Annual Report 2024

ANNUAL REPORT
1 JANUARY 2024 - 31 DECEMBER 2024

DONKEYREPUBLIC HOLDING A/S
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1717 Copenhagen, Denmark
CVR-nr. 35 67 82 63

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Industry and impact

Foreword by founder and board member Erdem Ovacik and CEO Niels Henrik Rasmussen

At Donkey Republic, we believe that Every Ride Counts in order to transform cities into more liveable places. We are a tool enabling green transition, and through our strategy built on sustainable growth, we are looking to become an even more pronounced player in a micromobility market expected to reach EUR 345B by 2030*.

As cities struggle and strive for more liveable cities, we enable them with a quick and effective alternative to sole reliance on the personal car and compliment other modes of transport. We fill in the gaps between trains, buses, cars and metro. Alternatives for cities look challenging. Infrastructure projects from car lanes to metro lines can take years, and more lanes translate to increased traffic in urban areas. Ridership of public transport remains low, as citizens seek high levels of convenience, and the cost of a single electric bus is equivalent to 1,000 bikes.

Our value proposition for society is very clear, thanks to our focus on active and safe modes of micromobility with pedal and electric shared bicycles. Cities recognise the value of bikes over other micromobility vehicles, as they so far only offer financial support for bike trips alone, and not for other modes. Donkey's focus to work with cities is paying off: our 6 key markets saw a consolidation driven by fleet reductions by players focusing solely on rider revenues, while Donkey continued its growth with strategic focus on city partnerships.

We take pride in cities' trust and reliance on us, and in return, we provide a sustainable mobility solution that is the backbone of urban infrastructure 2.0. Our bikes can be rented through third-party apps, our availability and rental data is automatically shared with cities and transport authorities, and we offer them a digital platform with a high level of flexibility from pricing to operating models.

Conclusively, we connect the dots and free up public space, we reduce emissions, noise, congestion and we create healthier and happier communities. *"The accumulated value of these effects for society is likely to exceed our revenue."* says Erdem Ovacik, founder and board member, while Niels Henrik Rasmusen, CEO since 2022 adds*: "Together, we have over the last 3 years more than doubled our revenues to 146.5M DKK and we have also improved significantly in our EBITDA and EBIT now having multiple layers of green. As an Impact Business, the company of Donkey Republic is well-positioned for growing its footprint for green transitioning and Urban 2.0 Development. "*

*https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/spotlight-on-mobility-trends?utm_medium=DSMN8&utm_source=LinkedIn&utm_user=14419234050061292

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Management Commentary

Letter from the CEO

Donkey Republic's 2024 performance marked a significant achievement: the company's first year of positive EBIT, reaching DKK 1 million. This milestone, achieved alongside a 27% revenue growth to DKK 146.5 million, validates our consolidated growth strategy focused on contributing to cities' green transitions. The management and Board are very satisfied with these results, highlighting the company's improved financial position and focus on unit economics.

A key aspect of our success in 2024 was our ability to balance growth and efficiency. This was exemplified by the smooth rollout of the Hannover contract in Germany, while simultaneously improving revenue per bike by 20% and contribution margin per bike by 19%. This demonstrates the effectiveness of our sustainable growth engine, a model built on strong margins (more than 50% contribution margin), a committed team, positive cash flow and scalability.

Our robust business model, allows for continuous innovation and investments. Notably, increased investments in development projects in 2024, e.g. our fourth generation bike, which support the enhancement of our technology platform, optimizing operations and improving user experience.

Looking ahead, we are poised for continued growth. In 2025, we will launch a new bike generation, designed to provide cities with a reliable and future-proof bike-sharing solution. On the performance side, we are building on strong 2024 results, and are confident in achieving our 2025 guidance of DKK 165-185M revenue, DKK 27-37M EBITDA, and DKK 1-6M EBIT.

Furthermore, Donkey Republic has set ambitious goals for 2027, aiming to significantly expand our growth trajectory. These goals include increasing our fleet to 35,000 bikes, generating DKK 300 million in revenue, and achieving a 15% EBIT margin.

Our business model, combined with our commitment to sustainable urban mobility and strong financial foundation, positions us to capitalize on future growth opportunities, particularly through new city contracts and licenses. We are confident in our ability to expand our reach and solidify our leadership in the market, and create lasting value for our shareholders.

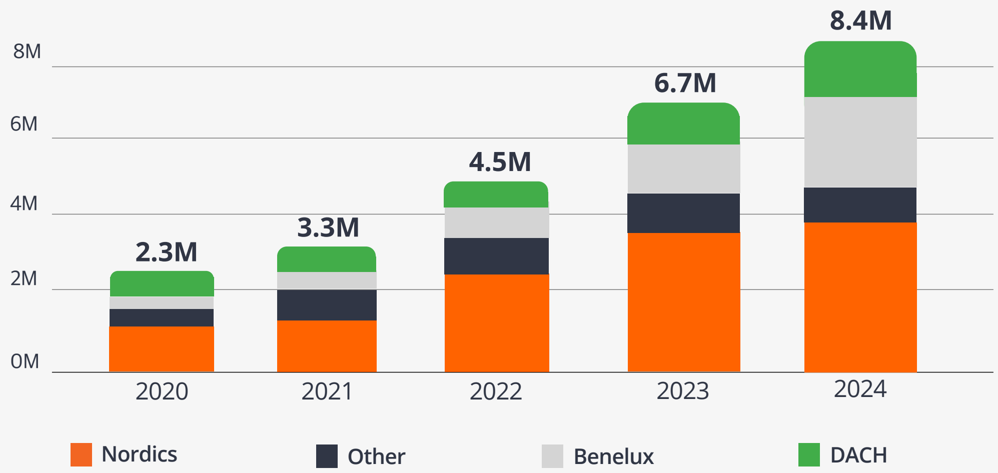
Total Key Performance Indicators 2024

Metric	Growth*	2024	2023	2022	2021	2020
Total revenue	↑27%	DKK 146.5M	DKK 115.2M	DKK 67.7M	DKK 37.3M	DKK 21.6M
Riders[1]	↑21%	680K	561k	360k	217.4k	138.2k
Trips[2]	↑26%	8.4M	6.7M	4.5M	3.3M	2.3M
Fleet size (active bikes)	↑6%	21.1K	19.9K	13.3k	13k	12.9k

[1] Users with a minimum of one rental
[2] Trips are defined from when bike is unlocked to locked again

Growth*: Year on year growth compared to 2023

Trip growth by region (in number of trips)



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Business highlights

EBIT

In 2024, the company achieved positive EBIT of DKK 1.0M, marking a significant improvement compared to negative DKK 11.6M in 2023. This DKK 12.6M improvement was driven by enhanced unit economics and a streamlined company structure, which were key focuses for the company throughout the year.

Furthermore positive one time effects impacting revenue and other external expenses (see comments to financial statement) positively were another key driver for the improvement in profitability.

Improved unit economics

The company's unit economics continued to improve in 2024.

Revenue per bike increased from DKK 483 per month to DKK 577 per month, a 20% increase, or a 14% increase when excluding one-time effects (see comments to financial statements). The contribution margin per bike increased from DKK 253 to DKK 302, corresponding to 19% growth.

The improvements can be attributed to efficient maintenance of the fleet, allowing to increase the utilization without significantly increasing the cost. Improving unit economics is a key performance driver and will continue to be a main focus for the company.

More users and rides

In 2024, the company recorded 680K users, resulting in 8.4M trips. These trips contributed to the replacement of 3.4M car and bus rides.

Continuous monitoring, data sharing and utilization, and collaboration with partners and cities played a key role in delivering a product with sustained high utilization, demonstrating the product's attractiveness and market fit.

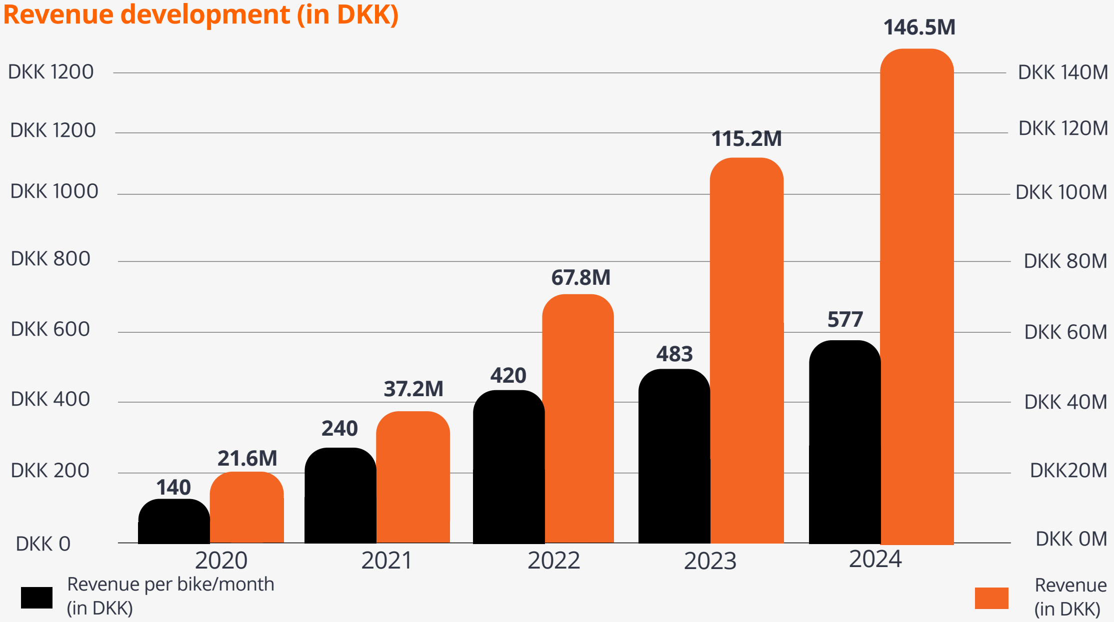
Expansion of new operations

In 2024, the company opened its new operation in Hannover, deploying more than 1,000 bikes.

