4.5M €**	**2.5M €**
MaaS rider revenue	5.9M €	3.6M €	2.2M €	3.8M €	n/a
MaaS B2G and B2B	2.2M €	0.4M €	0.1M €	0.0M €	n/a
SaaS license and hardware sales	0.9M €	1.0M €	0.5M €	0.6M €	n/a
Profitability					
Contribution margin	2.9M €	1.8M €	0.0M €	1.1M €	n/a
Operational margin (incl. depreciation)	1.5M €	0.7M €	-1.3M €	0.0M €	n/a
EBITDA	-3.6M €	-1.5M €	-1.5M €	-1.2M €	n/a
Operating profit/ loss (excl. IPO cost)	-5.4M €	-2.5M €	-3.2M €	-2.5M €	-1.0M €
Profit/ loss for the year	-6.0M €	-3.4M €	-3.5M €	-2.6M €	-1.2M €
Assets	**23.6M €**	**21.1M €**	**6.6M €**	**8.0M €**	**4.1M €**
PPE	10.4M €	5.9M €	2.8M €	4.1M €	2.0M €
Cash	5.1M €	11.1M €	1.0M €	1.7M €	0.3M €
Other assets	8.1M €	4.0M €	2.7M €	2.1M €	1.7M €
Equity and Liabilities					
Equity	6.7M €	12.5M €	1.1M €	3.0M €	0.8M €
Debt	11.6M €	6.2M €	3.9M €	3.6M €	1.0M €
Other liabilities	5.2M €	2.3M €	1.6M €	1.3M €	2.3M €
Net cash (+) / Net Debt (-)	-6.6M €	4.9M €	-2.9M €	-1.9M €	-0.6M €

Notes

As of 2022 Donkey Republic also includes the contribution margin and EBITDA into its annual reporting. The contribution margin consist of the revenue minus the cost of sales and cost of rental. Not included are any cost or provision related to the delayed delivery of bikes.
Cost related to the IPO in May 2021 amounted to EUR 0.6M all of it occurred in 2021.
The indebtedness is calculated by deducting debt from the cash, in case the amount is positive it is referred as net cash and in case it is negative it is referred as net debt.
Total revenue is excl. partner revenue, which means that for the years 2019 and before some minor reclassifications were made vs. previous publications to make them comparative .
Operational margin inc. all cost of sales plus all operation related staff cost (e.g. salary for bike mechanic) and the depreciation of the fleet. The mapping of operational cost has been reviewed to provide a better picture of the actual operations performance. Even though the general profitability level did not change the exact profit margins changed compared to previously reported figures in the company description for the years 2020 to 2018 .
Due to a change in the company structure in 2019 a detailled split of revenue types or the operational margin is not available for the years 2018. The revenue was however almost exclusively generated by riders.

In 2022, the MaaS rider revenue increased by more than 60% compared to last year, despite the fleet staying relatively stable, due to the delay in bike deliveries. The high reliability of our bike fleet and continuous product improvements, were the main drivers behind that positive development, that is driven by tourists and locals making more use of our bikes.

The start of our subsidized operation in Antwerp, Belgium and Turku, Finland, lead to a strong growth within the MaaS B2G and B2B segment of more than 500% compared to the same period in 2021.

The ongoing economic uncertainty and increasing interest rates have lead to postponement of many purchase decisions of our existing and potential partners, so that due to a lack of hardware sales the SaaS segment decreased by 11% compared to last year.

The positive trend of an increasing contribution margin year over year continues as it improved by 63% vs. 2021 and covers comfortably also the depreciation and financing cost of the bikes. This despite the ramp-up within several cities that due to the ongoing delay of the bike deliveries could not be efficiently synchronized with increased fleet numbers.

The operating loss worsened by EUR -2.9M compared to last year, besides general cost increase and the delay of the fleet, continuous investments into the organization contributed to that. Especially higher shipping cost for the bike deliveries and provisions related to the delay of the fleet have caused the loss to be higher than originally expected.

Large parts of the ordered bikes have either arrived or been prepaid by the end of 2022 leading to a strong increase of EUR 5.4M in tangible fixed assets compared to last year. Also stock went up by EUR 2.8M vs 2021 driving the increase on other assets.

Due to the recorded loss the equity is now EUR 6.7M, but Donkey Republic considers itself in a good position to continue its growth path.

Throughout the year Donkey Republic raised debt of close to EUR 6M, which covered to a large extent the investments in the expansion of the fleet. In total the debt amounted to EUR 11.6M by the end of the year.

Business overview

Making city life better for everyone with affordable and responsible bike sharing by becoming the preferred micro mobility partner for cities and citizens.

+1M Riders[1] (since 2016)	**13.5K** Bikes and e-bikes (in 2022)
15M Trips (since 2016)	**EUR 9.1M** Revenue (in 2022)

Donkey Republic provides sustainable, affordable, and flexible solutions. Our bike sharing solution is affordable to both riders and for cities and partners, through our transparent pricing and low prices.

Donkey Republic has developed a successful solution which is suitable for the city tender evaluation criteria; controlled parking, affordable price, ability to work with local partners, bike features, sustainability profile, operational service quality, and responsible workforce.

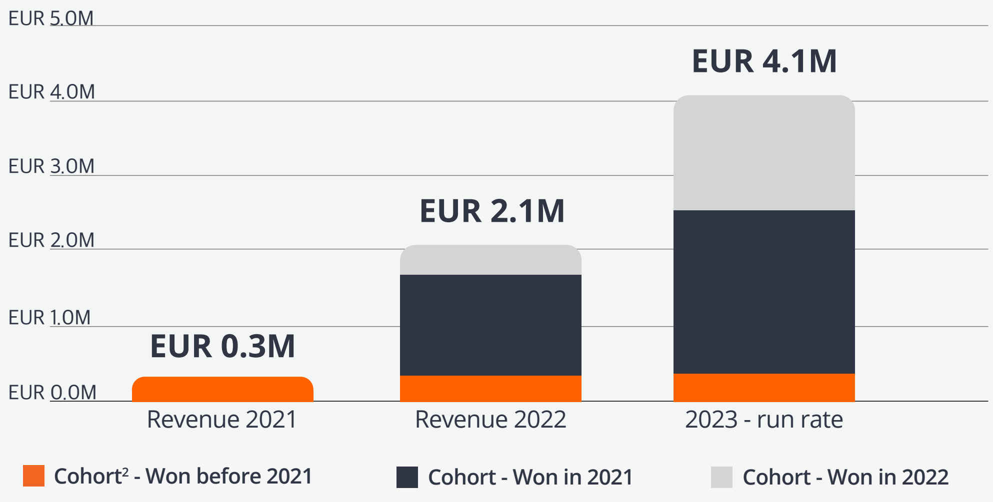
Growth of subsidies - secure long term cash flow

The start of our subsidized operation in Antwerp, Belgium and Turku, Finland, led to a strong growth within the MaaS B2G and B2B segments of more than 500% compared to the same period in 2021. Both deals are expected to be fully ramped up and have full effect from 2023, together with the Kiel operation launched in January 2023. These operations contribute to secured growth of this revenue stream for 2023. The run-rate of revenue already contracted from subsidies will bring in EUR 4,1M[1] of revenue in 2023. The average deal length of this run-rate is on average 6 years, thereby accounting for a solid future revenue income. This shows the effect from the efforts on winning tenders and securing long term partnerships with cities as communicated in company announcement no. 1-2023 emphasizing the strategic focus to pursue the growing B2G market in 2023.

Material uncertainty related to going concern

For the execution of some parts of the growth business plan further funding needs to be secured. This refers to the investment plan in regards to fleet growth, development of new products and growth of the sales pipeline for 2024 and beyond.
The company has an existing loan facility that is connected to a further extension of the company's Antwerp operation. The company is actively working on a private placement at market price to be completed within the first half of the year, to strengthen the balance sheet and provide funding for some of the above mentioned activities. Furthermore, the company is in active advanced negotiations with a provider of asset-backed financing, with which an indicative term sheet has been signed. The total financing need in 2023 amounts to EUR 3M to 4M.
Should the current financing activities fail to be completed (wholly or partly) or be delayed, management has a mitigation plan in place that could offset shortcomings in regards to the availability of funding. This plan would lead to a lower growth ambition in 2024, however with the aim to stay within the existing guidance for 2023 and profitability ambition for 2024.
The Financial Statements are prepared on the assumptions, that the necessary funding will be obatined through one or more of the current ongoing dialogues, and therefore prepared on a going concern basis. However, material uncertainty exists to the group's continued operations.

MaaS B2G segment - contracted subsidies



[1] 2023 run rate is the already contracted revenue from cities which are already launched.[2] oneplanetcrowd.com
[2] cohorts refer to groups of new customers/operations won in a specific year

The Product / The rider app

1. Flexible and scalable memberships that complete product offerings

- Day Deals have been improved and became more attractive to visitors[1].
- Redesigned membership product to reduce price per month and improved product offering while increasing retention, profitability and bike availability.

Result:
Created differentiation from successful Day Deals Product and offered flexible memberships that can scale to leasing while remaining profitable and at a affordable price for the rider. Achieving already good results in member retention rates in low season.

2. Add bikes to existing booking

- Riders are now able to rent bikes for their friends & family.

Result:
A feature requested by our riders has been launched. A proportion of rentals have shown that riders added more bikes in their bookings.

3. Self-service account management

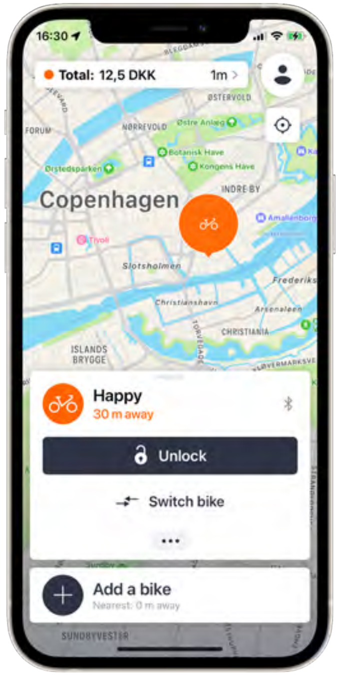
- Riders now have more control to manage their accounts themselves including account deletion, changing phone number, remove payment method and wallet refunds.

