Financial Statements

WORLD BICYCLE RELIEF COLOMBIA
As of December 31, 2020
With comparative figures as of December 31, 2019
With the Statutory Auditor's report

Statutory auditor's report

Servicios de Auditoría y Consultoría de Negocios S.A.S.

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To the Assembly of Founders of World Bicycle Relief Colombia

Opinion

I have audited the financial statements of **World Bicycle Relief Colombia**, which include the statement of financial position as of December 31, 2020 and the corresponding statements of income, changes in shareholder equity and cash flow for the period ended on that date and their respective notes, which include a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements mentioned in the first paragraph, faithfully taken from the accounting books and attached to this report, reasonably present in all material aspects the financial position of **World Bicycle Relief Colombia** as of December 31, 2020, income from operations and cash flow for the year ended on that date, in accordance with Accounting Standards and Financial Information (NCIF) applicable to Group 1 IFRS Full.

Basis for the opinion

I have carried out the audit in accordance with International Standards on Auditing (ISA). My responsibility in accordance with these standards is described in the section Responsibilities of the Statutory Auditor in regard to the audit of the financial statements.

I am independent from the Entity and I have complied with the ethical requirements and other responsibilities applicable in Colombia for the audit of the financial statements. I believe that the audit evidence that I obtained provides a sufficient and adequate basis for my audit opinion.

Responsibility of management and officials responsible for the entity's governance in regards to the financial statements.

The Entity management is responsible for: a) The preparation and presentation of the attached financial statements and their explanatory notes, in accordance with the Accounting and Financial Reporting Standards Group 1 IFRS Full, b) The supervision of the financial information process, c) The assessment of the Company's capacity to continue as a going concern, making the appropriate disclosures and using the going concern accounting principle, except if the management intends to liquidate the entity or to cease its operations, or if there is no other realistic alternative, and d) The design, implementation and maintenance of the relevant internal control for the preparation and presentation of financial statements, so that they are free of errors of relative importance, whether due to fraud or error; as well as the selection and application of appropriate accounting policies and establishment of accounting estimates that are reasonable in the circumstances.

Responsibilities of the Statutory Auditor in regards to the audit of the financial statements

The auditor's objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement due to fraud or error and to issue an audit report containing an opinion. Reasonable security is a high degree of security but does not guarantee that the audit conducted in accordance with the ISA always detects a material misstatement when it exists. Inaccuracies may be due to fraud or error and are considered to be material if, either individually or on aggregate, it can be reasonably foreseen that they will have a bearing on economic decisions made by users based on the financial statements.

As part of an audit in accordance with International Standards on Auditing, I applied my professional judgment and maintained an attitude of professional skepticism throughout the audit. I also:

a) Identified and assessed the risks of material misstatement in the financial statements due to fraud or error, designed and executed audit procedures to respond to such risks, and obtained sufficient and appropriate audit evidence to provide a basis for the opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, falsification, deliberate omissions, intentionally incorrect statements or circumvention of internal control.

b) Evaluated the adequacy of the accounting policies applied and the reasonableness of the accounting estimates, together with the information disclosed by management.

c) Concluded on the adequacy of the use by management of the accounting principle of a going concern and, based on the audit evidence, concluded on whether or not there is material uncertainty related to facts or conditions that may generate significant doubts about the Entity's ability to continue as a going concern. If I had concluded that there was a material uncertainty, I would have been required to draw attention in my report to the corresponding information disclosed in the financial statements and to express an opinions as to whether such disclosures were adequate or not.

d) Based my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to be a going concern. I communicated with those charged with governance of the Entity regarding, among other matters, the scope and timing of the audit and the significant findings identified, as well as any significant deficiencies in internal control established during the course of the audit.

Opinion on the adequacy of internal control measures and compliance with other legal and regulatory requirements

The Commercial Code and other legal provisions establish the obligation to pronounce on: a) If the actions of the directors of the Entity are in accordance with the statutes and the orders or instructions of the Assembly of Founders, b) If the correspondence, the vouchers of the accounts and the books of minutes and registration of shares, where appropriate, are properly kept and preserved, c) If measures for internal control, conservation and custody of the assets of the Entity and of third parties that are in their power, exist and are adequate d) If the management report is in accordance with the separate financial statements, e) If the Entity has made timely payment to the Comprehensive Social Security System; and f) If management reported that it did not interfere with the free circulation of the invoices of their suppliers of goods and services.