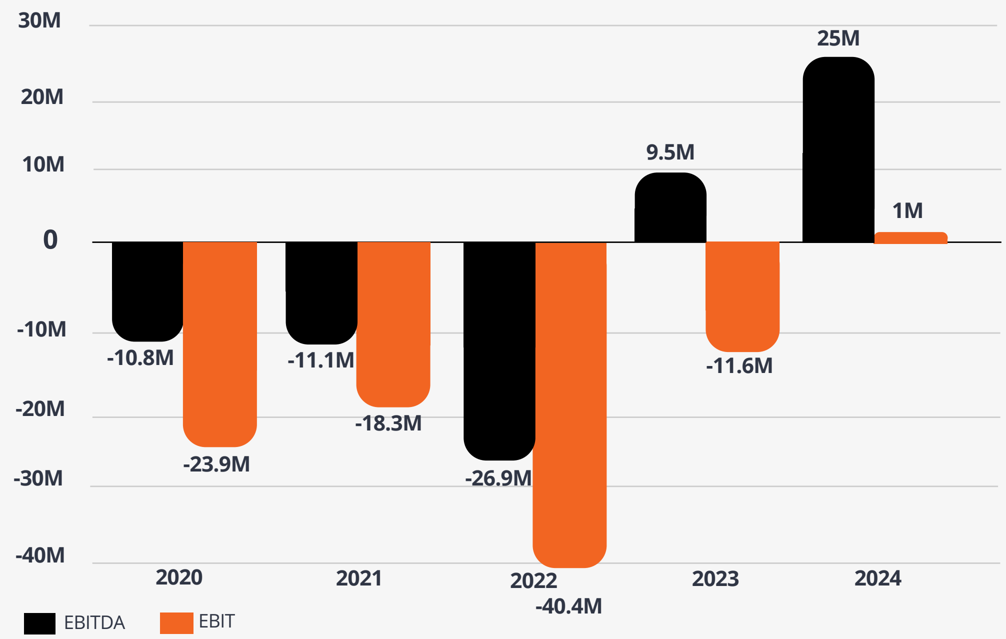
The company experienced longer selling cycles in the MaaS B2G segment, leading to the postponement of winning new tenders during 2024. However, the fleet is still expected to increase by 2,000-4,000 bikes in 2025.

In 2025, there will be an increased focus on winning new tenders to open new cities, supported by a stronger financial foundation to attract competitive financing for fleet expansion.

Revenue development (in DKK)



Profitability development (in DKK)



Financial highlights

MaaS rider revenue

Rider revenue continued its strong growth trajectory in 2024, increasing by 34% compared to the previous year. This includes one time effects from previous periods. With the growth adjusted for one time effects it still surpassed the 6% expansion of our fleet, demonstrating a significant improvement in bike utilization. Notably, the improved availability of our e-bike fleet and the introduction of flexible day passes have been key drivers for growth.

MaaS B2G & B2B revenue

The opening of our Hannover operation and the continuous expansion within our other subsidized operations fueled a 20% growth in the MaaS B2G and B2B segment. This segment, which provides reliable and contractually secured revenue streams, now contributes over 30% of our total revenue, equivalent to DKK 45M.

SaaS revenue

Our strategic focus on expanding our own bike fleet (MaaS business) has led to a decline in our SaaS business, which decreased by 12% compared to the previous year. This strategic shift allows us to better focus on our core markets.

Contribution margin

The contribution margin improved by more than 26% compared to the previous year. In relative terms this translates to a margin of 52% (slightly less without one time effects) showing once again our capability to onboard new cities (e.g. Hannover) and increase the fleet overall, without risking the company's overall profitability, this is a key pillar of our strategy.

Property, plant and equipment

New bikes put on the streets offset the depreciation of the fleet and keep the value of the fleet (PPE) on a stable level compared to the previous year. Another driver has been refurbishment work on the fleet to both prolong the lifetime of the bikes and to increase their utilisation.

Furthermore a new bike batch for delivery in 2025 was ordered and partially prepaid. The investments into new bikes together with increased capitalization of development cost are the main drivers behind the reduced cash level compared to the previous year.

Equity

The improved net profit and a capital raise in the second half of 2024 let to a strong improvement of the equity level by more than DKK 25M. The equity ratio of the company further improved as a large portion of the company's debt was repaid in June of 2024. The total debt of the company went down by more than DKK 24M.

Financial summary

in DKK	2024	2023	2022	2021	2020
Fleet					
Fleet average over the period	21,147	19,900	13,416	13,000	12,900
Revenue per bike/month	577	483	420	240	140
EBITDA per bike/month	98	40	-167	-71	-70
Revenue					
Total revenue	**146.5M**	**115.2M**	**67.7M**	**37.5M**	**21.7M**
MaaS[1] rider revenue	95.7M	71.7M	44.2M	27.0M	16.7M
MaaS B2G and B2B	45.2M	37.1M	16.6M	2.6M	1.0M
SaaS[2] license and hardware sales	5.7M	6.5M	6.9M	7.8M	3.9M
Profitability					
Contribution margin	76.5M	60.3M	21.6M	13.3M	0.3M
EBITDA	25M	9.5M	-26.9M	-11.1M	-10.8M
Operating profit/EBIT	1.0M	-11.6M	-40.4M	-18.3M	-23.9M
Profit/ loss for the year	-9.8M	-23.1M	-43.2M	-25.4M	-26.2M
Assets	**167.9M**	**171.4M**	**175.5M**	**156.8M**	**49.1M**
Property, plant and equipment	96.1M	95.3M	96.4M	44.2M	21.2M
Cash	32.7M	39.0M	37.6M	82.6M	7.5M
Other assets	39.1M	37.2M	41.2M	30.1M	20.4M
Equity and Liabilities					
Equity	83.4M	57.2M	50.2M	93.3M	8.0M
Debt	60.9M	85.2M	86.3M	46.1M	29.2M
Other liabilities	23.6M	29.1M	38.7M	17.5M	11.9M
Net cash (+) / Net Debt (-)	-28.2M	-46.2M	-48.7M	36.5M	-21.7M

1 **MaaS (Mobility as a Service)** encompasses our core business of providing bike-sharing services directly to riders and cities. This includes our own fleet of bikes, the supporting technology platform, and the operational services required to manage and maintain the system.

2 **SaaS (Software as a Service)** involves licensing our bike-sharing technology platform to other companies or organizations that want to operate their own bike-sharing services. This allows them to leverage our proven technology and expertise to launch and manage their own systems, benefiting from our experience and innovation in the micro-mobility sector.

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 DKK 4.5M 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.

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Business model and strategy

1. Ensuring profitability and mitigating risk

By engaging in long-term contracts and licenses, the company strategically minimizes risks and ensures profitability. These contracts and licenses provide a high degree of certainty during the operational period (3-10 years), with a significant portion of revenues already secured through subsidies within the tender contracts. This certainty allows the company to confidently manage investments in fleet expansion and operational setup, contributing to financial sustainability.

Moreover, the contracts are expected to enhance the company's ability to attract competitive growth capital, thereby securing the necessary working capital for sustained expansion.

2. Maximizing impact on cities and mobility

Embedded in Donkey Republic's DNA is a commitment to addressing mobility challenges in partnership with cities. Long-term contracts facilitate collaborative efforts with cities, enabling joint investments in sustainable solutions. The inclusion of city subsidies enhances service accessibility, allowing for the implementation of long-term mobility solutions with expanded operational coverage and increased usage. Examples include our regional projects in Antwerp and Kiel, where city subsidies contribute to maintaining affordable end-user prices, ensuring profitability in specific scenarios and enhancing overall mobility in the serviced areas. Moreover, these contracts are expected to enhance the company's ability to attract competitive growth capital, thereby securing the necessary working capital for sustained expansion.