Result:
Optimised customer support by reducing number of tickets received.

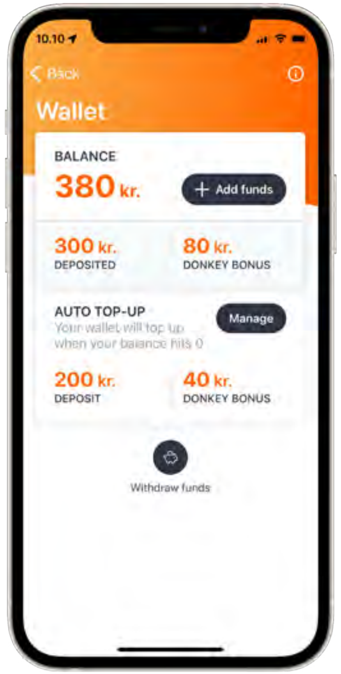
4. Tackling fraud

- Implemented preventive measures to combat fraud.

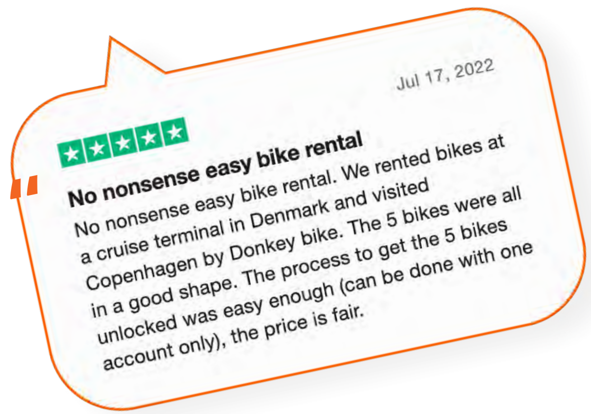
Result:
Reduced losses from fraudulent activities.



2 Add bikes



3 Self-Service account



In 2022 we surpassed the 1 million users milestone.

[1] Visitors: Individuals not local to the country in which they are renting a Donkey Republic bike, i.e. tourists and business travelers. Locals, and Individuals not local to the country in which they are renting a Donkey Republic bike, i.e. tourists and business travelers.

The Product / Introducing the Donkey station

A flexible and secure bike docking solution

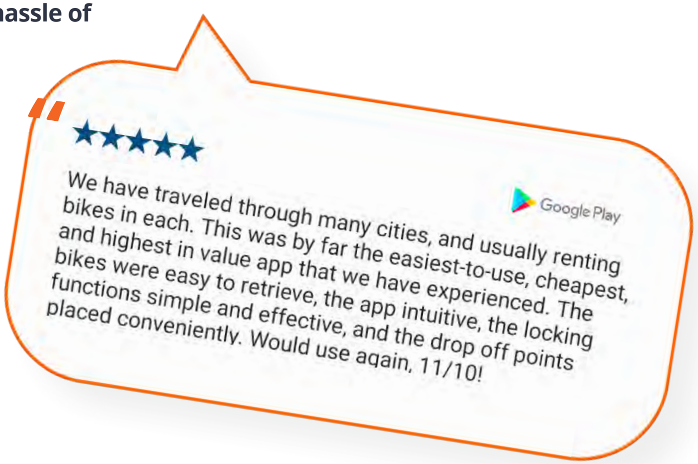
Donkey Republic is developing durable secure docking stations with a high level of flexibility. The station is designed in Denmark and is patent pending. It is easy to install, easy to use and presents a low material footprint by design.

Each station can be mounted into the ground using bolts or held in place by blocks between each station module. This allows for maximum compatibility with various city landscapes.

The station is designed to be functional and secure while blending in and avoiding to dominate the visual impression of the architecture of the city.

The donkey station will hold and lock both bikes and ebikes securely by the front wheel and fork. For our ebikes the station will automatically charge the battery without the hassle of plugging in cables.

1 Donkey station draft



Hybrid approach

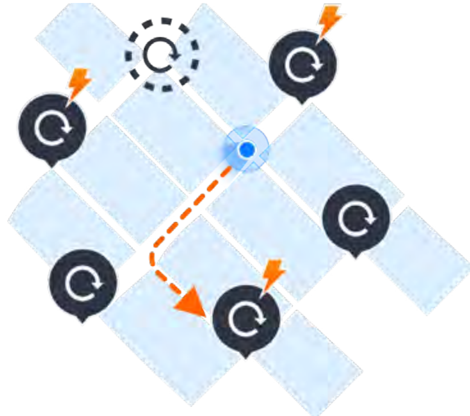
The Donkey Stations allows for a hybrid system where passive stations, active stations and virtual stations are mixed.

The Hybrid approach

Combining the three different station models (virtual[1], passive[2] and charging[3]) means that a bike share can be planned to be most cost effective.

High traffic dense systems require more charging stations, to keep operational costs low. If the system is spread over a larger area it might be more optimal to plan the charging stations around traffic hotspots and then cover the larger areas with passive stations to keep the upfront costs under control.
Virtual stations can be added to further reduce costs or to provide more parking opportunities in areas where the erection of stations is simply not possible due to the city landscape.

If virtual and passive stations are mixed in, a battery swapping operation might be needed depending on the mix. Donkey Republic is available to help calculate the optimal mix of stations to balance the upfront costs with operational costs.



2 Hybrid station

Notes

[1] This dockless approach secures a high flexibility in being able to create a dense grid of system never leaving the user more than 100m in most occasions to the nearest hub while still preventing vehicles to be parked in front of metros, in parks or other places where they disturb public space

[2] A passive station that doesn't have any electrical and moving parts. It provides a low cost version of the station that is very easy to mount. This means the station can also be put in locations where electricity is not available or can be used to procure more stations to cover thinner areas if charging isn't required everywhere.

[3] The charging station will charge any docked ebike. Charging stations eliminates the need for swapping batteries. This lowers the operational cost of the ebike fleet while also securing the ebikes.

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Strategy, Market Growth & Expansion

Donkey Republic is in a good position to pursue the growing demand from European governments on micro mobility solutions that make cities greener and help mitigate climate change in line with the EU Green deal. To pursue and capitalise on the commercial momentum Donkey Republic will continue to expand its bike fleet numbers across Europe, by focusing on its B2G market developments and product extension investments to meet future market demands.

A new part of Donkey Republic's strategy, is the development of new stations to add to our product offering. A key development which is expected to grow our addressable market by 2025, and increase our chances of winning more tenders and city deals in 2023 and 2024.

Donkey Republic will continue providing a convenient, affordable and reliable bike sharing service that can be integrated with public transportation. Donkey Republic will be able to provide a mix of virtual, passive and charging stations for maximum flexibility when planning the most cost effective bike sharing system.

A necessary move to tap into a key tender requirement, and deliver a well rounded solution including bike infrastructure for a better mobility solution for cities. Donkey is well positioned to solidify its market position with strongholds in the Kiel Region, Antwerp, Amsterdam, Barcelona and Geneva to further substantiate its green and social contribution, and drive revenue across Europe.

Yverdon-les-Bains

"For 3 years, the city of Yverdon-les-Bains has been operating its network of 200 pedal bikes with the Donkey Republic system. The satisfaction of users and operators is total.

In operational terms, the system proposed by Donkey Republic offers maximum flexibility and a regular and very qualitative usage monitoring.

The infrastructure costs for the installation of the stations have been reduced to a strict minimum and we have been able to multiply the stations all over the territory, forming a dense network available to the population and jobs. The support offered by the Donkey Republic Team on a daily basis, in terms of communication and user follow-up, is very professional and useful for the planning of our future actions. The Donkey Republic system is also very satisfying for the mechanics in the field, who benefit from an app designed specifically for rebalancing and maintenance purposes. The ticketing system is a real asset, used daily by users to report problems to mechanics. Donkey Republic is a perfect fit for a small town like Yverdon-les-Bains."

Quentin Pellaux, operator and manager of the project, City of Yverdon-les-Bains - Switzerland.
Satisfaction: 100%