In compliance with this legal mandate, I performed the audit tests that I considered necessary in the circumstances including, among others, the following: a) Reading of the minutes of the Founders Assembly and the Board of Directors and monitoring of compliance with their orders or instructions by the management of the entity, b) Review and follow-up of management compliance with the statutes, c) Review of the procedures for handling correspondence, vouchers of accounts and the minute books and record of actions, d) Review of the degree of compliance by management with the legal regulations related to the preparation of financial statements, the hiring of personnel and the preparation and presentation of tax returns, and e) Review of the appropriateness of the internal control taken by the entity for the conservation and custody of the assets of the Entity and of third parties in its power. I consider that the procedures carried out for my evaluation are a sufficient basis to express the conclusion that I express below.

The internal control measures, conservation and custody of the assets of the Entity and third parties are processes carried out by those in charge of corporate governance, the management and other personnel, and are established, among other reasons, to provide reasonable security in relation to the preparation of reliable financial information, compliance with legal and internal regulations and the achievement of a high level of effectiveness and efficiency in operations.

The internal control, conservation and custody measures of the Entity's assets and of third parties in its power include policies and procedures that: a) Allow the maintenance of records that, in reasonable detail, accurately and adequately reflect the transactions and dispositions of the assets of the Entity, b) Provide reasonable assurance that the transactions are recorded as necessary, to allow the preparation of the financial statements in accordance with the applicable technical regulatory framework, and that the income and disbursements of the entity are being processed in accordance with the authorizations of management and those in charge of corporate governance, c) Provide reasonable security in relation to the prevention, detection and timely correction of unauthorized transactions and the use or disposal of the assets of the Entity, which may have a significant effect on the financial statements, and d) Ensure compliance with legal regulations that affect the Entity, as well as with the statutes and the management bodies and the achievement of the objectives proposed by management, in terms of organizational efficiency and effectiveness.

Due to inherent limitations, including the possibility of collusion or omission of internal control measures by management, internal control measures may not prevent or detect and correct material errors. Also, projections of any evaluation or effectiveness of internal control measures for future periods are subject to the risk that such measures may become inadequate due to changes in conditions or that compliance with these measures may deteriorate.

Based on my review, the evidence obtained from the work carried out described above and subject to the inherent limitations raised, in my capacity as Statutory Auditor I report that during the year 2020:

a) The Entity kept its accounting in accordance with legal regulations and accounting technique; the operations recorded in the books complied with the statutes and the decisions of the Founders Assembly.

b) The correspondence, the account vouchers, the books of minutes and corporate shares registry were duly prepared and maintained.

c) There are adequate measures for internal control, conservation and custody of the assets of the Entity or of third parties in its power.

d) The management report, which the Management presents for consideration by the highest corporate body, is in accordance with the financial statements and their explanatory notes.

e) The Entity has made the settlement and timely payment to the Comprehensive Social Security System.

f) No restrictions were imposed by the Entity's management to the free circulation of invoices issued by sellers or suppliers.

JULIANA RAMÍREZ PENAGOS
Statutory Auditor
Professional Card No. 225903 - T
Designated by Servicios de Auditoría y Consultoría de Negocios S.A.S.

Barranquilla D.E.I.P., Colombia
February 26, 2021

2021 - 1874

Barranquilla DEIP, February 26, 2021

Sirs:
TO WHOM IT MAY CONCERN
Barranquilla, Colombia

Subject: Certification of financial statements as of December 31, 2020

Reference: WORLD BICYCLE RELIEF COLOMBIA. NIT. 901.344.472-8

Andrew Douglas Wright, as legal representative and Guido Presutti Berrío, as accountant for World Bicycle Relief Colombia, declare that the financial statements: Statement of financial position and the corresponding statement of income, changes in equity and cash flow statement effective for the period between January 1 and December 31, 2020, together with their explanatory notes, were prepared in accordance with the full International Financial Reporting Standards (Full IFRS) adopted in Colombia from the effective date of the Law 1314 of 2009.