3. Responding to high demand and market dynamics

Observing a growing trend, cities are increasingly inclined to invest in bike-sharing systems. We have in recent years seen a shift in city preferences, with a notable emphasis on selecting partners and regulating providers and/or vehicle types within cities' jurisdictions. Donkey Republic's strategic focus on long-term contracts and licenses positions the company to meet the rising demand and navigate evolving market dynamics, solidifying our role as a preferred partner for cities investing in sustainable mobility solutions in our six core markets while exploring new markets for entry in 2025 and beyond.

	B2G / CONTRACT BASED	LICENSE BASED	SaaS
Operation / Contract model		EU	
Descriptions	Long term contract often between 3-10 years with cities or transport companies, secured by winning a tender	Licenses giving by the municipalities, either given to everyone living up to criteria, or awarded yearly or by multiple years	Partner buys hardware from Donkey Republic and operates the bikes themselves using the Donkey app and backend systems, for which they pay a yearly licence fee
Revenue streams	Subsidies; Rider revenue; B2B memberships/ Sponsorships	Rider revenue; B2B memberships/ Sponsorships	License fee; Hardware sales
Number of operations / bikes	6 Operations areas	8 Operations areas	+40 Operations areas

Core markets

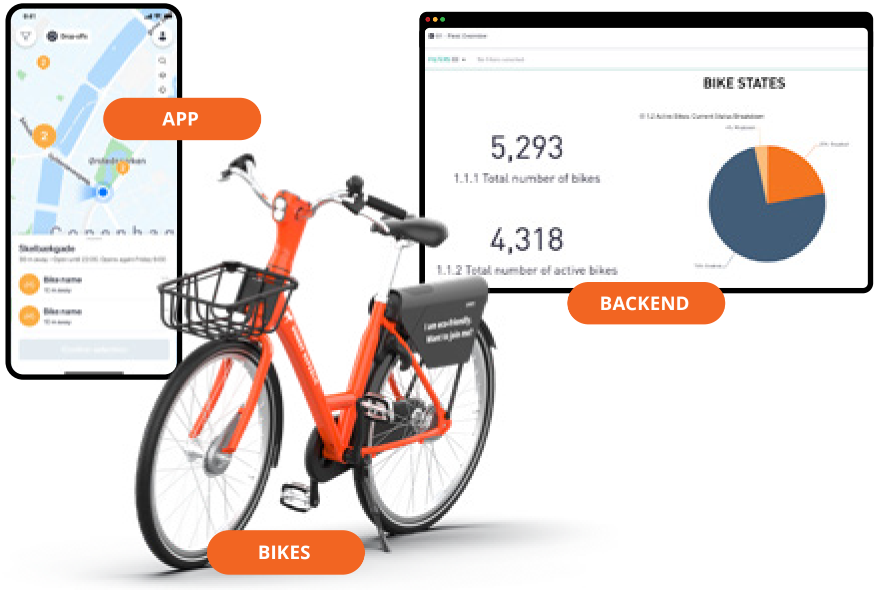
Business model and strategy

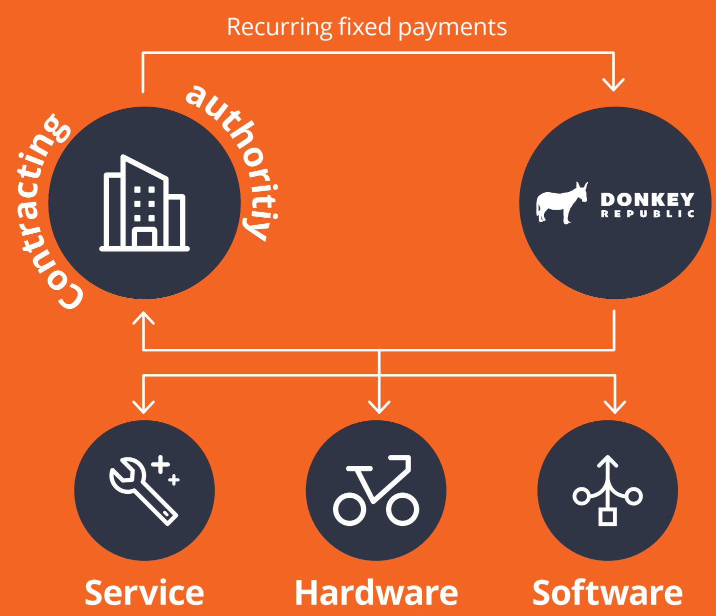
Donkey Republic's revenue from long-term contracts is derived from two primary sources: direct payments from the contracting partner and fees collected from individual end-users who rent the bikes (rider revenue).

These long-term contracts are crucial for Donkey Republic's financial stability, as they provide predictable revenue streams that justify significant investments in bike fleets and infrastructure.

The company's operational efficiency is reflected in its strong contribution margin, which has exceeded 50% over the past year and is projected to remain at this level.

This high margin translates to a relatively short payback period of 2-3 years for the initial investment in new bikes for each operation. This payback period is particularly favorable given that the typical contract length and the lifespan of the bikes often surpass this timeframe, ensuring long-term profitability.





Characteristics of tenders

- Length: 3-10 years
- Payback time: 2-3 years
- Contribution margin: +50%
- Depreciation period: 5 years (30% residual value)

ESG

Donkey Republic has published a separate ESG report for 2024 highlighting the company's commitment to sustainability.

The report emphasizes the company's governance practices, as well as the impact of its bike sharing services.

- 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.

- Visit https://invest.donkey.bike/esg/ for more information on the company policies and ESG report.

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

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Frederik Dahl
Marketing Growth Hacker

Events after the period

- As published in Investor News No.1-2025, Donkey Republic secured DKK 61M in debt facility to fuel further growth and to refinance existing debt with improved terms.

  This is an important milestone for Donkey Republic and demonstrates strong confidence in the company's significant improvements in operating results. The inclusion of Sydbank, a leading Danish commercial lender, that also has a subsidiary in Germany, further underscores the strength of Donkey Republic's business model and its potential for long-term success beyond 2025. Donkey Republic remains committed to providing convenient, affordable, and environmentally friendly mobility solutions for urban residents across Europe.

  With this new funding, the company is well-positioned to accelerate its expansion and further contribute to creating more livable and sustainable cities.

- As published in company announcement no. 2-2025, The Board of Donkey Republic issued a total of 190,000 warrants among the Company's CFO, COO and six key employees. Of which 20,000 warrants were granted to the CFO and COO respectively and the remaining total of 150,000 warrants were distributed among the six key employees.

  Each warrant entitles the holder to subscribe for one share of nominally DKK 0.10 in Donkey Republic Holding A/S at the strike price of DKK 8.80. The total theoretical market value of the 190,000 warrants amounts to DKK 330,564.

  The warrants are issued in accordance with article 4.2 of the Articles of Association in which the board of directors is authorized to issue up to a total of 2,400,000 warrants to board members, management and employees. The remaining authorization is 136,735 warrants.

  Besides the above, no material events have occurred after the balance sheet date to this date that would influence the annual report.

- As published in company announcement no. 3-2025, Donkey Republic entered into an agreement with HC Andersen Capital to take up the role as Certified Adviser on 10 March 2025.

Meet the Donkey Squad

Taco van der Steen
Head of Sales

What made you want to start working at Donkey Republic?
As a Dutchman I naturally was attracted not only by the beautiful orange colour but also to work closely with cycling and the biking industry. On top of that, I am grateful that I can contribute with my jobs towards sustainable solutions for cities.

You are the Head of Sales. Tell us more about this role and your journey in Donkey Republic!
Haha, it has been hectic but also very rewarding. I originally started as a customer service agent roughly 5 years ago right at the start of the corona pandemic. Due to this, I sadly could not start full-time but only on an hourly basis. Then, when the summer became more busy again, I was finally offered the full-time position but at this time I had decided to study International Marketing & Sales. However, this allowed me to apply for the student position with the Business Development team and ultimately leading to my position as Head of Sales now almost 5 years later. So it has been a wild ride, but one where I have learned and grown along with the position at a high pace.

What is the most challenging part?
As you can imagine, we are often working on several major projects at the same time, putting a high pressure on the entire team. However, we deal with it one by one and so far are managing quite well. Next to that, on a more personal note, my wife and I just got our little baby girl which creates another exciting challenge to manage the whole work-life balance.

What other role within the company would you be most interested in trying out for a day, and why?
Aim for the sky right? I would like to try out the position of CEO for a day since I think this might be the most interesting and challenging one. Also, I can quickly approve whichever projects I am working on to make sure we move along swiftly.

Let's say we invited ourselves over for dinner. What would be on the three-course menu?
I might either make a nice BBQ-dinner with a steak-roast or make some traditional Dutch (savory) pancakes. Little do people know that I actually worked almost 10 years in pancake restaurants perfecting the arts back home in the Netherlands.

But to answer, for starters a homemade onion with cheese crusted puff pastry on top. Main course, Dutch savory pancake with chorizo, brie, onion and cheese and for dessert maybe a homemade chocolate mousse with some vanilla ice cream and an espresso.