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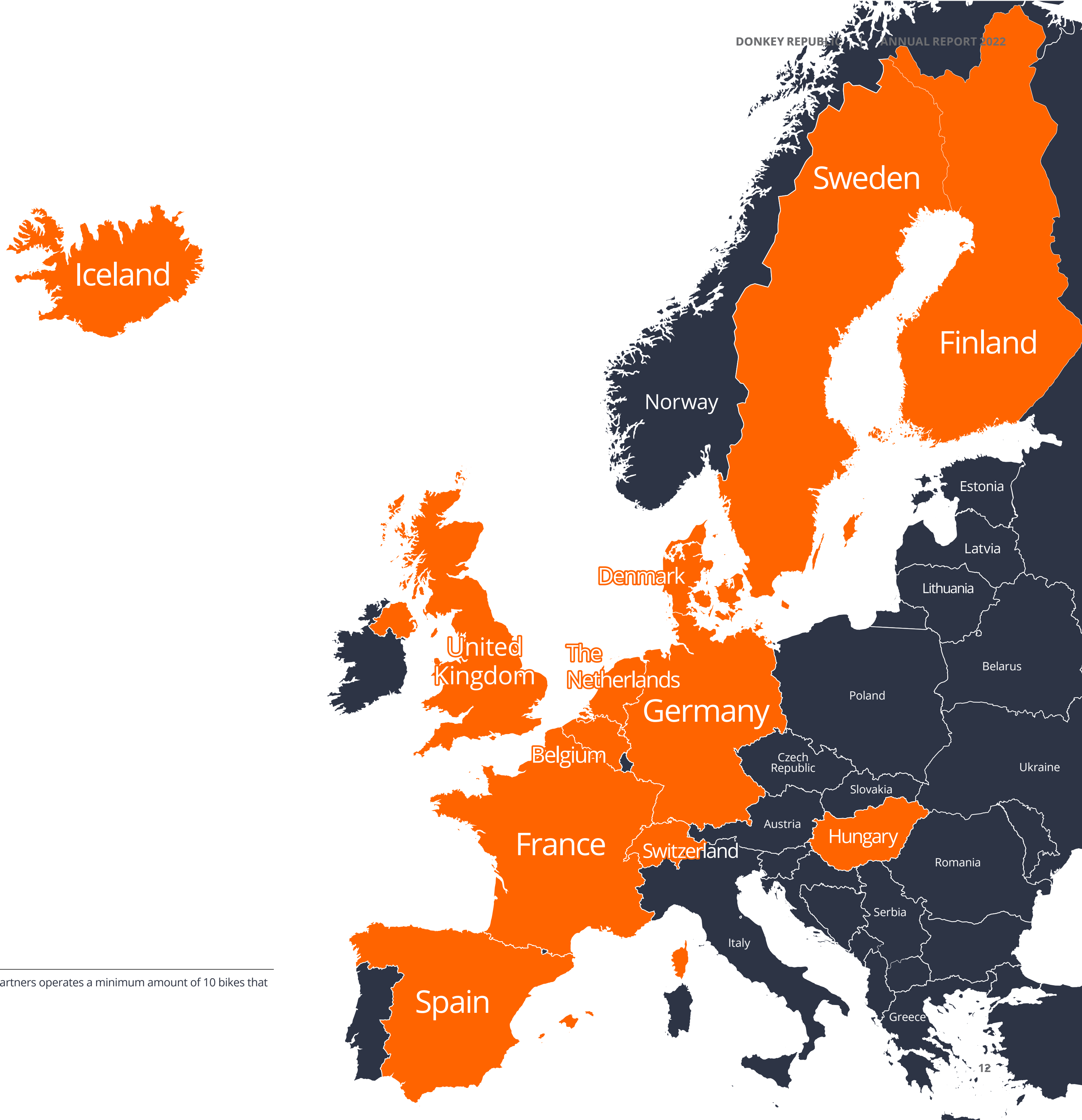
Expanding across Europe

Donkey Republic is growing its herd of orange bikes and ebikes across Europe.

Maas cities[1]
10.2k bikes
30+ cities

Saas cities
3.2k bikes
40+ partners
60+ locations

In 2022
4.5M trips



[1] Total numbers by end of 2022 - any location where Donkey Republic or one of its partners operates a minimum amount of 10 bikes that are rentable, private or publicly on a permanent basis, within the premises of a city.)

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Making cities more liveable

The 4.5M trips taken with an average of 3 km per trip on Donkey Republic bikes in 2022 correspond to total positive impact of:

EUR 11.5M
in health benefits

573 Tons
in CO2 savings

EUR 578K
in congestion savings

The accuracy of the replacement study has been improved, by surveying riders about the replacement of their mode of transportation on a recurring basis, the updated methodology applies from 2023 onwards.

Today more than 70% of Europeans live in cities and therefore transforming the way we move is critical in achieving a sustainable future.

There are 4 major areas that bike sharing has a positive impact on:

improving public health

reducing congestion

minimizing emissions

better use of public space

Note: The calculations are based on data from the following sources:

DTU / COWI: Transportøkonomiske enhedspriser for cykling
Minister of Transport of Denmark: Evaluation of small motorized vehicles
Eurostat: Handbook on the external costs of transport
OECD: Assessing the Environmental Performance of New Mobility

See more about sources, and calculations on this GoogleSheet: Donkey Footprint Analyses

People & Culture

Amy
People & Culture

Donkey Republic's HQ office is based in Copenhagen, Denmark. The company presents teams across Europe, to provide the service in all operating cities, including the dedicated mechanics - also known as Shepherds. 20+ nationalities at Donkey Republic, and a mix of professionals with diverse backgrounds and expertise. At Donkey Republic, there is a strong sense of collaboration and care about career development, as well as employee engagement.

Fostering Engagement and Development

All employees at Donkey Republic have role descriptions and their individual KPIs, which is reviewed on a quarterly basis together with one's manager. To foster managers who can lead and grow their teams professionally and socially, all team managers are partnered with a personal coach.

People analytics helps us keep track of engagement

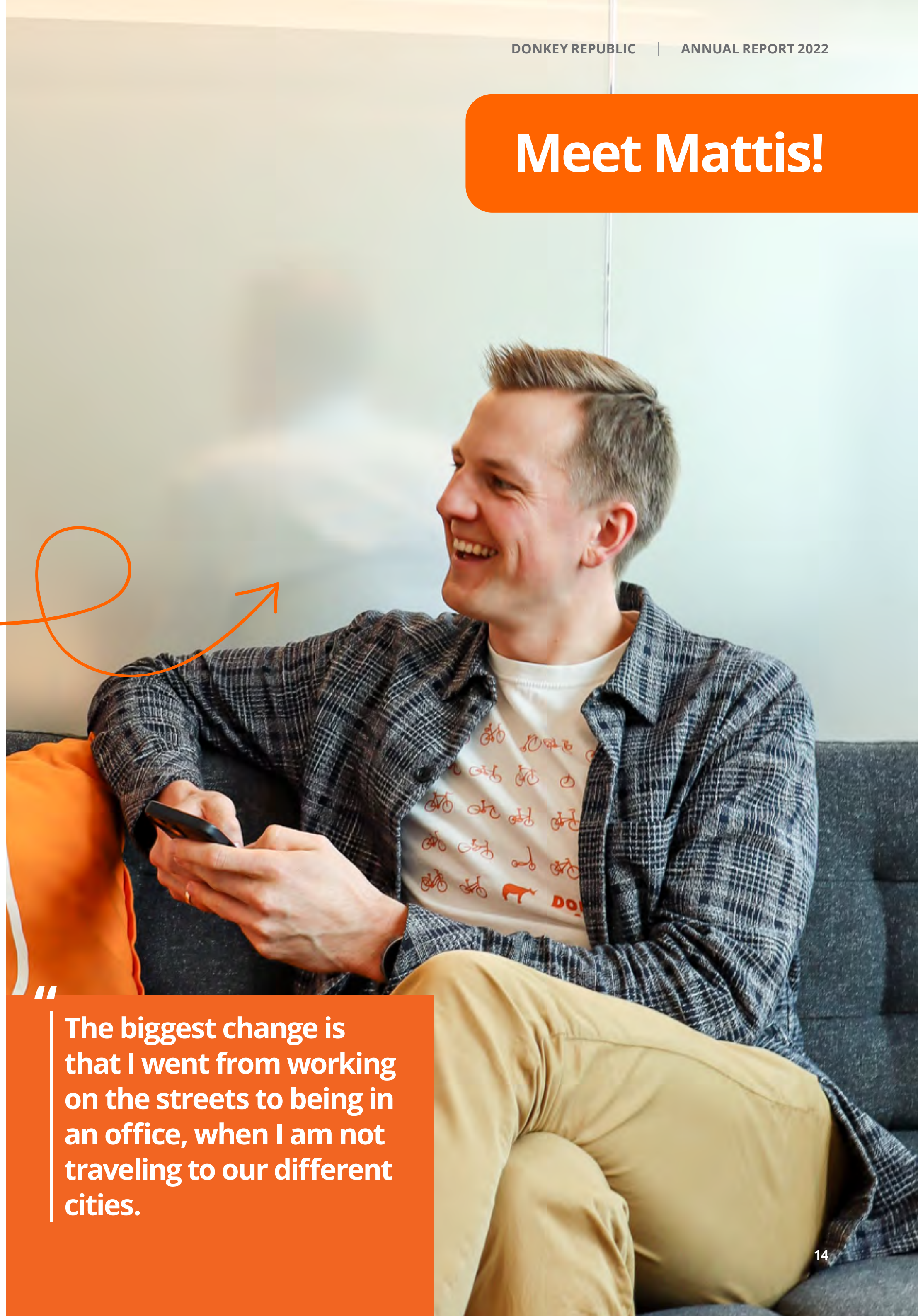
On a monthly basis we conduct engagement surveys to track three important parameters: well-being, stress and eNPS. Based on the results every month we revisit the people strategy, put initiatives in place and keep managers accountable to drive better engagement and wellbeing at Donkey.

Flexible work has come to stay!

At Donkey Republic we care about providing flexible work arrangements. Most employees at the HQ come into the office a few times a week but we also embrace remote work if an employee for instance wishes to be with their family abroad for a longer period of time, or working from home.

Meet Mattis!

Mattis, has been with Donkey Republic since 2018. His 5 years career development is characterized by his willingness to take on new challenges and his passion for the company's growth. This drive to grow and develop allowed Mattis to take on different opportunities within the company, which ultimately led him from working as a mechanic in Copenhagen's streets and workshop, to become the Head of City Operations. He also remarks, that a big part of his motivation at Donkey Republic is working together with skilled people, and he adds that learning is a core part of the company culture. Today, Mattis manages a large team across all city operations and Donkey Republic's markets across Europe. When not in the Copenhagen HQ office, he is traveling to our different cities to ensure a smooth operation.



Meet Mattis!

> "The biggest change is that I went from working on the streets to being in an office, when I am not traveling to our different cities.

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Outlook for 2023

Guidance: Revenue, EBITDA, EBIT

The **revenue guidance for 2023 of EUR 13M to 15M** is based on three main drivers.