We also confirm that:

a. The relevant information for users of the aforementioned financial statements has been included.

b. In the financial statements all economic events which occurred during 2020 have been represented in a complete manner, neutral and free from material error.

c. The financial information of the Entity has been presented to facilitate the comparison of the information by the users.

d. There have been no irregularities involving members of the administration that may have a material effect on the financial statements stated or in their explanatory notes.

e. We ensure the existence of quantifiable liabilities, as well as their obligations recorded in accordance with document cuts, accumulation and accounting compensation of their transactions in the period ended December 31, 2020, evaluated under methods of recognized technical value.

f. We confirm the integrity of the information provided, to the extent that all economic facts have been recognized in the stated financial statements or in their explanatory notes.

g. The economic events have been recorded, classified, described and disclosed within the stated financial statements or in their explanatory notes, including the encumbrances and restrictions of the assets, real liabilities and contingencies, as well as the guarantees that have been given to third parties.

h. There have been no events subsequent to December 31, 2020, that require adjustment or disclosure in the financial statements or in their explanatory notes.

i. The Entity does not have certain and definitive information on important events that occurred after the accounting close that generate contingencies that compromise its evolution and equity.

j. The financial statements as of December 2019 had been issued informing that the entity belongs to Group 1 - Full IFRS.

k. The figures presented in the financial statements before the reissue do not present changes to the current ones in this report.

Cordially,

Andrew Wright
Legal representative

Guido Presutti Berrio
Public Accountant TP No. 27807-T

WORLD BICYCLE RELIEF COLOMBIA
NIT No. 901.344.472-8
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
With comparative figures as of December 31, 2019
(figures expressed in Colombian pesos)

	NOTE	2020	2019
ASSETS			
Cash and cash equivalents	4	23,463,385	0
Trade accounts receivable and other accounts receivable	5	242,820	0
Current tax assets	6	4,311,233	0
Related parties	7	76,875,000	0
Other non-financial assets	8	508,932	0
Total current assets		**105,401,370**	**0**
Vehicles	9	231,669,890	0
Total non-current assets		**231,669,890**	**0**
Total assets		**337,071,260**	**0**
LIABILITIES			
Trade accounts payable and other accounts payable	10	17,425,940	4,357,372
Related parties	7	642,239,134	0
Current tax liability	11	5,206,000	0
Employee benefits	12	34,122,006	0
Total current liabilities		**698,993,080**	**4,357,372**
Deferred tax liability	13	6,525,463	0
Accounts payable to related parties	14	51,849,024	0
Total non-current liabilities		**58,374,487**	**0**
Total liabilities		**757,367,567**	**4,357,372**
EQUITY			
Social fund	15	5,000,000	5,000,000
Social fund receivable		(5,000,000)	(5,000,000)
Accumulated deficit		(4,357,372)	0
Net deficit for the period		(415,938,935)	(4,357,372)
Total equity (deficit)		**(420,296,307)**	**(4,357,372)**
Total liabilities and equity		**337,071,260**	**0**

ANDREW WRIGHT
Legal representative
(See attached certification)

GUIDO PRESUTTI BERRÍO
Counter TP No. 27.807-T
(See attached certification)

JULIANA RAMÍREZ PENAGOS
Statutory Auditor TP No. 225903-T
Designated by SAS Business Consulting and Audit Services
Grant Thornton International Member Firm
(See attached report)

The explanatory notes are an integral part of the financial statements

WORLD BICYCLE RELIEF COLOMBIA
NIT No. 901.344.472-8
INCOME STATEMENT
For the period between January 1 and December 31, 2020
With comparative figures with the period between November 7 and December 31, 2019
(figures expressed in Colombian Pesos)

		2020	2019
Ongoing activities			
Income from ordinary activities	16	538,788,258	0
Costs related to program activities	17	(538,788,258)	0
Operating result		**0**	**0**
Administration expenses	18	(399,718,603)	(4,357,372)
Other income	19	116,641	0
Cost of Sales	20	(1,843,548)	0
Operating deficit		**(401,445,510)**	**(4,357,372)**
Net income from exchange difference	21	23,152,689	0
Financial expenses	22	(31,120,651)	0
Deficit before taxes		**(409,413,472)**	**(4,357,372)**
Deferred tax expense	13	(6,525,463)	0
Net deficit for the period		**(415,938,935)**	**(4,357,372)**