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Outlook

Guidance 2025

Guidance 2025

Revenue:
DKK 165M-185M

EBITDA:
DKK 27M-37M

EBIT:
DKK 1M-6M

2024
Revenue: 146.5M DKK

2024
EBITDA: 25M DKK

2024
EBIT: 1M DKK

Assumptions for 2025 guidance

Revenue

- Fleet growth of 10-15% until end of year. With the deployment of approximately 1,500 bikes in the first half of the year and another 1,000 to 2,000 bikes in the second half of the year. The first batch of bikes is already on stock, whereas the funding for fleet expansion in the second half is already secured by growth loans as announced in Investor News no. 01-2025. Additional fleet growth in 2025 and fleet growth in 2026 and beyond will require additional funding
- Continued ability to operate subsidized operations within the service level agreements and ongoing increase of the fleet utilization
- Continued demand and operational condition for our existing bike sharing systems, i.e. no significant changes within the competitive landscape, no larger deviation in precipitation compared to the last years average and continuous functioning of the bike fleet as expected

EBITDA and EBIT

- Current scope of operation as well as reliability and maintenance needs of the fleet remains on the expected level
- Roll out of new bikes is not significantly delayed or does not result in extraordinary cost.
- Allocation of resources, including employee time, to development and refurbishment activities will remain consistent with our strategic plan and will be capitalized in accordance with applicable accounting standards.
- Sales and Administrative expenses will remain within our planned budget, reflecting our ongoing commitment to efficient cost management practices.

Forward looking statements

Statements about the future expressed in the annual report reflect Donkey Republic's 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 annual report.

2027 ambition

2027 ambition

At Donkey Republic, we are shaping the future of urban mobility. Our ambition for 2027 is to become a leading provider of sustainable and accessible transportation solutions, transforming cities and improving lives. By 2027, we aim to:

- **Expand our fleet to 35,000 bikes**
- **Generate DKK 300M in revenue**
- **Achieve 15% EBIT margin**

Our Strategic Roadmap

We will achieve our ambition through a multi-faceted strategy focused on:

Operational Excellence:

- Continuously improve bike utilization through optimized pricing, maintenance, and user experience.
- Streamline operations and enhance efficiency through technology and data-driven decision-making.

Strategic Growth

- Secure new contracts in existing and new cities, expanding our market reach and diversifying our revenue streams.
- Focus on onboarding 3-5 new cities within our core markets, leveraging existing infrastructure and expertise.
- Deepen penetration in existing cities by expanding fleet size and optimizing service offerings.
- Develop strategic partnerships with businesses and municipalities to foster sustainable urban mobility ecosystems.

Innovation

- Invest in research and development to enhance our technology platform, introduce new features, and explore emerging trends in micro-mobility.
- Develop new service offerings and explore innovative business models to cater to evolving customer needs.

Financial Strength

- Maintain strong margins and optimize cost structure to ensure sustainable profitability.
- Secure funding for fleet expansion through a balanced mix of debt and equity financing.

Progress and Milestones

Our 2024 performance, marked by a positive EBIT and strong operating cash flow, demonstrates our ability to execute our strategy and deliver results. We are confident in our ability to continue this momentum and achieve our 2027 ambition.

Our current guidance anticipates a fleet size of 25,000 bikes by the end of 2025, representing significant progress towards our 35,000-bike goal. We are actively pursuing opportunities to expand our fleet and market presence, with a focus on onboarding 3-5 new cities within our core markets while deepening penetration in existing cities.

Fleet size:
35K bikes

Revenue:
DKK 300M

EBIT:
15% margin

JOIN OUR CEO & CFO FOR THE 2024 ANNUAL REPORT WEBINAR ON 19 MARCH

DATE: 19 MARCH 2025
TIME: 10:00-10.30 (CET)
HOSTED BY HC ANDERSEN CAPITAL - REGISTRATION LINK

Corporate Governance

Caroline Søeborg Ahlefeldt
Chairperson, Donkey Republic

Risk factors

Industry risk

The micro-mobility market remains competitive, with a multitude of players, some significantly larger than Donkey Republic in terms of fleet size or funding. This poses a challenge to our growth plans. However, Donkey Republic differentiates itself through:

- Extensive experience: Our long-standing expertise in bike sharing operations, sourcing, and development gives us a competitive edge.
- Strong city relationships: Our focus on fostering close relationships with municipalities has secured multi-year contracts, often with direct or indirect funding, differentiating us from our competitors.
- Adaptability: We have successfully navigated the industry's consolidation phase in 2023 and 2024, driven by macroeconomic factors and profitability pressures, demonstrating our resilience and adaptability.

While supply chain challenges have improved significantly since 2023, timely delivery of new bikes can still be a concern. We have implemented several measures to mitigate this risk:

- Proactive monitoring: Our supply chain team actively monitors delivery timelines and identifies potential delays early on.
- Nearshoring: We have prioritized sourcing from European suppliers, reducing reliance on global supply chains and mitigating potential disruptions.

The increasing demand for bike-sharing infrastructure and the availability of public funding remain favorable trends. However, we acknowledge the potential risk of this trend shifting or funds being redirected. We mitigate this risk through:

- Diversification: We operate in numerous cities across multiple countries, reducing reliance on any single market.
- Revenue mix: While public funding is important, direct rider revenue remains a vital component of our revenue mix, providing resilience against potential funding shifts.

Operational risk

We actively manage operational risks associated with a large bike fleet:

- Rider behavior and vandalism: Our virtual hub concept, in-app ticketing system, and vigilant customer support team help mitigate these risks. Our multi-city presence also minimizes the impact of targeted vandalism in specific locations.
- Organizational capacity: Our targeted growth and product development require adequate organizational capacity. We are committed to attracting and retaining top talent, investing in employee development, and expanding our team strategically to support our growth trajectory.

The performance of our new bike models, rolled out in 2023, is crucial for revenue generation and contract fulfillment. We mitigate the risk of malfunctions through:

- Rigorous testing and quality control: Our experienced team ensures thorough testing and quality control throughout the development and deployment process.
- Proactive monitoring: Our operational teams are trained to identify and address potential issues promptly.

We also address the risk of aging bikes through regular maintenance, including comprehensive winter maintenance, and a focus on high-quality spare parts.

New Bike Generation

The development and deployment of a new generation of bikes present both opportunities and risks. While the new bike generation is expected to enhance operational efficiency and user experience, it also introduces potential risks related to:

- Technology and performance: New technologies and components may present unforeseen technical challenges or performance issues that could impact user satisfaction or require costly modifications.
- Deployment and integration: The rollout of a new bike generation may encounter logistical challenges or integration issues with existing systems, potentially causing operational disruptions.
- Cost and timeline: Development and deployment costs may exceed initial estimates, and the project timeline may be delayed, impacting planned fleet expansion and financial projections.

To mitigate these risks, Donkey Republic is committed to:

- Rigorous testing and quality assurance: Conducting extensive testing and quality assurance procedures throughout the development and deployment phases to identify and address potential issues early on.
- Phased rollout: Implementing a phased rollout approach, starting with a pilot program in a limited number of cities to gather real-world feedback and fine-tune the deployment process before wider implementation.
- Close collaboration with suppliers: Working closely with suppliers to ensure timely delivery of components and address any potential supply chain disruptions.
- Contingency planning: Developing contingency plans to address potential technical issues, deployment challenges, or cost overruns.

Financial Risk

Securing asset-backed financing is essential for our fleet expansion plans. We have consistently secured sufficient financing for our investments and remain focused on expanding and professionalizing our debt-raising activities.

As a software-driven company, we recognize the importance of cybersecurity. We proactively address this risk through vigilant monitoring and security measures to protect our backend systems and user data.

Shareholder information

Share capital

As of December 31, 2024, Donkey Republic Holding A/S share capital had a nominal value of DKK 2,664,1470.50 divided into 26,644,705 shares with a nominal value of DKK 0.10 each. Each share carries one vote, thereby the shares are equal to 26,644,705 votes, all with the same rights. Donkey Republic Holding A/S' shares are admitted to trading on NASDAQ First North Growth Market Copenhagen under the symbol "DONKEY" and the ISIN is DK0060817898.

Share price as of 31.12.2024

6.00 DKK

Ownership as of 31.12.2024

As of December 31, 2024, Donkey Republic Holding A/S had 1,057 registered shareholders. The following shareholders state that they own 5% or more of the company's shares/voting rights, at the end of 2024.