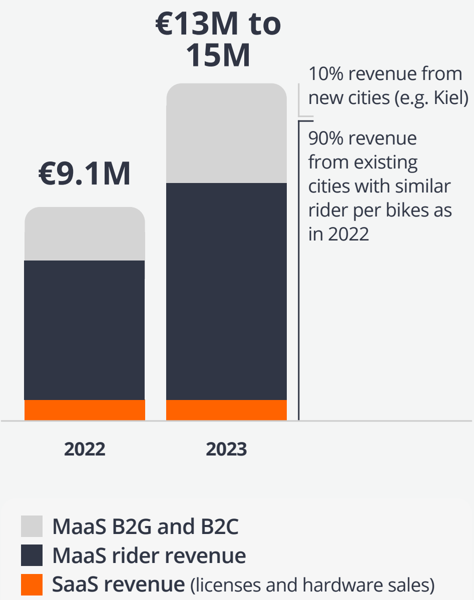
1. Rider revenue stays on a similar level as in 2022 on a per bike level:
The company is constantly working to improve the rider experience and acquire new riders, which it expects to positively impact the rider revenue. It also recognises the challenges that a strong increase of the fleet can bring in regards to the roll out and initial utilization within the existing cities. Donkey Republic expects that those two effects will counter each other in 2023.

2. Increased fleet and higher share of ebikes:
Already in Q4 of 2022 large parts of the ordered bikes arrived and the majority of the order will be on the streets in the course of Q1 2023, leading to a total increase of approximately 6,000 bikes in 2023 compared to last year. Also the share of ebikes will grow from 5% in 2022 to 15% in 2023, with the higher price for renting ebikes this is also expected to have further positive impact on the revenue.

3. Full ramp up of subsidized operations:
Both the operation in Antwerp and in Turku were not in operation throughout all of 2022 and also not completely ramped up. In addition to that as of January 2023 the subsidized operation in Kiel is live. These three large operations together with several smaller ones will lead to a doubling of the revenue in this segment in 2023, without requiring further deals to close.

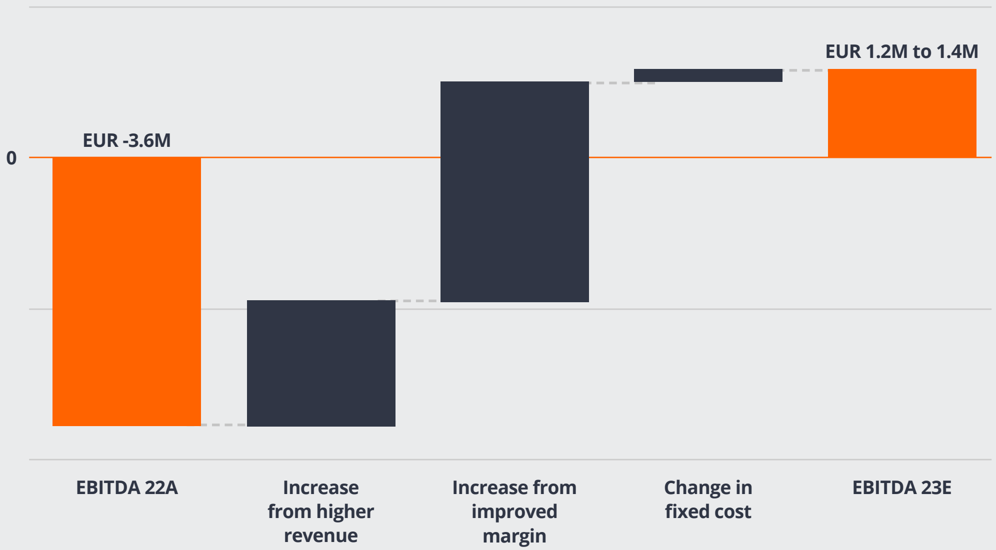
These three drivers are mostly based on the operation within the existing cities (i.e. cities that were already operational in 2022). Existing cities will make up around 90% of the revenue in 2023, the remaining 10% will come from new cities, where the operation in Kiel, that started in Q1 is by far the largest.

Revenue (Revenue in EUR M)



Besides the increase in revenue the improvement of the EBITDA **to achieve the guided 1.2M to EUR 1.4M** is coming from a higher contribution margin in 2023 compared to 2022. The reason behind it is that a lot of investment in preparing the organization for the larger fleet were already taking effect in 2022. Donkey Republic therefore plans for 2023 with an under proportional increase of the cost compared to the increased revenue. Several one time effects in 2022 related to the purchase and delivery delay of the bikes are also not expected to continue in 2023.

Indicative EBITDA bridge 2022A to 2023E (in EUR M)



With a renewed and larger fleet the depreciation cost will go up in 2023. This is the additional driver for the EBIT guidance of -2.0 to -1.8 EUR.

Assumptions

The revenue guidance is based on the following assumptions:

- Timely delivery and roll out of all open bike deliveries in 2023.
- Proper functioning of the new bikes and availability of spare parts.
- No interruption of global travel especially over the summer months.
- Continued ability to operate subsidized operations within the service level agreements.
- Company executes a capital raise in the first half of 2023 and also finalizes its current financing activities to cover its financing need in 2023 amounts of EUR 3M to 4M.

For the EBITDA and EBIT guidance all of the aforementioned assumptions are valid as well and in following assumptions also apply:

- Ability to develop the organization so that the ambition for 2023 can be achieved with planned ramp up.
- Current cost level remains stable throughout 2023.

Forward looking statements

Statements about the future expressed in the annual report reflect Donkey Republics current expectations for future events and financial results. The nature of these statements is affected by risk and uncertainties. Therefore, the company's actual results may differ from the expectations expressed in the management report.

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Corporate Governance

ESG

Donkey Republic's first ESG report for 2022 highlights the company's commitment to sustainability and ESG approach. The report emphasizes the company's 100% alignment with the EU Taxonomy and governance practices, as well as the impact of its bike sharing services on the environment and society.

Visit https://invest.donkey.bike/esg/ for more information on the company policies and find the report at:
https://invest.donkey.bike/corporate-governance/financial-reports/

The company's fleet and software solution contribute to the sustainability agenda by providing citizens with an alternative to less sustainable modes of transportation. Donkey Republic's taxonomy-eligible activity fulfills the DNSH criteria, minimum safeguards, and contributes to mitigating climate change.

Finally, the report outlines the initial steps in developing an ESG strategy and presents an ESG data framework.

Risk factors

Industry risk

The micro mobility market is competitive with a multitude of players being active in this market. Some of these players are significantly larger in terms of fleet size or funding. This can become a risk for Donkey Republic's growth plans. Donkey Republic has however a strong position in the market based on our long experience with both operating a bike share and the sourcing and development of bikes. In addition to that Donkey Republic is operating both small and large scale projects with municipalities often on a five to ten year long contract, that are directly or indirectly funded by the cities. The strong focus on city relations is a key driver for winning such subsidized contracts and a good differentiator from many of our competitors.

Throughout 2022 the delivery timeline for new bikes was severely under pressure due to global supply chain challenges. Even though the situation is improving in the beginning of 2023, the timely delivery of the ordered bikes remains a challenge. Donkey Republic cannot fully mitigate these risks, but has implemented several control procedures to detect any potential delay as early as possible and has invested in the ramp up of a supply chain organization that can then quickly find solutions to minimize these potential delays.

Currently there is an increased demand across cities and countries to improve the bike sharing infrastructure and significant amounts of funds are made available for this. There is the risk that this trend stops or dedicated funds are directed to other means. Donkey Republic does not foresee a change of this trend, as it is a vital piece in the green agenda of most of the countries. Donkey Republic however also mitigates this risk by being active in many cities across several countries. Additionally even though public financing is an important part of the company's business plan, other revenue sources especially the revenue from riders directly remains a vital part in the company's revenue mix.

Operational risk

The operation of a large, enabled and utilized bike fleet can be endangered especially by reckless rider behavior or vandalism of the bikes. Donkey Republic has several measures in place to reduce this risk. For example the virtual hub concept is incentiviseíng proper bike parking and a sophisticated ticketing system in the app allows the company to quickly fix potential damages on the bike. In addition to that we are also working on bike stations that allow a more secure and organized bike parking. The customer support team is also actively blocking riders that have shown criminal behavior. The risk of targeted vandalism in specific cities remains, the multicity focus of Donkey Republic across several countries within Europe however lowers the potential impact of it.

The targeted growth over the coming years as well as the continuous product development can stretch the organizational capacities. In case not sufficiently qualified resources are allocated to these activities there is the risk of missing targeted growth and profitability plans. Donkey Republic is therefore putting a high focus on both expanding the team with experts in their fields and to continuously develop the skill set of their current staff. Examples for this are the hiring of local and experienced city managers to ensure successful roll out, tender and sales experts to continue future growth or hardware and software engineers to enable further product developments. Most prominently to name here is the change in the executive management that happened in the second half of 2022.

In 2022 Donkey Republic developed both a new pedal bike and a new ebike, that is now being rolled out across many cities. The proper functioning of these bikes is essential both in regards to rider revenue generation and fulfillment of subsidised city contracts, so that a severe malfunctioning of the bikes can pose a large risk. The already mentioned long experience and good qualification of the team allows us however to quickly detect and solve potential product issues. Furthermore there is still a large part of older bikes in the fleet that can compensate to potential shortcomings from the newer bike generations.

Asset backed financing is crucial for any kind of fleet expansion that Donkey Republic is aiming for. The lack of it could limit the companies growth ambition or put even its liquidity at risk. So far the company has always secured sufficient financing for its investment in the fleet and has also done so for 2023. A strong focus especially within the executive team is also on the continuous expansion and professionalization of the debt raising activities.

As a software-driven company, Donkey Republic, faces a general cyber security risk where a hacker attack on the company's backend could lead to a data leak or potentially interrupt the operational functions with immediate consequences for the customer relations, revenue, etc. This threat is addressed by a vigilant oversight on our part.