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WORLD BICYCLE RELIEF COLOMBIA
NIT No. 901.344.472-8
STATEMENT OF CHANGES IN EQUITY
For the period between January 1 and December 31, 2020
With comparative figures for the period between November 7 and December 31, 2019
(Figures expressed in Colombian pesos)

	Founders Contributions	Accumulated results	Period's result	Total
Balance as of November 7, 2019	0	0	0	**0**
Founders Contributions	5,000,000	0	0	**5,000,000**
Contributions receivable	(5,000,000)	0	0	**(5,000,000)**
Net deficit for the period	0	0	(4,357,372)	**(4,357,372)**
Balance as of December 31, 2019	0	0	**(4,357,372)**	**(4,357,372)**
Transfer of results	0	(4,357,372)	4,357,372	**0**
Net deficit for the period	0	0	(415,938,935)	**(415,938,935)**
Balance as of December 31, 2020	0	(4,357,372)	(415,938,935)	**(420,296,307)**

ANDREW WRIGHT
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WORLD BICYCLE RELIEF COLOMBIA
NIT No. 901.344.472-8
CASH FLOW STATEMENT
Period between January 1 and December 31, 2020.
With comparative figures for the period between November 7 and December 31, 2019.
(Figures expressed in Colombian pesos)

	2020	2019
Operation activities		
Period deficit	(415,938,935)	(4,357,372)
Adjustments for income and expenses that did not require the use of cash		
(+) Depreciation	36,333,330	0
(+) Asset depreciation for right of use	25,001,608	0
(+) Deferred amortization	2,544,660	0
(+) Deferred Tax Liability	6,525,463	0
Change in operational items		
(-) Increase (+) decrease in debtors	(242,820)	0
(-) Increase (+) decrease in current tax assets	(4,311,233)	0
(-) Increase (+) decrease in accounts receivable related parties	(76,875,000)	0
(+) Increase (-) decrease current accounts payable	13,068,568	4,357,372
(+) Increase (-) decrease accounts payable related parties	642,239,134	0
(+) Increase (-) decrease in taxes	5,206,000	0
(+) Increase (-) decrease employee benefits	34,122,006	0
(+) Increase (-) decrease other non-current accounts payable	51,849,024	0
Net cash flow provided from operating activities	**319,521,805**	**0**
Investment activities		
(-) Purchase (+) sale of plant and equipment	(218,000,000)	0
(-) Purchase (+) sale of assets by right of use	(75,004,828)	
(-) Purchase (+) sale of deferred	(3,053,592)	0
Net cash flow used in investing activities	**(296,058,420)**	**0**
Increase in cash		
Net cash prior year	0	0
Cash at the end of the year	**23,463,385**	**0**

ANDREW WRIGHT
Legal representative
(See attached certification)

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The explanatory notes are an integral part of the financial statements

WORLD BICYCLE RELIEF COLOMBIA
Summary of main accounting policies and explanatory notes to the financial statements ending December 31, 2020
(With comparative figures as of December 31, 2019)

1. Nature of operations

WORLD BICYCLE RELIEF COLOMBIA, ntity with domicile in the city of Bogotá, CR 19 N ° 84-34 P 3, is an Entity governed by the ordinary tax regime, constituted by a private document on November 7, 2019, and registered in Bogotá Chamber of Commerce on November 18, 2019, under number 323,706 of book I, of non-profit entities. It is currently in the process of applying for the Special Tax Regime before the National Tax and Customs Directorate - DIAN.

Its commercial activities are: Main Activity: 9499 Activities of other associations NCP.

The Founder of **WORLD BICYCLE RELIEF COLOMBIA** is **World Bicycle Relief NFP** non-profit organization in Chicago Illinois. The Entity with the purpose to operate exclusively for philanthropic purposes mobilizing people through the power of bicycles, committed to helping overcome the challenge of distance, achieve independence and prosper in emergencies, disasters, or in impoverished areas of the world.