1) Danmarks Eksport -og Investerings fond - 19.55%
2) Bladt Invest ApS - 16.85%
3) CDM Holding 2016 ApS - 14.48%
4) Vækstfonden Growth H/S - 8.69%
5) Spintop Ventures - 5.04%

Financial calendar

Please visit Donkey Republic's website:
https://invest.donkey.bike/#Legal

Company details

Company

DONKEYREPUBLIC HOLDING A/S
Skelbækgade 4, 4th floor
1717 Copenhagen V

CVR No.: 35 67 82 63
Established: 4 March 2014
Municipality: Copenhagen
Financial Year: 1 January - 31 December 2024

Board of Directors

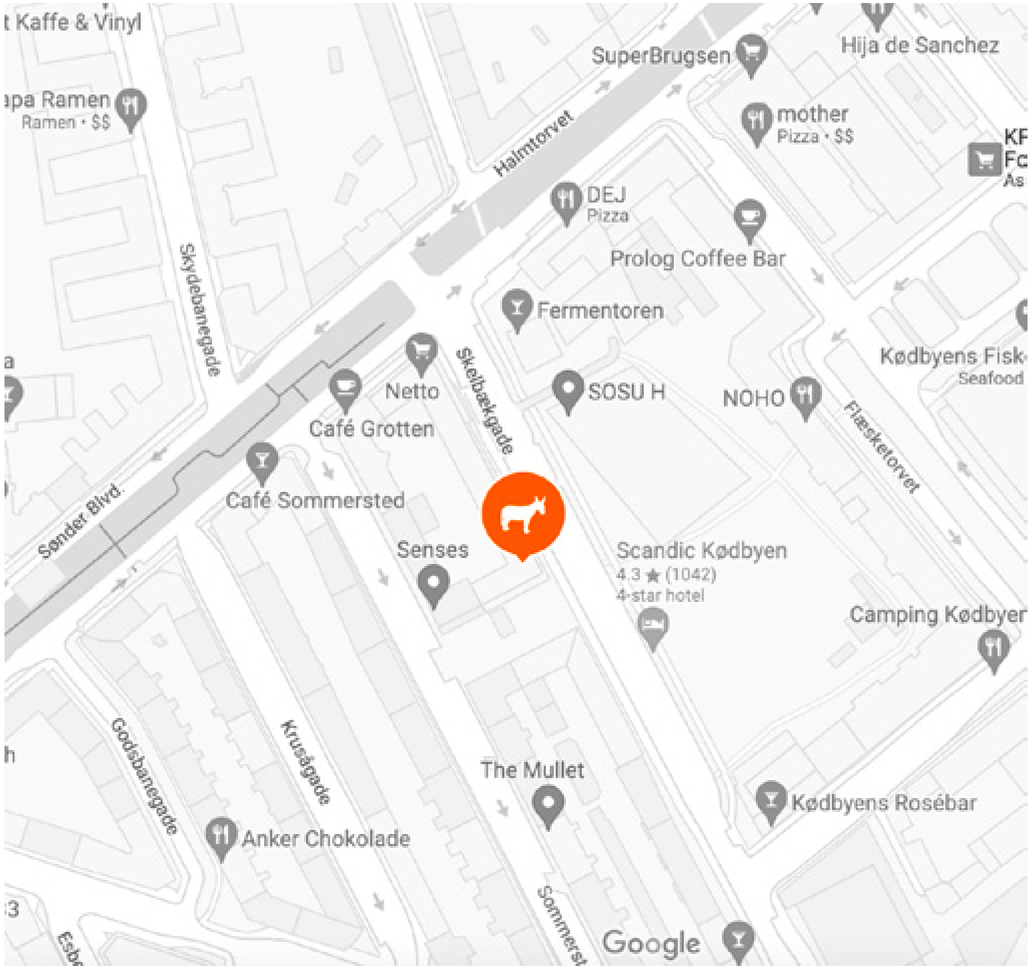
Caroline Søeborg Ahlefeldt, Chairperson
Karl Erik Wenngren
Jens Kramer Mikkelsen
Marina Kolesnik
Jesper Lilledal Holmgaard
Aleksander Lannoy (employee representative)
Erdem Ovacik

Executive Board

Niels Henrik Rasmussen, CEO
Christian Dufft, CFO

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S



Company details / Management team

Executive Management

Niels Henrik Rasmussen, CEO
CEO since 2022
Shares: 158,154
Warrants: 1,324,855

Christian Dufft, CFO
CFO since 2019
Shares: 49,750
Warrants: 292,054

Morten Nybye-Petersen, COO
COO since 2022
Shares: 0
Warrants: 102,804

Board of directors

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

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

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

Aleksander Lannoy
Employee representative since 2024
Shares: 0
Warrants: 0
Independency Assessment: dependent

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

Erdem Ovacik
Co-founder & Executive Board Member since 2014
Shares: 590,489
Warrants: 155,582
Independency Assessment: dependent

Statements

Arnaud Renoy
Country Operation Manager, Belgium

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 2024.

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 2024 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 2024.

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,

17 March 2025

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

Marina Kolesnik

Jesper Lilledal Holmgaard

Erdem Ovacik

Aleksander Lannoy,
Employee representative

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 01.01.2024 - 31.12.2024, 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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 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.

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 determines 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 17.03.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

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

Rasmus Christiansen
State Authorised Public Accountant
Identification No (MNE) mne50632

Financial Statements

Comments on financial statements

Comments on P&L items

Revenue

Donkey Republic recorded a revenue of DKK 146.5M. This is an increase of 27% (DKK +31.3M) compared to 2023 driven primarily by the continuous expansion of subsidized city contracts. The share of services that are invoiced and paid ahead of time being provided continues to increase. Similarly, the Donkey Wallet, a prepayment option in the app, is used more by riders. In 2024, in addition to the revenue for the services that were provided, the revenue is increased by a one-time impact of DKK 1.7M from revenue recorded as VAT in previous years which the company received back in February. In 2024 the company also for the first time recognized DKK 5.8M breakage income for wallet deposits in the expected amount that won't be used by the customers before expiry. DKK 4.8M are related to periods previous to 2024.

The wallet product is a digital payment system that allows users to store credit on their accounts for future rides. Breakage income refers to the unused balances that remain on customer accounts after a certain period of inactivity. This income is recognized as revenue when the likelihood of the customer returning to use the service is deemed negligible.

The company also receives prepayments for services not yet earned, and these are recognized in the balance sheet as deferred income, which decreased in 2024 by 18% to DKK 12.8M from DKK 15.6M in 2023, the decrease is due to the breakage income recognized in 2024 that decreases the outstanding balance of the wallet by DKK 5.8M. The majority of the deferred income is expected to become recognized revenue in the first half of 2025.

Other operating income

Other operating income relates to grants received for the Group's development projects. In 2023, a negative impact came from a provision that was made regarding the future cost for the extension of the lifetime of some parts of the bike fleet.

Cost of sale

The cost of sales increased to DKK 26.4M in 2024 from DKK 20.7M in 2023. This is driven by the increased number of bikes and trips per bike. Another factor is the continuous investment in the fleet's maintenance to ensure optimal performance.

Other external expenses

Other external expenses amounted to DKK 22.7M in 2024, which is a decrease of DKK 3.8M compared to 2023. This improvement is due to the capitalization of overhead costs in 2024, which is a change in accounting policy of DKK 3.4M, and a provision that was made in 2023 regarding the future cost of the extension of the lifetime of some of the bike fleet of DKK 2.8M. Without these adjustments, the other external expenses would have been DKK 27M, a 7% increase compared to costs on the same basis last year.

Staff cost

Staff cost rose to DKK 79.8M in 2024 from DKK 65.8M in 2023 (an increase of 24%). The company invested in operational headcount, especially in the company's focus markets of Denmark, Belgium, and Germany.

Net financial items

The total net financial expense amounted to DKK 10.3M, an increase of DKK 0.8M compared to 2023. Financial expenses consist primarily of interest expenses on loans, bank interest, and loss on exchange rate adjustments. The early repayment of some of the company's loans in June is the main driver behind the decrease seen in 2024.

Comments on Balance sheet items

Intangible assets

As of December 31, 2024, Donkey Republic had intangible assets related to the company's app and the new generation of the bike with a total of DKK 19.6M, the main driver of the increase is the overhead cost capitalization as a result of the accounting policy change (DKK 15.8M in 2023).

Property, plant and equipment

As of December 31, 2024, tangible assets amounted to DKK 71.4M, which is on a similar level compared to the end of 2023 (DKK 69.5M). Within the fixed assets, the increase in prepayment for tangible assets is related to a new batch of bikes that is expected to be deployed in 2025. For the DKK 7.1M of prepayments, there is no indication of impairment or uncertainty related to the value of the prepayments.

Management has a high focus on this and if any potential risk arises, management will ensure to mitigate and take action where needed. Other fixtures and fittings, tools, and equipment under construction are DKK 17.6M as of December 2024, compared to DKK 23.6M in the previous year. The decrease was due to a larger stock of readily assembled bikes at the end of 2023 that were deployed in 2024.

Inventory

In 2024 the inventory amounted to DKK 6.0M compared to DKK 4.4M in the previous year. The driver behind the growth is the increased need for spare parts resulting from the fleet growth.