Shareholder information

Share capital

As of December 31, 2022, Donkey Republic Holding A/S share capital had a nominal value of 1,546,513.6 DKK divided into 15,465,136 shares with a nominal value of 0.10 DKK each. Each share carries one vote, thereby the shares are equal to 15,465,136 votes, all with the same rights. Donkey Republic Holding A/S's shares are admitted to trading on NASDAQ First North Growth Marjet hagen under the symbol "DONKEY" and the ISIN is DK0060817898.

Share price as of 31.12.2022

8.56 DKK

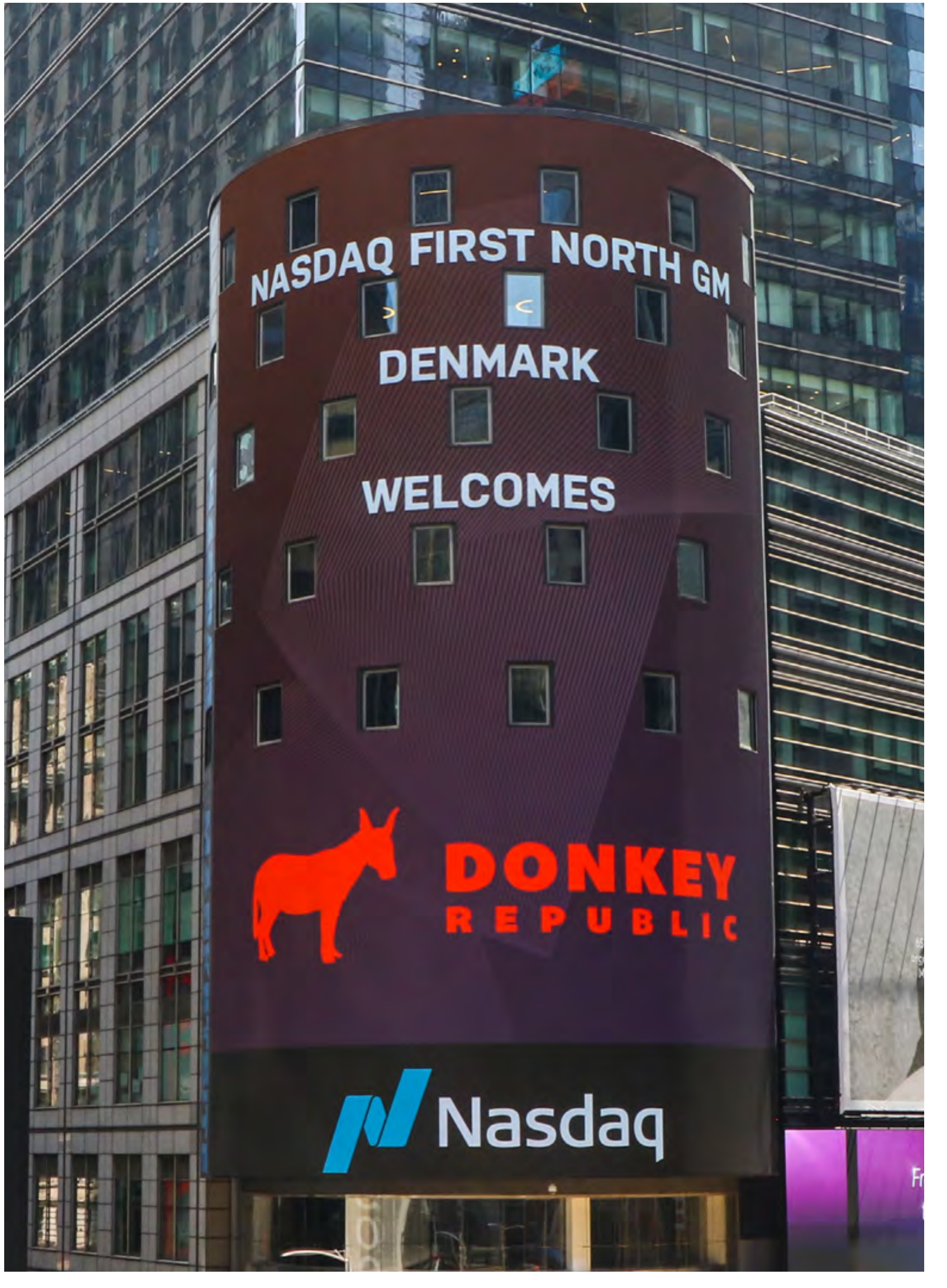
Ownership as of 31.12.2022

As of December 31, 2022, Donkey Republic Holding A/S had 725 registered shareholders. The following shareholders state that they own 5% or more of the company's shares/voting rights, at the end of 2022.

1) Vækstfonden — 19.74%
2) Vækstfonden Growth H/S — 14.97%
3) Spintop Ventures — 6.90%
4) Nordic Eye K/S — 6.39%

Financial calendar

Please visit Donkey Republic's website: https://invest.donkey.bike/corporate-governance/



Company details

Company

DonkeyRepublic Holding A/S
Skelbækgade 4 4. th.
1717 Copenhagen V

CVR No.: 35 67 82 63
Established: 4 March 2014
Municipality: Copenhagen
Financial Year: 1 January - 31 December 2022

Board of Directors

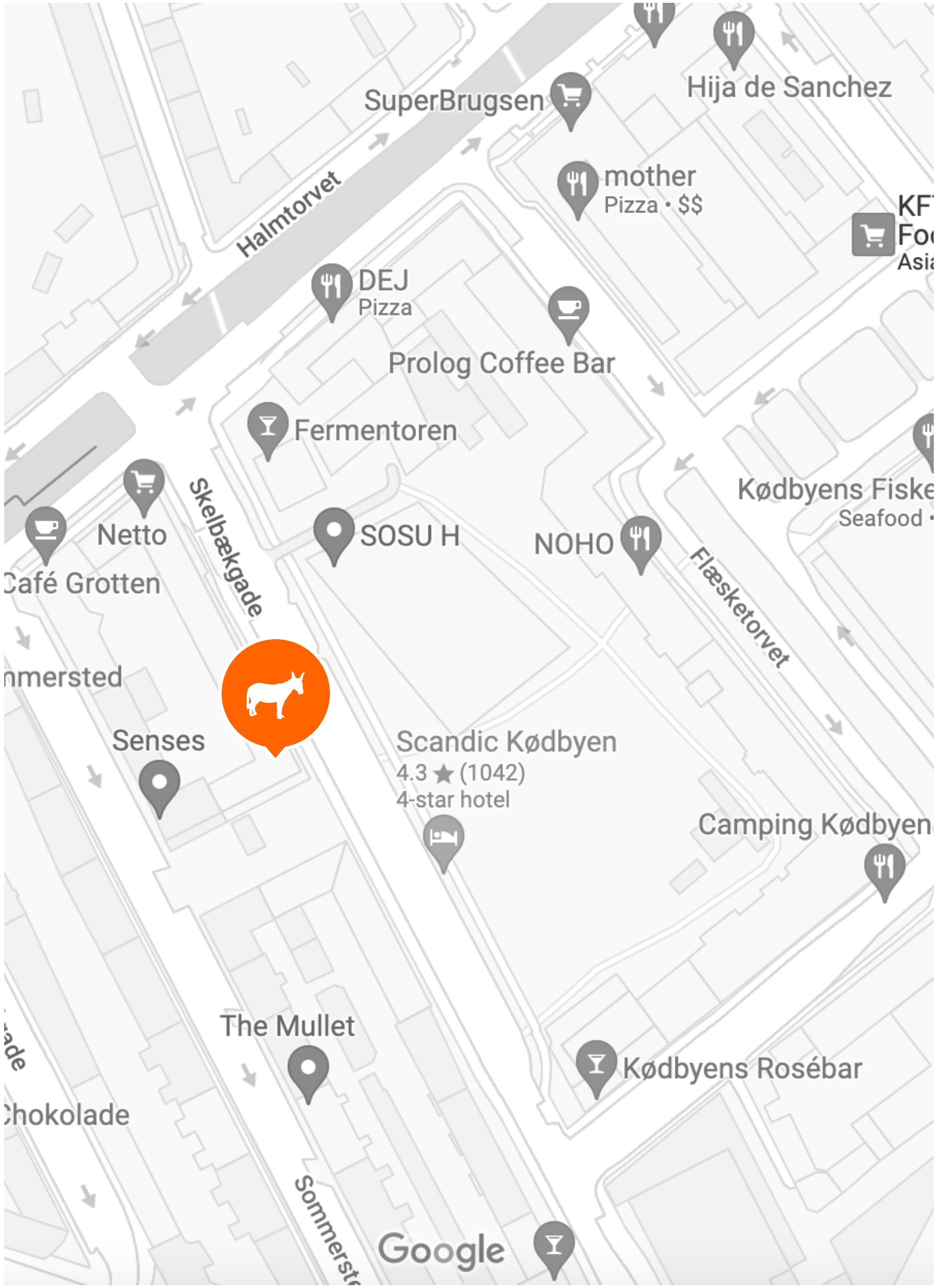
Caroline Søeborg Ahlefeldt, Chairperson
Karl Erik Wenngren
Jens Kramer Mikkelsen
Laurent Mercat
Marina Kolesnik
Jesper Lilledal Holmgaard
Marion Galan Alfonso
Erdem Ovacik

Executive Management

Niels Henrik Rasmussen, CEO
Christian Dufft, CFO

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S



Company details / Ownership & Structure

Executive management

Niels Henrik Rasmussen, CEO
CEO since September 2022
Shares: 0
Warrants: 1,324,855

Christian Dufft, CFO
CFO since 2019
Shares: 49,750
Warrants: 172,054

Board of directors

Caroline Søeborg Ahlefeldt
Chairman since 2019
Shares: 25,000
Warrants: 0
Independency Assessment: independent

Laurent Mercat
Member since 2021
Shares: 0
Warrants: 15,000
Independency Assessment: independent

Jens Kramer Mikkelsen
Member since 2019
Shares: 0
Warrant: 15,650
Independency Assessment: independent

Marion Galan Alfonso
Employee Representative since 2022
Shares: 0
Warrant: 4,500

Marina Kolesnik
Member since 2021
Share: 0
Warrants: 15,000
Independency Assessment: independent

Karl Erik Wenngren
Member since 2019
Shares: 0
Warrants: 0
Independency Assessment: dependent

Jesper Lilledal Holmgaard
Member since 2016
Shares: 0
Warrants: 0
Independency Assessment: dependent

Erdem Ovacik
Co-founder & Executive Board Member since 2014
Shares: 599,425
Warrants: 155,582
Independency Assessment: dependent

Statements

Statement by management

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of DonkeyRepublic Holding A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2022 and of the results of Group's and the Company's operations and the consolidated cash flows for the financial year 1 January - 31 December 2022.