The property and funds of this foundation shall be used only to further the purpose of the entity, and do not belong to the members of the entity. No part of the returns or funds will be paid or transferred directly or indirectly to the members of the entity.

2. Basis of preparation

The separate financial statements have been prepared in accordance with the Accounting and Financial Information Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by the Sole Regulatory Decree 2420 of 2015 modified by Decree 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018 and 2270 of 2019. The NCIF applicable in 2019 are based on the Full International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (International Accounting Standards Board - IASB); the basic standards correspond to those officially translated into Spanish and issued by the IASB.

Functional and presentation currency:

The items included in the Entity's financial statements are expressed in the currency of the primary economic environment where the entity operates (Colombian pesos). All information is presented in pesos and has been rounded to 0 decimal places.

Accounting period:

These Financial Statements of the entity WORLD BICYCLE RELIEF COLOMBIA cover the following periods:

- Statement of Financial Position as of December 31, 2020 with comparative figures as of December 31, 2019.
- Income Statement for the period from January 1 to December 31, 2020, with comparative figures for the period from November 7 to December 31, 2019.
- Statement of Changes in Equity for the period between January 1 and December 31, 2020 with comparative figures for the period between November 7 and December 31, 2019.
- Cash Flow Statement, for the period between January 1 and December 31, 2020 with comparative figures for the period between November 7 and December 31, 2019.

Presentation of financial statements:

The measurement bases for these financial statements have been historical cost, no transaction was measured at fair value or others.

Estimates are made based on the best information available on the date of issuance of the financial statements. If these estimates occur, it is possible that events that may take place in the future and force them to be modified (up or down) in future years, will be treated prospectively, recognizing the effects of the change in estimate of the corresponding future financial statements. .

The Entity prepared the financial statements based on the going concern assumption, given the short time of operation, current financial situation of the entity, its current intentions and its scope of financial resources.

Effects of COVID-19 on the Entity's operation during 2020

The economic effects of the COVID-19 pandemic are not possible to estimate at the cut of this report as it is the first period of operation, since it is not possible to make an accurate comparison between complete periods.

Despite the joint effort in the Entity not to stop the operation in the middle of the economic closure at the national level, a loss was generated for the year for ($ 415,938,935); However, with the management of cash flow for the operation on behalf of the founding company, it was possible to fulfill the commitments acquired at the labor level without resorting to dismissals of employees, with third parties and with the national and district tax administration, resulting in a positive flow of cash at the end of the period for $ 23,463,385

Despite the economic conditions generated by the economic recession caused by the COVID-19 pandemic, a natural phenomenon that forced the postponement of programs for the delivery of bicycles to our programs, external factors such as the fall in world stock markets, the drop in the price of oil and the exchange rate volatility and the consequent devaluation of the Colombian peso against the US Dollar and the Euro, management does not expect that the commitments acquired will be breached or the Entity's ongoing business hypothesis will be affected.

3. Significant accounting policies

The accounting policies explain the complete presentation of the financial statements and establish guidelines to be followed in order to ensure that they are comparable, both with the financial statements of the entity, corresponding to previous periods, when they are presented, and with those of other entities.

- **Financial instruments other than cash**

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or an equity instrument in another entity.

The Entity considers the following instruments as financial assets:

- Available and cash deposits, which are treated in their corresponding policy.
- Debtors for sales and other creditors.
- Investments

The following are considered financial liabilities:

- Debts payable
- Suppliers
- Loans (financial obligations)
- Other creditors

The Entity recognizes an asset, a financial liability or an equity instrument on its balance sheet only when it becomes a contractual party to the instrument.

The classification and measurement approach for financial assets is determined through the business model in which these assets are managed and their cash flow characteristics. Equally, includes three classification categories at initial recognition for financial assets:

- Amortized cost (CA)
- Fair value with changes in other comprehensive income (VRCORI)
- Fair value through profit or loss (VRCR)

The Entity maintains a single business model for management by type of financial instruments, the following is the applicable business model and its corresponding classification for measurement by instrument:

Financial instrument	**Business model**	**Measurement approach**
Accounts receivable	Payments from clients or others in relation to the operation directly or indirectly.	Amortized cost
Debts payable	Payments to suppliers or others in relation to the operation directly or indirectly.	Amortized cost
Other accounts payable - linked	Payments to related entities considered intercompany in relation to the operation directly or indirectly.	Amortized cost