Trade receivables
Trade receivables as of December 31, 2024, were DKK 8.3M, compared to DKK 8.1M trade receivable balance, which increased by 1.3M, mainly related to new partners, while the readily available cash in payment gateway platforms decreased by DKK 1.0M thanks to regular payouts of the balances.

Other receivables
Compared to last year, other receivables improved to DKK 4.0M from DKK 5.5M in 2023. This was driven by collecting larger VAT receivables from last year's end.

Cash
As of December 31, 2024, Donkey Republic had cash of DKK 32.7M, which is DKK 6.3M less than in the previous period. The decrease is due to investment in the fleet in 2024 for expansion in 2025 and loan repayments during the year.

Equity
Equity amounted to DKK 83.4M as of December 2024, compared to DKK 57.2M in the same period in 2023. The increase is coming from the two capital raises in 2024, which more than offset the loss of the year in 2024.

Debt
Total debt amounted to DKK 59.2M as of December 2024 compared to DKK 85.2M in the same period in 2023. The main reason behind the decrease is the early repayment of a large part of the loan portfolio that was concluded in the course of H1 2024. The short-term debt amounts to DKK 27.1M compared to DKK 31.4M the year before.

Trade payables
As of December 31, 2024, trade payables amounted to DKK 5.8M which is higher compared to the same period in the previous year (DKK 4.2M), due to accruals for expenses in 2024 not being paid at the end of the year.

Other payables
With DKK 7.1M as of December 31, 2024, the position is DKK 0.7M higher than last year. The main reasons are higher VAT liability balances at year end.

Deferred income
See comment under revenue.

Comments on cash flow items

Cash flow from operating activities
The cash flow from operating activities amounted to DKK 22.7M in 2024 compared to DKK 3.0M in the previous year. This is driven by the operational performance in 2024. The net working capital remained relatively flat compared to last year.

Cash flow from investing activities
The cash flow from investing activities was a negative DKK 28.7M in 2024 compared to a negative DKK 19.5M in the previous year. The main driver in the increase is the larger investment in intangible assets with the development of the new bike generation. In addition, as a result of the accounting policy change on capitalization of indirect costs, these costs are now decreasing the investing cash flow while they decreased the operating cash flow in 2024.

Cash flows from financing activities
The cash flow from financing activities was negative DKK 0.2M in 2024 compared to DKK positive 17.8M in 2023. While the company raised capital in both years, in 2024, a large part of it was used to offset its outstanding debt balances.

Events after the balance sheet date

In January, the company signed a debt facility totaling 61 million DKK with a consortium of lenders including EIFO (Danmarks Eksport- og Investeringsfond), NEFCO (Nordic Environment Finance Corporation), and Sydbank. This facility, secured on market terms, will fuel strategic investments, primarily focusing on expanding its bike fleet in 2025, and enable Donkey Republic to refinance existing loans with improved conditions.

Consolidated and parent financial statements

Income statement 1 January - 31 December

	Note	Group 2024 DKK	Group 2023 DKK	Parent Company 2024 DKK	Parent Company 2023 DKK
REVENUE		**146,498,227**	**115,198,943**	**7,291,770**	**447,000**
Own work capitalized		7,251,262	5,417,791	-	-
Operating income	2	118,685	(406,594)	85,836	177,239
Cost of sales		(26,439,713)	(20,700,863)	-	-
Other external expenses	3	(22,691,586)	(26,502,820)	(2,002,927)	(1,752,744)
GROSS PROFIT		**104,736,875**	**74,265,857**	**5,374,679**	**(1,128,505)**
Staff costs	4	(79,776,348)	(64,517,375)	(463,562)	(583,504)
Depreciation, amortisation and impairment losses	5	(23,981,953)	(20,070,035)	(7,954,864)	(6,246,781)
OPERATING PROFIT (EBIT)		**978,574**	**(11,580,953)**	**(3,043,747)**	**(7,958,790)**
Financial income	6	390,783	338,157	974,545	275,927
Financial expenses	7	(10,653,677)	(11,449,008)	(506,608)	(670,812)
PROFIT BEFORE TAX		**(9,284,320)**	**(22,691,804)**	**(2,575,810)**	**(8,353,675)**
Tax on profit/loss for the year	8	(467,505)	(391,354)	-	2,083,191
PROFIT/LOSS FOR THE YEAR	9	**(9,751,825)**	**(23,083,158)**	**(2,575,810)**	**(6,270,484)**

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Balance sheet at 31 December

ASSETS		Group		Parent Company	
	Note	**2024 DKK**	**2023 DKK**	**2024 DKK**	**2023 DKK**
NON-CURRENT ASSETS					
Development projects completed		16,869,413	14.351.619	18,713,990	16,030,717
Development projects in progress		2,723,191	1.399.134	2,874,790	1,381,017
					-
Intangible assets	**10**	**19,592,604**	**15.750.753**	**21,588,780**	**17,411,734**
Other fixtures and fittings, tools and equipment		71,445,161	69.491.845	-	-
Leasehold improvements		0	17.389	-	-
Prepayment for tangible assets		7,071,441	2.159.453	-	-
Other fixtures and fittings, tools and equipment under construction		17,192,667	23.617.182	-	-
Property, plant and equipment	**11**	**96,076,218**	**95.285.869**	-	**-**
Investments in group enterprises		-	-	155,824,184	140,824,184
Deposits		1,892,790	1.797.908		
Financial non-current assets	**12**	**1,892,790**	**1.797.908**	**155,824,184**	**140,824,184**
TOTAL NON-CURRENT ASSETS		**117,561,612**	**112.834.530**	**177,412,964**	**158,235,918**
CURRENT ASSETS					
Inventory		5,951,970	4.435.920	**-**	-
Inventories		**5,951,970**	**4.435.920**	**-**	-
Trade receivables		8,304,849	8.098.117	-	-
Receivables from group enterprises		-	-	34,326,543	7,309,588
Other receivables		3,977,880	5.520.316	-	1,430,682
Prepayments	13	1,483,201	1.554.684	70,285	18,750
Receivables		**13,765,930**	**15.173.117**	**34,396,829**	**8,759,020**
Cash and cash equivalents	**14**	**32,680,722**	**39.000.880**	**634,753**	**16,104,017**
TOTAL CURRENT ASSETS		**52,398,622**	**58.609.917**	**35,031,582**	**24,863,037**
ASSETS		**169,960,234**	**171.444.447**	**212,444,546**	**183,098,955**

Balance sheet at 31 December

EQUITY AND LIABILITIES		Group		Parent Company	
	Note	**2024 DKK**	**2023 DKK**	**2024 DKK**	**2023 DKK**
EQUITY					
Contributed capital		2,664,471	2.070.128	2,664,526	2,070,183
Reserve for development costs			-	16,839,248	13,581,153
Foreign currency translation reserve		(953,188)	(892,735)		-
Retained earnings		81,673,890	55.977,053	184,750,052	155,135,295
Equity		**83,385,172**	**57,154,446**	**204,253,826**	**170,786,631**
Provisions	**15**	**1,714,757**	**2,460,653**	-	**-**
Debt to other credit institutions		32,078,525	53,821,283	-	**-**
		-			
				-	**-**
TOTAL NON-CURRENT LIABILITIES	**16**	**33,793,282**	**56,281,936**	**-**	**-**
CURRENT LIABILITIES					
Current portion of non-current liabilities	**16**	27,130,774	31,378,309	6,769,265	9,966,878
Bank debt		44,119	45,054	44,119	45,054
Trade payables		5,310,303	4,211,627	447,926	348,769
Payables to group enterprises		-	-	-	818,109
Corporate tax payable		343,274	328,240	-	-
Other payables current		7,130,601	6,431,002	764,555	33,089
Deferred income	**17**	12,822,709	15,613,833	164,855	1,100,425
TOTAL CURRENT LIABILITIES		**52,781,780**	**58,008,065**	**8,190,720**	**12,312,324**
TOTAL LIABILITIES		**86,575,062**	**114,290,001**	**8,190,720**	**12,312,324**
TOTAL EQUITY AND LIABILITIES		**169,960,234**	**171,444,447**	**212,444,546**	**183,098,955**
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 2024	2,070,128	(892,735)	55,977,053	57,154,446
Profit/loss for the year	-		(9,751,825)	(9,751,825)
Transactions with owners				
Capital increase	594,343		36,786,792	37,381,135
Cost of capital increases			(1,338,130)	(1,338,130)
Foreign exchange adjustments	-	(60,453)		(60,453)
Transfer of reserves				
Equity at 31 December 2024	**2,664,471**	**(953,188)**	**81,673,890**	**83,385,172**

	Parent Company			
	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2024	2,070,183	13,581,153	155,135,295	170,786,631
Proposed loss allocation	-		(2,575,810)	(2,575,810)
Transactions with owners				
Capital increase	594,343		36,786,792	37,381,135
Cost of capital increases			(1,338,130)	(1,338,130)
Other legal bindings				
Capitalized development costs		3,258,095	**(3,258,095)**	
Equity at 31 December 2024	**2,664,526**	**16,839,248**	**184,750,052**	**204,253,826**

The Parent Company has established a warrant program for its employees. Total committed and available warrants amounts to nominal shares of 2,432,875. 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 DKK 7.00 per share, DKK 8.8 per share, DKK 13.68 per share, DKK 16.3 per share or DKK 18.24 per share with the average price being DKK 10.79 per share.