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

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

Copenhagen,

30 March 2023

Executive Board

Niels Henrik Rasmussen Chief Executive Officer	Christian Dufft Chief Financial Officer

Board of Directors

Caroline Søeborg Ahlefeldt-Laurvig-Bille Chairperson	Karl Erik Wenngren	Jens Kramer Mikkelsen	Marion Galan Alfonso
Laurent Mercat	Marina Kolesnik	Jesper Lilledal Holmgaard	Erdem Ovacik

Independent auditor's report

To the Shareholders of DonkeyRepublic Holding A/S

Opinion
We have audited the consolidated financial statements and the parent financial statements of DonkeyRepublic Holding A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have 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 opinion.

Material uncertainty related to going concern
We refer to note 1 in the consolidated financial statements which indicate that the company's continued operations, depends on further capital injection from investors and new loans, for the group to continue the current growth strategi. Management expect that both the capital injection and refinancing will be solved. Due to uncertainty related to both capital injections from investors and refinancing of the loan there is material uncertainty related to going concern.

Management's responsibilities for the financial statements
Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determine is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity's internal control.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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, 30.03.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Financial Statements

Comments on financial statements

Comments on P&L items

Revenue
Donkey Republic recorded a revenue of EUR 9.1M which is an increase of EUR 4.1M compared to 2021. This is primarily driven by commercial execution and growing bike fleet to meet market demands. An increasing amount of revenue is generated through the sale of services that are generally invoiced ahead of them being provided and for several months in advance. Also Donkey wallet, a prepayment option in the app, is being more used. Donkey Republic only recognizes the revenue for the month where the service was actually provided or when prepaid amounts were actually used to pay for a ride. Because of this the deferred income in 2022 increased to EUR 1.7M from EUR 0.9M in 2021, the majority of that income is expected to become recognized revenue in the course of 2023.

Cost of sales
Cost of sales increased to EUR 3.0M in 2022 from EUR 1.0M in 2021. This is driven by general higher cost level, the ramp up of new cities and cost related to the delivery and roll out of new bikes. This also includes penalties for late roll out of bikes.

Other external expenses
Other external expenses amounted to EUR 4.3M in 2022 which is an increase of EUR 2.2M compared to 2021. The increase is related to a general higher cost level, the full year impact of the previous year cost increase as well as continuous investments in the professionalization of the organization and marketing campaigns.

Staff cost
Staff cost increased to EUR 5.4M in 2022 from EUR 3.1M in 2021. The increase reflects the increase in headcount that almost doubled in 2022. Additions were especially made within operation and sales, but also in other areas to better support the growth.

Other operating expenses
In 2022 there were no other operating expenses, compared to the EUR 0.6M that were booked in 2021 in regards to the IPO cost.

Net financial items
The total net financial expense amounted to EUR 0.7M, an increase of 0.4M compared to 2021. Financial expenses consist primarily of interest expenses on loans, bank interest and loss on exchange rate adjustments.

Comments on Balance sheet items

Intangible assets
As of December 31, 2022 Donkey Republic had intangible assets of EUR 2.1M, which is an increase of EUR 0.6M compared to the previous year. The main items booked relate to the development and improvement of the DonkeyRepublic platform and app as well as the improvement and development of bikes and bike related hardware.

Property, plant and equipment
As of December 31, 2022 tangible assets amounted to EUR 10.4M, which constitutes a significant increase compared to the end of 2021 (EUR 5.9M). Of this amount, EUR 7.2M can be attributed to the increase in the company's bike fleet and EUR 3.2M to downpayments for bike deliveries planned for 2023. There is no indication of impairment or uncertainty related to the value of the prepayments. Donkey Republic has a number of internal processes and controls to mitigate the risk of impairment including detailed supplier verification test, factory visits and regular status meetings. However, future impact of suppliers being challenged by the current economic uncertainties in supply chain and inflation etc. could entail uncertainties in delivery time etc. Management has a high focus on this and if any potential risk arises management will ensure to mitigate and take action if needed.

Inventory
With a value of EUR 3.3M by December 31, 2022, the inventory increased significantly compared to the same period last year (EUR 0.5M). This can mainly be attributed to the increased number of stocked bikes used for Donkey Republics own operation and sales to partners and bike components used for the production of upcoming bike deliveries.

Trade receivables
Trade receivables as of December 31, 2022 were EUR 0.7M, which constitutes a strong decrease compared to the previous year (EUR 1.7M). This is driven by a stronger focus on receivable management by the finance team.

Cash
As of December 31, 2022 Donkey Republic had cash of EUR 5.1M, which is EUR 6.0M less than in the previous period. The decrease is mainly due to covering the cash flow from operating activities.

Equity
Equity amounted to EUR 6.7M as of December, 2022, compared to EUR 12.7M in the same period in 2021. The equity level is in line with expectations of the management.

Debt
Total debt amounted to EUR 11.6M as of December, 2022 compared to EUR 6.2M in the same period in 2021. The increase is related to debt received for financing of the fleet extension through Nefco (The Nordic Environment Finance Corporation) and Oneplanetcrowd.

Trade payables
As of December 31 2022 trade payables amounted to EUR 2.1M which is a doubling compared to the same period in the previous year. This is driven by the overall growth of business activities of Donkey Republic as well as the ongoing investment in the extension of the fleet.

Comments on cash flow items

Cash flow from operating activities
The cash flow from operating activities amounted to EUR -4.6M in 2022 compared to EUR -2.8M in the previous year. This is driven primarily by the operational performance in 2022 but also by an increase in stock connected to the extension of the bike fleet.

Cash flow from investing activities
The cash flow from investing activities was EUR -6.9M in 2022 compared to EUR -4.8M in the previous year. The main driver behind the strong increase are investments related to the extension of the bike fleet both in 2022 and 2023.

Cash flows from financing activities
The cash flows from financing activities was EUR +5.6M in 2022 compared to EUR +17.7M in 2021. This was mainly driven by financing activities for the extension of the fleet.

Events after the balance sheet date

The company successfully launched its subsidized operation in Kiel on January first, on which a strong operational focus lay in Q4 2022 and that consists of almost 900 bikes. The operation generates an ARR of EUR 0.8M.

In the course of Q1 2023 the company delivered all bikes to Antwerp, so that its operation is fully ramped up now and no further delay penalties are expected. Existing delay penalties were booked as a provision in 2022.

In March the company received the 2nd tranche of their loan facility from DGIF in connection with their operation in Antwerp of EUR 0.7M. This one is for the already signed and rolled out extension of the network. The remaining loan facility of EUR 1.5M will be made available in connection with a further extension of the network.

Consolidated and parent financial statements

Income statement 1 January - 31 December

		Group		Parent Company	
	Note	**2022 EUR**	**2021 EUR**	**2022 EUR**	**2021 EUR**
REVENUE		**9,084,061**	**5,028,330**	**60,084**	**60,105**
Operating income	**2**	61,666	132,181	22,948	77,463
Cost of sales		-3,049,992	-995,420	0	0
Other external expenses	**3**	-4,279,423	-2,052,167	-228,406	-341,355
GROSS PROFIT		**1,816,313**	**2,112,924**	**-145,374**	**-203,787**
Staff costs	**4**	-5,432,184	-3,055,423	-59,815	-45,045
Depreciation, amortisation and impairment losses	**5**	-1,802,892	-1,513,319	-452,330	-468,529
Other operating expenses	**6**	0	-610,906	0	-610,906
OPERATING PROFIT (EBIT)		**-5,418,764**	**-3,066,724**	**-657,520**	**-1,328,267**
Financial income	**7**	466,950	68,979	137,454	46,580
Financial expenses	**8**	-1,085,488	-398,024	-83,433	-189,214
PROFIT BEFORE TAX		**-6,037,302**	**-3,395,769**	**-603,499**	**-1,470,901**
Tax on profit/loss for the year	**9**	232,456	128,374	66,989	53,346
PROFIT/LOSS FOR THE YEAR	**10**	**-5,804,846**	**-3,267,395**	**-536,510**	**-1,417,555**

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Balance sheet at 31 December

ASSETS	Note	Group 2022 EUR	Group 2021 EUR	Parent Company 2022 EUR	Parent Company 2021 EUR
NON-CURRENT ASSETS					
Development projects completed		2,032,997	1,041,484	2,227,427	1,132,988
Development projects in progress		59,373	416,522	60,645	444,272
Intangible assets	**11**	**2,092,370**	**1,458,006**	**2,288,072**	**1,577,260**
Other fixtures and fittings, tools and equipment		7,090,974	2,063,795	0	0
Leasehold improvements		5,281	4,362	0	0
Prepayment for tangible assets		3,301,912	3,864,579	0	0
Other fixtures and fittings, tools and equipment under construction		3,300,004	500,893	0	0
Property, plant and equipment	**12**	**13,698,170**	**6,433,630**	**0**	**0**
Investments in group enterprises		0	0	18,924,369	12,795,269
Deposits		194,848	175,903	0	0
Financial non-current assets	**13**	**194,848**	**175,903**	**18,924,369**	**12,795,269**
TOTAL NON-CURRENT ASSETS		**15,985,389**	**8,067,539**	**21,212,441**	**14,372,529**
CURRENT ASSETS					
Trade receivables		706,439	1,714,342	0	0
Receivables from group enterprises		0	0	791,168	232,244
Other receivables		1,329,923	288,687	211,589	286,186
Income tax receivables		261,849	146,338	67,016	54,898
Prepayments	**14**	218,902	90,129	3,039	10,396
Receivables		**2,517,113**	**2,239,496**	**1,072,813**	**583,724**
Cash and cash equivalents		**5,059,049**	**11,091,716**	**25,114**	**7,290,820**
TOTAL CURRENT ASSETS		**7,576,162**	**13,331,212**	**1,097,927**	**7,874,544**
ASSETS		**23,561,551**	**21,398,751**	**22,310,368**	**22,247,073**