The following are the methods for subsequent measurement of financial instruments:

- Financial assets at fair value through profit or loss (VRCR): These assets are subsequently measured at fair value. Net gains and losses, including income from interest or dividends, are recognized in income.
- Financial instruments at amortized cost (AC): These instruments are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Income from interest, exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss
- Debt investments with changes in other comprehensive income (VRCORI): These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, exchange gains and impairment losses are recognized in income. Other net gains and valuation losses are recognized in ORI. On derecognition, accumulated gains and losses in ORI are reclassified to gains or losses on realization of ORI.

- Equity investments with changes in other comprehensive income (VRCORI): These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the investment cost. Other net gains and losses are recognized in ORI and are never reclassified to profit or loss.

Regarding the impairment of financial instruments measured at amortized cost, these are measured through the method of expected credit losses under two approaches; general and simplified.

General approach:

In the general approach, the expected losses will only be projected throughout the useful life if the credit risk of the instrument has increased significantly, and if it is considered low risk, only those losses will be projected for a period of 12 following months. as of the cut-off date. In the general approach, the Entity will carry out the segmentation of financial assets in three stages:

Stage 1	**Stage 2**	**Stage 3**
Low credit risk	*Significant credit risk*	*Impairment incurred*
Projection of expected losses for the next 12 months	Projection of expected losses throughout the instrument	Crossing of incurred losses and projection of expected losses to the missing

This impairment model will be applicable to the following financial instruments:

- Trade accounts receivable that do not fall under the simplified approach,
- Other accounts receivable that do not fall under the simplified approach.

An asset is presumed to be impaired when it is more than 30 days past due, unless the Entity can demonstrate and refute said presumption.

Simplified approach:

Under the simplified approach, the expected losses of the asset are always estimated throughout its useful life, this is only for financial assets generated from contracts that do not contain a significant financing component and have less than 12 months of useful life. Since the simplified approach always calculates credit losses over the remaining life of the asset, and it is not necessary to segment assets by stages of default or credit risk.

➢ **Risk management**

The Entity is exposed to the following risks concerning the use of financial instruments:

- Credit risk

- Liquidity risk
- Market risk

Risk management framework

The entity's management is responsible for establishing and supervising the risk management structure, aligned with the corporate policies that have been established from the parent company. In addition, it is the guarantor for the development and monitoring of risk management policies.

The entity's risk management policies are established in order to identify and analyze the risks faced, and thus be able to set adequate risk limits and controls to monitor risks and compliance with the limits. Risk management policies and systems are continually being reviewed in order to reflect changes in market conditions and in the entity's activities. Through its management rules and procedures, the Entity aspires to develop a careful and favorable control environment in which all employees understand their duties and roles.

Exposure to credit risk

The Entity has balances that are exposed to credit risk:

	As of December 31,	
	2020	**2019**
Current account	23,366,620	0
Trade accounts receivable and other accounts receivable	242,820	0
Total	**23,706,205**	**0**

Credit risk

The credit risk or risk of financial loss faced by the Entity is when a counterparty in a financial instrument does not comply with its contractual obligations, and it originates mainly in accounts receivable.

Cash

The Entity had cash in the amount of $ 23,463,385 as of December 31, 2020, which represents its maximum exposure to credit risk for these assets. Cash is held in banks and financial institutions.

Liquidity risk

It is the risk that the Entity may have difficulties in meeting the obligations associated with its financial liabilities, which are settled through the delivery of cash or other financial assets. The Entity's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its obligations when they expire, both under normal and stressed conditions, without incurring unacceptable losses or risking its reputation.

The following are the contractual maturities of short-term financial liabilities at the end of the reporting period:

	December 31	
	2020	**2019**
Withholding	7,147,040	0
Payroll contributions	4,863,900	0
Fee	0	4,357,372
Various creditors	5,415,000	0
Total	**17,425,940**	**4,357,372**

Currency risk

Most of the Entity's transactions are carried out in Colombian pesos. Exposures to exchange rates arise from financial obligations with foreign entities (related parties and suppliers), which are denominated in US dollars (USD $).