Cash flow statement 1 January- 31 December

	Group	
	2024 DKK	2023 DKK
Earnings before interest and tax	978,574	(11,580,953)
Depreciation and amortisation, reversed	23,981,953	20,070,035
Accrual for provision	(745,896)	(1,151,984)
Corporation tax paid	(452,471)	1,643,760
Change in inventory	(1,516,050)	(2,283,464)
Change in receivables (ex tax)	1,407,187	4,875,370
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	(993,784)	(8,535,843)
CASH FLOWS FROM OPERATING ACTIVITY	**22,659,513**	**3,036,921**
Purchase of intangible assets	(11,176,264)	(5,925,643)
Purchase of property, plant and equipment	(13 297 006)	(8,352,601)
Purchase of financial assets	(94,882)	(348,920)
Purchase of other fittings, tools and equipment under construction	(4,140,882)	(4,831,728)
CASH FLOWS FROM INVESTING ACTIVITY	**(28,709,035)**	**(19,458,892)**
Capital increase	36,043,005	30,061,414
Proceeds from non-current borrowing	4,956,150	4,956,150
Instalments on loans	(30,946,443)	(6,102,642)
Interest and foreign exchange	(10,262,894)	(11,100,371)
CASH FLOWS FROM FINANCING ACTIVITY	**(210,182)**	**17,814,551**
CHANGE IN CASH AND CASH EQUIVALENTS	**(6 259 704)**	**1,392,580**
Cash and cash equivalents at 1 january	39,000,880	37,621,618
Currency translation adjustments of cash and cash equivalents	(60,454)	(13,318)
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**32,680,722**	**39,000,880**

Notes

Note

Significant accounting estimates 1

Management relies on numerous accounting estimates and assumptions in preparing the financial statements, particularly in conducting impairment tests for Donkey Republic's assets. These decisions, alongside the application of accounting policies, are grounded in prudence and experience but remain inherently uncertain and subject to volatility. Unforeseen events may lead to variances between actual results and these estimates. Detailed information on significant accounting estimates and judgments, including impairment tests, is provided below:

Impairment on subsidies

In case the booked value within Donkey Republic Holding balance sheet exceeds the equity of the subsidiary, an impairment test is conducted. The test looks into the impact of a company's business plan on the subsidiaries' equity as well as other possibilities to evaluate the value of a company. The impairment test is based on the assumption that the company can execute its strategy and achieve its guidance. In regards to other valuation possibilities, management assumes that current valuations ratios within the industry remain at least constant. In 2024, the impairment on subsidiaries is zero.

Depreciation and impairment on the bike feet

The useful life for a bike is defined as an estimate of the number of months a bike is likely to remain in service for cost-effective revenue generation. As Donkey Republic is developing new bikes which have not been tested over long periods, the initial estimates often have to be based on approximations and experience with older models. In the interest of commercial prudence, a general, more conservative approach is taken when estimating both lifetime and residual value. An ongoing impairment test is also conducted in regards to lost bikes. This is based on the expected recovery rate for the time a bike has been lost. The recovery rate is calculated by using data of past years' experience and assumes that a similar recovery pattern will continue. The 2024 impact is DKK 1.3M with a total balance sheet impact of DKK 4.5M as of 31 December 2024.

Impairment on the development projects

Once a project has been finished, it is evaluated if there is a need for an impairment of the development cost. In regular intervals, the software manager checks if all features are still useful and adding value. In addition, the CFO is verifying in the annual budgeting process if the app and all other products can still deliver the targeted overall return for the company. This is done through common management discussions where market potential and current resources are matched. Another verification regarding the value of the app is the rating of it in the app store. Hardware projects are either aiming to increase the company's chances of winning tenders (fulfill certain requirements), improve the revenue potential of the bikes, or reduce the production or maintenance cost of the bikes. The potential upside of these projects is so high compared to the expected development cost, that project decisions are normally made based on the management assessment. In 2024, one of the hardware intangible assets was impaired with an impact of DKK 0.9M as a result of the strategic direction of the company.

First time recognition of Breakage Revenue

The company started to recognize breakage revenue in 2024 as it has sufficient data to reliably calculate it the first time. Breakage income refers to the unused balances that remain on customer accounts after a certain period of inactivity. This income is recognized as revenue when the likelihood of the customer returning to use the service is deemed negligible. The impact of previous years is DKK 4.8M and the current year impact is DKK 1.0M.

First time capitalization of indirect cost of intangible asset development projects

In 2024, management decided to start capitalizing costs of internal asset development (bike and app) spent on the indirect overhead expenses in line with the option offered by the Danish Financial Statements Act as it is believed to reflect a more accurate estimate of the intangible asset value. The total impact in 2024 is DKK 3.4M.

Other operating income 2

Other operating income is income related to received grants for the Group’s development projects and and for projects to expand bike sharing services in Finland in collaboration with a partner.

	Group		Parent Company		
	2024 DKK	**2023 DKK**	**2024 DKK**	**2023 DKK**	
Fees to statutory auditors					**3**
Statutory Audit	437,600	350,000	241,900	202,000	
Audit related services (assurance)	10,000	-	10,000		
Tax assurance services	-	102,000	-	72,000	
Other services	127,500	305,300	-	115,000	
	575,100	**757,300**	**251,900**	**389,000**	
Staff costs					**4**
Average number of employees	163	137	0	0	
Wages and salaries	71,605,887	58,948,726	463,562	583,504	
Pensions	1,551,850	1,273,927	-	-	
Social security costs	6,618,610	4,294,722	-	-	
	79,776,348	**64,517,375**	**463,562**	**583,504**	
Remuneration of Executive Management	4,544,879	3,343,541	-	-	
Remuneration of Board of Directors	463,562	583,504	463,562	583,504	
	5,008,441	**3,927,045**	**463,562**	**583,504**	

	Group		Parent Company		Note
	2024 DKK	2023 DKK	2024 DKK	2023 DKK	
Depreciation, amortisation and impairment losses					**5**
Development projects completed	6,442,222	5,734,801	7,038,344	6,246,781	
Leasehold improvements	17,389	21,882	-	-	
Other fixtures and fittings, tools and equipment	14,210,212	12,071,314	-	-	
			-	-	
Loss on assets sold	352,676	1,004,460	-	-	
Impairment loss of intangible assets	892,192	-	916,520	-	
Impairment loss of tangible assets	2,067,263	1,237,578	-	-	
	23,981,953	**20,070,035**	**7,954,864**	**6,246,781**	
Financial income					
Group enterprises	-	-	912,741	252,189	**6**
Foreign exchange gains	198,974	313,101	89	67	
Other interest income	191,809	25,056	61,715	23,671	
	390,783	**338,157**	**974,545**	**275,927**	
Financial expenses					
Group enterprises	-	-	28,138	118,822	**7**
Foreign exchange losses	1,336,890	1,154,236	11,411	11,770	
Other interest expenses	9,316,787	10,294,772	467,059	540,220	
	10,653,677	**11,449,008**	**506,608**	**670,812**	
Tax on profit/loss for the year					
Calculated tax on taxable income of the year	(467,505)	(391,354)	-	-	**8**
	(467,505)	**(391,354)**	-	-	
Proposed distribution of profit/loss					**9**
Retained earnings	**(9,751,825)**	**(23,083,158)**	**(2,575,810)**	**(6,270,484)**	

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Intangible assets

Note 10

	Group	
	Development projects completed	**Development projects in progress**
Cost at 1 January 2024	**34,231,667**	**1,399,134**
Foreign currency translation adjustment	-	-
Transfers	-	
Additions	8,960,016	2,216,249
Disposals	(13,167,342)	
Cost at 31 December 2024	**30,024,341**	**3,615,383**
Amortisation at 1 January 2024	**19,880,048**	**-**
Foreign currency translation adjustment	-	-
Impairment	-	892,192
Amortisation for the year	6,442,222	-
Reversal of amortization on assets disposed of	(13,167,342)	-
Amortisation at 31 December 2024	**13,154,928**	**892,192**
Carrying amount at 31 December 2024	**16,869,413**	**2,723,191**

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. Impairment loss is a result of the write off of the e-bike station as the company abandoned the internal project and plan to develop it with external partners.