Balance sheet at 31 December

EQUITY AND LIABILITIES	Note	Group 2022 EUR	Group 2021 EUR	Parent Company 2022 EUR	Parent Company 2021 EUR
EQUITY					
Contributed capital		207,970	207,970	207,970	207,970
Reserve for development costs		0	0	1,784,738	1,230,263
Foreign currency translation reserve		-118,257	0	-918	0
Retained earnings		6,659,371	12,464,217	18,055,125	19,146,109
Equity		**6,749,084**	**12,672,187**	**20,046,914**	**20,584,341**
Provisions		485,798	0	0	0
Provisions	**15**	**485,798**	**0**	**0**	**0**
Debt to other credit institutions		9,728,422	4,691,475	1,195,827	1,189,010
Other payables - non-current		1,412	165,841	0	0
TOTAL NON-CURRENT LIABILITIES	**16**	**9,729,834**	**4,857,316**	**1,195,827**	**1,189,010**
CURRENT LIABILITIES					
Current portion of non-current liabilities		1,881,287	1,322,018	56,731	0
Bank debt		0	7,211	0	7,211
Trade payables		1,623,261	1,027,778	21,898	22,388
Payables to group enterprises		0	0	814,917	340,079
Corporate tax payable		32,322	8,520	0	0
Other payables current		1,383,673	572,537	2,271	2,837
Deferred income	**17**	1,676,291	931,333	171,810	101,207
TOTAL CURRENT LIABILITIES		**6,596,834**	**3,869,248**	**1,067,627**	**473,722**
TOTAL LIABILITIES		**16,812,466**	**8,726,564**	**2,263,454**	**1,662,732**
TOTAL EQUITY AND LIABILITIES		**23,561,551**	**21,398,751**	**22,310,368**	**22,247,073**
Contingencies etc.	**18**				
Charges and securities	**19**				
Related parties	**20**				
Earnings per share	**21**				
Events after balance sheet date	**22**				

Equity

	Group			
	Share capital	Foreign currency translation reserve	Retained earnings	Total
Equity at 1 January 2022	207,970		12,464,217	12,672,187
Profit/loss for the year			-5,804,846	-5,804,846
Transactions with owners				
Capital increase				
Cost of capital increase				
Other legal bindings				
Foreign exchange adjustments		-118,257		-118,257
Transfer of reserves				
Equity at 31 December 2022	**207,970**	**-118,257**	**6,659,371**	**6,749,084**

		Parent Company			
	Share capital	Foreign currency translation reserve	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2022	207,97		1,230,263	19,146,109	20,584,342
Proposed loss allocation				-536,510	-536,510
Transactions with owners					
Capital increase					
Cost of capital increase					
Other legal bindings					
Capitalized development costs			554,475	-554,475	0
Foreign exchange adjustments		-918			-918
Equity at 31 December 2022	**207,970**	**-918**	**1,784,738**	**18,055,125**	**20,046,914**

Share capital is registered in DKK and amounts to 1,546,513 DKK. The Parent Company has established a warrant program for its employees. Total committed and available warrants amounts to nominal shares of 2,240,884. The warrants allow employees the option to purchase shares at a fixed price.

The vesting period is different from employee to employee but is generally 36 or 48 months. The exercise price is set at either EUR 0.94 per share, EUR 1.18 per share, EUR 1.66 per share, EUR 1.84 per share, EUR 2.18 per share or EUR 2.45 per share, with the average price being EUR 1.47 per share.

Cash flow statement 1 January- 31 December

	Group	
	2022 EUR	2021 EUR
Profit/loss for the year	**-5,804,846**	**-3,267,395**
Depreciation and amortisation, reversed	1,802,892	1,513,319
Accrual for provision	485,798	0
Reversed realization gains	0	-1,226
Tax on profit/loss, reversed	-232,456	-128,374
Non cash adjustment, tax on profit for the period (foreign entities)	0	-2,727
Corporation tax paid	140,747	135,210
Change in receivables (ex tax)	-162,106	-1,468,735
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	2,154,334	379,504
Other cash flows from operating activities	0	-27,449
CASH FLOWS FROM OPERATING ACTIVITY	**-1,615,637**	**-2,867,873**
Purchase of intangible assets	-1,051,634	-542,653
Purchase of property, plant and equipment	-5,853,662	-4,172,620
Sale of property, plant and equipment	0	5,916
Purchase of financial assets	-18,943	-98,525
Purchase of other fittings, tools and equipment	-2,799,111	45,103
CASH FLOWS FROM INVESTING ACTIVITY	**-9,723,350**	**-4,762,779**
Capital increase	0	14,923,977
Proceeds from non-current borrowing	5,431,787	3,234,595
Instalments on loans	0	-420,005
Other cash flows from financing activities	-7,211	-28,770
CASH FLOWS FROM FINANCING ACTIVITY	**5,424,576**	**17,709,797**
CHANGE IN CASH AND CASH EQUIVALENTS	**-5,914,411**	**10,079,145**
Cash and cash equivalents at 1. januar	11,091,717	1,012,572
Currency translation adjustments of cash and cash equivalents	-118,257	0
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**5,059,049**	**11,091,717**

Notes

Note

Uncertainty with respect to going concern 1

For the execution of some parts of the growth business plan further funding needs to be secured. This refers to the investment plan in regards to fleet growth, development of new products and growth of the sales pipeline for 2024 and beyond.
The company has an existing loan facility that is connected to a further extension of the company's Antwerp operation. The company is actively working on a private placement (at the range of EUR 1-2M) at market price to be completed within the first half of the year, to strengthen the balance sheet and provide funding (at the range of EUR 2-3M) for some of the above mentioned activities. Furthermore, the company is in active advanced negotiations with a provider of asset-backed financing, with which an indicative term sheet has been signed.
Should the current financing activities fail to be completed (wholly or partly) or be delayed, management has a mitigation plan in place that could offset shortcomings in regards to the availability of funding. This plan would lead to a lower growth ambition in 2024, however with the aim to stay within the existing guidance for 2023 and profitability ambition for 2024.
The Financial Statements are prepared on the assumptions, that the necessary funding will be obtained through one or more of the current ongoing dialogues, and therefore prepared on a going concern basis. However, material uncertainty exists to the group's continued operations.

Other operating income 2

Other operating income is income related to received grants for the Group's development projects.

	Group		Parent Company		Note
	2022 EUR	2021 EUR	2022 EUR	2021 EUR	
Fees to statutory auditors					3
Statutory Audit	38,147	23,934	21,144	18,556	
Audit-Related services	8,199	14,656	8,199	10,286	
Tax assurance services	0	2,017	0	2,017	
Other services	33,268	73,201	0	56,057	
	79,615	**113,809**	**29,343**	**86,916**	
Staff costs					4
Average number of employees	108	58	0	0	
Wages and salaries	5,363,491	3,099,749	59,815	45,045	
Pensions	104,063	19,528	0	0	
Social security costs	306,779	145,156	0	0	
Other staff costs	170,336	51,274	0	0	
Staff costs classified as assets	-512,485	-260,284	0	0	
	5,432,184	**3,055,423**	**59,815**	**45,045**	
Remuneration of Executive Management	266,618	223,899	0	0	
Remuneration of Board of Directors	59,815	43,028	59,815	43,028	
	326,433	**266,927**	**59,815**	**43,028**	

	Group		Parent Company		Note
	2022 EUR	2021 EUR	2022 EUR	2021 EUR	
Depreciation, amortisation and impairment losses					5
Development projects completed	417,270	426,387	452,330	468,529	
Leasehold improvements	3,557	1,816	0	0	
Other plants, tools and equipment	1,382,065	1,086,342	0	0	
Realisation profits	0	-1,226	0	0	
	1,802,892	**1,513,319**	**452,330**	**468,529**	

Other operating expenses 6

Other operating expenses in 2021 involve IPO costs in relation to the First North notation of the company during that year.

	Group		Parent Company		Note
	2022 EUR	2021 EUR	2022 EUR	2021 EUR	
Financial income					7
Group enterprises	0	0	137,087	46,588	
Other interest income	466,950	68,979	367	22	
	466,950	**68,979**	**137,454**	**46,610**	
Financial expenses					8
Group enterprises	0	0	3,320	48,879	
Other interest expenses	1,085,488	398,024	69,621	140,335	
	1,085,488	**398,024**	**72,941**	**189,214**	
Tax on profit/loss for the year					9
Calculated tax on taxable income of the year	232,456	138,024	66,989	54,892	
Adjustment of tax in previous years	0	-8,117	0	-1,546	
Adjustment of deferred tax	0	-1,533	0	0	
	232,456	**128,374**	**66,989**	**53,346**	
Proposed distribution of profit/loss					10
Retained earnings	-5,804,846	-3,267,395	-536,510	-1,417,555	
	-5,804,846	**-3,267,395**	**-536,510**	**-1,417,555**	

Intangible assets

Note 11

	Group	
	Development projects completed	Development projects in progress and prepayments
Cost at 1 January 2022	2,505,853	416,522
Foreign currency translation adjustment	24,472	26,463
Transfer	911,382	-911,382
Additions	493,021	527,770
Cost at 31 December 2022	**3,934,728**	**59,373**
Amortisation at 1 January 2022	1,464,369	0
Foreign currency translation adjustment	20,092	0
Amortisation for the year	417,270	0
Amortisation at 31 December 2022	**1,901,731**	**0**
Carrying amount at 31 December 2022	**2,032,997**	**59,373**

The Group's development projects relate to the development and improvement of the DonkeyRepublic platform and app as well the improvement and development of bikes and bike related hardware. Both the platform and bike related hardware are an important part in realizing the long-term growth strategy for the Group.