Financial liabilities denominated in foreign currency that expose the Entity to exchange risk are listed below:

	US Dollars	**As of December 31, 2020**
Accounts payable with related parties		
WBR NFP	115,500	396,453,750
WBR NFP Interests	6,765	23,220,847
WBR NFP Germany	64,840	222,564,537
Net Exposure:	**187,105**	**642,239,134**

Operations with foreign currencies are converted into Colombian pesos using the exchange rates prevailing on the dates of the operations (spot exchange rate). Exchange gains and losses resulting from the settlement of such operations and from the modification of the measurement of monetary items at the exchange rate at the end of the year are recognized in income as financial income or expenses. The peso-dollar exchange rate as of December 31, 2020 was $ 3,432.50 for every $ 1.

- **Vehicles**

Vehicles are recognized when the Entity receives the risks and benefits associated with the asset.

The initial measurement is carried out at cost, which includes the purchase price, net of discounts and rebates, plus all costs directly attributable to the location of the asset in the place and under the conditions necessary for it to be able to operate in the manner foreseen by management, such as freight, among others. The financial costs associated with obligations acquired for the purchase, construction or production of assets that require at least one year to be ready for use (eligible asset) are capitalized as part of the cost of the asset.

For the calculation of the depreciation of the vehicles, a useful life of five years is used.

The carrying value of the vehicles is withdrawn from the assets when they are sold or transferred to a third party transferring the risks and benefits and / or when it is not expected to obtain future economic benefits from their use or sale. The gains or losses derived from the retirement are recognized in income as part of “other income or other expenses”, as the case may be.

- **IFRS 16 Leases**

IFRS 16 'Leases' replaces IAS 17' Leases' together with three interpretations: IFRIC 4 'Determining whether an Agreement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27' Evaluation of the substance of transactions involving the legal form of a lease '.

For a lessee, a lease accounted for under IFRS 16 results in the recognition of:

• A right-of-use asset and a lease liability

• Interest expense (on the lease liability)

• Depreciation expense (on the right-of-use asset).

For the entry of initial recognition of the asset for the right of use, the provisions of IFRS 16 C 8 literal b) numeral ii) are applied, an amount equal to the lease liability, adjusted by the amount of any advance or accumulated lease payment (accrued) related to that lease recognized in the statement of financial position immediately before the date of initial application.

- **Income**

Donations - The Entity obtains its income mainly from the allocation of donations made by its Headquarters, which aren recognized on the date of their effective application to the projects established by the Entity.

Income is calculated at the fair value of the consideration received and is effective when the risks and benefits are transferred, for which they were assigned.

- **Operating costs**

It is the decrease in economic benefits, produced throughout the reporting period, in the form of outflows or decreases in the value of assets, or due to the generation or increase of liabilities, which result in detriment to assets. net assets.

The expenses listed in this report are executed as necessary to achieve each of the entity's operations and to carry out its corporate purpose.

- **Non-operating expenses**

The recognition of expenses comes directly from the recognition and measurement of assets and liabilities. An entity shall recognize expenses in the statement of income (or in the statement of comprehensive income, if presented) when a decrease in future economic benefits has arisen, related to a decrease in an asset or an increase in a liability that can be measured with reliability.

The expenses recorded in these items correspond to items that do not have a direct relationship with the rental activity, but that contribute to the cash flow outflow of the Entity.

- **Equity**

Equity is the residual part of the entity's assets, after deducting all its liabilities.

- **Income tax**

Current income tax is calculated based on net income, using the tax laws enacted and in force at the annual closing date, which differs from the accounting result reflected in the financial statements.

Current tax assets and / or liabilities comprise the obligations or claims of the tax authorities in relation to current or previous reporting periods that are pending payment as of the annual closing date. The Entity, when applicable, recognizes the amounts that it expects to pay to the tax authorities.

Deferred tax assets and liabilities are calculated on the temporary differences between the book value of assets and liabilities and their tax base, to the extent that they are expected to increase or decrease taxable income in the future.

Deferred tax assets and liabilities are calculated, without discounting, at the tax rates that are expected to apply in the respective realization period. Deferred tax is recognized in income for the period, except for items that are recognized in equity or other comprehensive income, in which case the tax is also recognized in equity.