	Parent Company	
	Development projects completed	**Development projects in progress**
Cost at 1 January 2024	**37,090,486**	**1,381,017**
Foreign currency translation adjustment	-	-
Transfers	-	
Additions	9,721,620	2,410,291
Disposals	(13,167,342)	
Cost at 31 December 2024	**33,644,764**	**3,791,309**
Amortisation at 1 January 2024	**21,059,769**	-
Foreign currency translation adjustment	-	-
Impairment	-	916,521
Amortisation for the year	7,038,344	-
Reversal of amortization on assets disposed of	(13,167,342)	-
Amortisation at 31 December 2024	**14,930,771**	**916,521**
Carrying amount at 31 December 2024	**18,713,992**	**2,874,788**

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. Impairment loss is a result of the write off of the e-bike station as the company abandoned the internal project and plan to develop it with external partners.

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Property, plant and equipment

Note 11

	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 2024	**111,261,319**	**65,645**	**2,159,453**	**23,617,182**
Foreign currency translation adjustment	23	-	**-**	-
Transfers	9,800,000	-	-	(9,800,000)
Additions	8,119,238	-	4,911,988	4,507,831
Disposals	(3,083,350)	-	-	-
Cost at 31 December 2024	**126,097,230**	**65,645**	**7,071,441**	**18,325,013**
Depreciation and impairment losses at 1 January 2024	**41,769,474**	**48,256**	-	-
Foreign currency translation adjustment	(3,408)	-	-	-
Impairment losses	1,301,866	-	-	765,397
Depreciation for the year	14,210,212	**17,389**	-	-
Transfers	-	-	-	-
Reversal of depreciation of assets disposed of	(2,626,073)	-	-	-
Depreciation and impairment losses at 31 December 2024	**54,652,070**	**65,645**	- **-**	**765,397**
Carrying amount at 31 December 2024	**71,445,160**	**-**	**7,071,441**	**17,559,616**

Prepayments for tangible assets amounts to DKK 7,071k for 2024, and consists of prepayments made to the number of the groups suppliers of components and bikes. At 31 December 2024 an updated assessment has been made and management has no indications of impairment or uncertainty related to the value of the prepayments. The bikes and components are expected to be delivered throughout the year of 2025. 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 high focus on this and if any potential risk arise management will ensure to mitigate and take action if needed.

Financial non-current assets

Note 12

	Group	
	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2024	0	1,797,908
Additions	0	94,882
Cost at 31 December 2024	**0**	**1,892,790**
Carrying amount at 31 December 2024	**0**	**1,892,790**

Fixed asset investments (continued)	Parent Company
	Investments in subsidiaries
Cost at 1 January 2024	140,824,184
Additions	15,000,000
Foreign currency translation effect	-
Cost at 31 December 2024	**155,824,184**
Carrying amount at 31 December 2024	**155,824,184**

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%
Donkey Republic Deutschland Bike GMBH	100%

Prepayments

Note 13

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

Cash and cash equivalents

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	2024	2023
Deposits with restrictions		
	5,423,476	8,359,145
	5,423,476	**8,359,145**

The company is required to keep a minimum balance of cash available to meet commitments to one of its lenders. The amount has decreased since 2023 when the company was also required to keep a deposit for one of its B2G partners.

Provisions

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	2024	2023
0-1 year	745,750	745,290
1-5 years	969,007	1,715,363
	1,714,757	**2,460,653**

In 2023, the group entered into a settlement agreement related to the refurbishment of the bikes resulted in an estimated provision of DKK 2.5M. The company is considering to restart the refurbishment project, therefore there is uncertainty around the amount of the liability.

Long-term liabilities

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	Group			
	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Debt to other credit institutions	59,209,299	27,130,774	0	85,199,592
Other non-current liabilities	**59,209,299**	**27,130,774**	**0**	**85,199,592**

	Parent Company			
	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Debt to other credit institutions	6,769,265	6,769,265	0	9,966,878
	6,769,265	**6,769,265**	**0**	**9,966,878**

Note

Deferred income 17

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

Contingencies etc. 18

Contingent assets

Group

The Group 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 years after first year of generating positive taxable income.
The value of the tax loss amounts to DKK 40.6M per December 31, 2024.

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 years after first year of generating positive taxable income.
The value of the tax loss amounts to DKK 13.3M per December 31, 2024.

Contingent liabilities

Group

The Group has entered into rent obligations, which at the balance sheet date amount to DKK 5.1M in the notice period, which expires on 31 December 2029.
The Group has entered into leasing agreements with a remaining term of up to 26 months. The leasing contracts have a total residual leasing obligation of DKK 1.7M.

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 2024.

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 DKK 0M at the Balance Sheet date.

Note

Charges and securities 19

Group

A floating charge of nominally DKK 37.4M has been provided to Vækstfonden and a floating charge of nominally DKK 53.2M has been provided DGIF, in total 90.6M DKK. 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 DKK 127.4M 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 DKK 37.4M has been provided to Vækstfonden and a floating charge of nominally DKK 53.2M has been provided 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 DKK 21.6M 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 2024 DKK	Group 2023 DKK	
Earnings per share			**21**
Average amount of shares	23,563,903	15,465,136	
Loss for the year	(9,751,825)	(23,083,158)	
Earnings per share	**(0.41)**	**(1.49)**	

Events after the balance sheet date 22

In February 2025 the company signed a debt facility totalling 61 million DKK with a consortium of lenders including EIFO (Danmarks Eksport- og Investeringsfond), NEFCO (Nordic Environment Finance Corporation), and Sydbank. This facility, secured on market terms, will fuel strategic investments, primarily focused on expanding its bike fleet in 2025, and enable Donkey Republic to refinance existing loans with improved conditions.

Besides the above, no material events have occurred after the balance sheet date to this date that would influence the annual report.

Accounting Policies

Accounting policies

The Annual Report of DonkeyRepublic Holding A/S for 2024 has been presented following the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-sized enterprises.

The functional currency of the Parent Company is the Danish krone (DKK) as Management finds this to be the most relevant currency.

Change in accounting policies
The Annual Report is prepared consistently with the accounting principles applied last year except for the below-mentioned change(s).
• In 2024, the management decided to start capitalizing costs of internal asset development (bike and app) spent on the indirect overhead expenses in line with the option offered by the Danish Financial Statements Act as it is believed to reflect a more accurate estimate of the intangible asset value. The impact in 2024 is DKK 3.4M.

Change in accounting estimates
In 2024, the company made the following change in accounting estimates:
• Donkey Republic started recognizing breakage revenue in a contract liability on wallet funds added and not used by users, in proportion to the pattern of rights exercised by the customer. The impact in 2024 is DKK 5.8M.

Recognition and measurement
Assets are recognized 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 recognized 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 affected 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 for recognition and measurement.
Income is recognized in the income statement when earned, whereas costs are recognized 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 account items. Intercompany income and expenses, shareholdings, intercompany accounts, and dividends, and realized and unrealized 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 bicycles and spare parts, and lease of rental bikes is recognized in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognized in the income statement when delivery is made to the buyer. Revenue is recognized net of VAT, duties, and sales discounts and is measured at fair value of the consideration fixed.

The wallet product is a digital payment system that allows users to store credit on their accounts for future rides. Breakage income refers to the unused balances that remain on customer accounts after a certain period of inactivity. This income is recognized as revenue when the likelihood of the customer returning to use the service is deemed negligible.

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 the sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included.

Compensations are recognized when the income is deemed to be realizable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities.

Cost of sales
Cost of sales comprises 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 recognized 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.

The Parent Company has entered into stock options, however, these are not recognized in accordance with the Dansuh Financial Statement Act.

Income from investments in subsidiaries
Dividend from subsidiaries is recognized in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognized when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realized or is regarded as realizable. Moreover, realized losses other than impairments are included where identified.

Depreciation, amortization and impairment loss
Depreciation, amortization and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortization and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment. Losses from the sale of intangible and tangible fixed assets are also included.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realized and unrealized 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 recognized by the amounts that relate to the financial year. Interest income and expenses are calculated on amortized 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 recognized in the income statement by the portion attributable to the profit for the year and recognized 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 utilization, 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 recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred. When recognizing development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that are reduced as the development projects are amortized and written down.

The cost of development projects comprises costs such as salaries and amortization 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 amortization is the remaining duration of the relevant rights. The amortization 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 based on 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 the recoverable amount and carrying amount.

Fixed asset investments
Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realizable value, this is written down to the lower value. Deposits include rental deposits which are recognized and measured at cost. Deposits are not depreciated.

Financial fixed assets include also other equity interests that are not expected to be disposed of. These are measured at cost because the equity interests are unlisted.

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

Impairment of non-current 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 amortization 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 the 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 the sale of assets after their useful lives end. 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 under the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO principle. If the net realizable 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 capitalized development costs relating to the products.

The net realizable 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 the 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
recognized as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognized 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 recognized 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 based on 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 crystallize as current tax. Any changes in the deferred tax resulting from changes in tax rates are recognized in the income statement, except from items recognized directly in equity.

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

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

Accruals, liabilities
Accruals recognized 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 Parent 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 the beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the earnings before interest and tax 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 the purchase and sale of intangible and tangible fixed assets 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, borrowings and repayment of interest-bearing debt, and payment of dividends to shareholders and interest installments.

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

Every Ride Counts