	Parent Company	
	Development projects completed	Development projects in progress and prepayments
Cost at 1 January 2022	2,675,104	444,272
Foreign currency translation adjustment	-4,271	-15
Transfer	911,382	-911,382
Additions	635,611	527,770
Cost at 31 December 2022	**4,217,826**	**60,645**
Amortisation at 1 January 2022	1,542,116	0
Foreign currency translation adjustment	-4,068	0
Amortisation for the year	452,352	0
Amortisation at 31 December 2022	**1,990,400**	**0**
Carrying amount at 31 December 2022	**2,227,426**	**60,645**

The Parent Company's development projects relate to the development and improvement of theDonkeyRepublic platform and app. The platform is an important part in realizing the long-term growthstrategy for the entity and its subsidiaries.

Property, plant and equipment

Note 12

	Group			
	Other plant, machinery tools and equipment	Leasehold improvements	Tangible fixed assets in progress and prepayment	Other fixtures and fittings, tools and equipment under construction
Cost at 1 January 2022	6,202,779	7,982	3,864,579	500,893
Foreign currency translation adjustment	32,014	0	0	0
Additions	5,923,536	4,477	0	2,799,111
Transfer	562,667	0	-562,667	0
Disposals	-116,454	0	0	0
Cost at 31 December 2022	**12,604,542**	**12,458**	**3,301,912**	**3,300,004**
Depreciation and impairment losses at 1 January 2022	4,138,984	3,620	0	0
Foreign currency translation adjustment	103,047	0	0	0
Bikes provision for lost bikes additions	418,167	0	0	0
Reversal of depreciation of assets disposed of	-66,005	0	0	0
Depreciation for the year	919,375	3,558	0	0
Depreciation and impairment losses at 31 December 2022	**5,513,568**	**7,178**	**0**	**0**
Carrying amount at 31 December 2022	**7,090,974**	**5,281**	**3,301,912**	**3,300,004**

Prepayments for tangible assets amounts to EUR 3,229k for 2022, and consists of prepayments made to the number of the groups suppliers of components and bikes. At 31 December 2022 an updated assessment has been made and management has no indications of impairment or uncertainty related to the value ofthe prepayments. The bikes and components are expected to be delivered throughout the year of 2023. Donkey Republic has a number of internal process and controls to mitigate the risk of impairment including detailed supplier verification test, factory visits and regular status meetings. However, future impact ofsuppliers being challenged by the current economic uncertainties in supply chain and inflation etc. couldentail uncertainties in delivery time etc. Management has very high focus on this and if any potential riskarise management will ensure to mitigate and take action if needed.

Financial non-current assets

Note 13

	Group	
	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2022	0	175,903
Additions	0	18,945
Cost at 31 December 2022	**0**	**194,848**
Carrying amount at 31 December 2022	**0**	**194,848**

Fixed asset investments (continued)	Parent Company
	Investments in subsidiaries
Cost at 1 January 2022	12,795,269
Additions /	6,129,534
Cost at 31 December 2022	**18,924,803**
Carrying amount at 31 December 2022	**18,924,803**

Investments in subsidiaries

Name and domicil	Ownership
DonkeyRepublic Admin ApS Copenhagen	100%
DonkeyRepublic Bike ApS Copenhagen	100%
Smart Cycles SLA Barcelona	100%
DonkeyRepublic NL BV Utrecht	100%
DonkeyRepublic Bike NL BV Utrecht	100%
DonkeyRepublic Deutschland GmbH Berlin	100%
DonkeyRepublic Hungary Budapest	100%
SAS Donkey Republic France Paris	100%
Donkey Republic Belgium BV Antwerp	100%

Prepayments

Note 14

Prepayments relate to costs incurred relating to the subsequent financial year.

Provisions

15

	2022	2021
0-1 year	485,798	0

As stipulated in the agreement between provider of subsidy in Antwerp and DonkeyRepublic, a penalty will be applied for bikes that are delivered with delay. The penalty is estimated to EUR ('000) 485 for which the provision has been done in 2022. The recognition is subject to uncertainty due to ongoing negotiations about global cause of the delay that was caused primarily by COVID.

Long-term liabilities

16

	Group			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Debt to other credit institutions	11,609,709	1,881,287	1,566,943	5,582,723
Other non-current liabilities	0	0	0	430,770
Other liabilities	1,412	0	0	165,841
	11,611,121	**1,881,287**	**1,566,943**	**6,179,334**

	Parent Company			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Debt to other credit institutions	1,252,558	56,731	0	1,189,010
	1,252,558	**56,731**	**0**	**1,189,010**

Note

Deferred income 17

Deferred income relate to payments received regarding income in subsequent years. Contingencies etc.

Contingencies etc. 18

Contingent assets

Group

The Parent Company has a tax loss carryforward, which is not recognized in the balance sheet, as it is not assessed that it can be utilized within a period of 3-5 years. The value of the tax loss amounts to EUR ('000) 16,207 per December 31, 2022.

Parent Company

The Parent Company has a tax loss carryforward, which is not recognized in the balance sheet, as it is not assessed that it can be utilized within a period of 3-5 years. The value of the tax loss amounts to EUR ('000) 5,672 per December 31, 2022.

Contingent liabilities

Group

The Group has entered into rent obligations, which at the balance sheet date amount to EUR ('000) 567 in the notice period, which expires on 31 March 2027.

The Group has entered into leasing agreements with a remaining term of up to 48 months. The leasing contracts have a total residual leasing obligation of EUR ('000) 471.

Parent Company

The Parent Company has issued letter of support for its two subsidiaries, DonkeyRepublic Admin ApS and DonkeyRepublic Bike ApS, whereby it has undertaken the obligation to provide the necessary cash and capital to ensure that the subsidiaries will be able to continue operating. Both companies have a positive equity as of 31 December 2022.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax, etc. Tax payable of the group's jointly taxed income amounts to EUR ('000) 0 at the Balance Sheet date.

Note

Charges and securities 19

Group

A floating charge of nominally EUR ('000) 5,023 has been provided to Vækstfonden and a floating charge of nominally EUR ('000) 7,154 has been provided to DGIF. 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 A/S. The book value of assets charged as collateral amounts to EUR ('000) 16,353 for the Group. The assets are charged as collateral against loans from Vækstfonden across the three Companies. Lastly, a negative pledge have been made in favor of Vækstfonden, which ensures that no other debtor can post a colleteral in the entity's assets.

Parent Company

A floating charge of nominally EUR ('000) 5,023 has been provided to Vækstfonden and a floating charge of nominally EUR ('000) 7,154 has been provided to DGIF. 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 A/S. The book value of assets charged as collateral amounts to EUR ('000) 2,503 in DonkeyRepublic Holding A/S. The assets are charged as collateral against loans from Vækstfonden across the three Companies. Lastly, a negative pledge have been made in favor of Vækstfonden, which ensures that no other debtor can post a colleteral in the entity's assets.

Note

Related parties 20

Transactions with related parties

The Group did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed oncommon market conditions.

	Group 2022 EUR	Group 2021 EUR	
Earnings per share			21
Average amount of shares	15,465,136	11,717,073	
Loss for the year	-5,804,846	-3,267,395	
Earnings per share	**-0.38**	**-0.28**	

Events after the balance sheet date 22

The company successfully launched its subsidized operation in Kiel on January first, on which a strong operational focus lay in Q4 2022 and that consists of almost 900 bikes. The operation generates an ARR of EUR 0.8M.

In the course of Q1 2023 the company delivered all bikes to Antwerp, so that its operation is fully ramped up now and no further delay penalties are expected. Existing delay penalties were booked as a provision in 2022.

In March the company received the 2nd tranche of their loan facility from DGIF in connection with their operation in Antwerp of EUR 0.7M. This one is for the already signed and rolled out extension of the network. The remaining loan facility of EUR 1.5M will be made available in connection with a further extension of the network.

Accounting Policies

Accounting policies

The Annual Report of DonkeyRepublic Holding A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year. The functional currency of the Parent Company is the Danish krone (DKK). However, due to the Group's international relations, the consolidated financial statements are presented in Euro (EUR).

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.

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company DonkeyRepublic Holding A/S and the subsidiaries in which DonkeyRepublic Holding A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Income statement

Net revenue
Revenue from the sale of manufactured goods, goods for resale and lease of rental bikes 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 includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

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

Income from investments in subsidiaries

Dividend from subsidiaries is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests 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.

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.

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 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

Intangible fixed assets

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.

Tangible fixed assets

Plant and machinery, and 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:

	Useful life	Residual value
Other plant, fixtures and equipment	3-5 years	0-30 %
Leasehold improvements	5 years	0-30 %

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.

Fixed asset investments

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Financial fixed assets comprise unlisted equity investments measured at the lower of cost and net realisable value.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with 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.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

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.

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.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Cash flow statement

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Group's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash in hand.

JOIN OUR CEO & CFO FOR 2022 ANNUAL REPORT WEBINAR

DATE: March 31th
TIME: 14.00-14.30 (CET)

JOIN THE WEBINAR

Donkey Republic invites you to an online Webinar presentation of our Annual Report 2022, released on March 31st, 2023.

Program 31.03 at 14.00-14.30

- Introduction and company highlights from Donkey Republic CEO (10 min)
- Financial highlights from Donkey Republic CFO (10 min)
- Q&A (10 min)
- Thank you for today!

(No registration required - click in the link above to participate)

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