Active deferred tax is only recognized to the extent that the existence of future tax benefits is probable against which the temporary differences that generate it can be used. The foregoing is determined based on the Entity's projections on future operating results, adjusted by significant items that are reconciled to the tax result and by the limits on the use of losses or other tax assets pending application.

4. Cash and cash equivalents

The balance of the cash account and cash equivalents are broken down as follows:

	December 31	
	2020	2019
Minor box	96,765	0

Current account	23,366,620	0
Total	**23,463,385**	**0**

5. Trade accounts receivable and other accounts receivable

The final balances corresponding to current accounts receivable are detailed as follows:

	December 31	
	2020	2019
Advances to workers	242,820	0
Total	**242,820**	**0**

6. Current tax assets

Current tax assets are made up of the following:

	December 31	
	2020	2019
Balance in favor of rent (Note 23)	4,311,233	0
Total	**4,311,233**	**0**

7. Economic linked

The Entity's economic associates are:

Linked
World Bicycle Relief NFP
Buffalo Bicycle Colombia SAS

The balances with related parties of the entity are the following:

Accounts receivable:

	December 31	
	2020	2019
Buffalo Bicycle Colombia (1)	76,875,000	0
Total	**76,875,000**	**0**

(1) For canceled advances for the purchase of bicycles.

Debts payable:

	December 31	
	2020	2019
World Bicycle Relief NFP (1)	396,453,750	0
World Bicycle Relief Germany (*)	222,564,537	0
Interests World Bicycle Relief NFP	23,220,847	0
Total	**642,239,134**	**0**

(*) As an advance received for the purchase of Alston program bicycles.

(1) Corresponding to financial obligation discriminated as follows:

Type of credit	EA interest rate		Current
Revolving loan contract	7%	$	396,453,750
Total		**$**	**396,453,750**

8. Other non-financial assets

The balance of the account of other non-financial assets corresponds to:

	December 31	
	2020	2019
Vehicle insurance policy	3,053,592	0
Amortization	(2,544,660)	0
Total	**508,932**	**0**

9. Vehicles

Vehicles as of December 31st include:

	December 31 2020	2019
Vehicles	218,000,000	0
Accumulated depreciation	(36,333,330)	0
Total vehicles	**181,666,670**	**0**
Right-of-use asset (IFRS 16)	75,004,828	0
(-) Asset depreciation for right of use	(25.001.608)	0
Total assets for right of use	**50,003,220**	**0**
Total fixed assets	**231,669,890**	**0**

The movement of fixed assets during the reported period is:

Balance as of November 7, 2019	**0**
Vehicle purchase	0
Balance as of December 31, 2019	**0**
Purchases	218,000,000
Right-of-use assets (IFRS 16)	75,004,828
Balance as of December 31, 2020	**293,004,828**

Depreciation:

Balance as of November 7, 2019	**0**
Depreciation	0
Balance as of December 31, 2019	**0**
Period depreciation	(36,333,330)
Depreciation of assets for rights of use	(25.001.608)
Balance as of December 31, 2020	**(61,334,938)**

10. Trade accounts payable and other accounts payable

Trade accounts payable and other accounts payable are comprised of the following:

	December 31 2020	2019
Withholding Tax	7,147,040	0
Payroll contributions	4,863,900	0
Various creditors	5,415,000	0
By provision of expenses	0	4,357,372
Total	**17,425,940**	**4,357,372**

11. Current tax liability

The current tax liability is made up as follows:

	December 31 2020	2019
Industry and Commerce Tax 2020	5,206,000	0
Total	**5,206,000**	**0**

12. Employee benefits

The liability for employee benefits is made up of the following:

	December 31 2020	2019
Layoffs	27,950,000	0
Interest on severance pay	3,255,339	0
Holidays	2,916,667	0
Total	**34,122,006**	**0**

13. Deferred tax liability

Deferred taxes arising from temporary differences have been determined as follows:

Concept	Temporary Difference	Deferred Tax Rate	Deferred tax liability
Exchange difference over debt capital	20,725,750	**30%**	6,217,725
Exchange difference on debt interest	1,025,792	**30%**	307,738
Total			**6,525,463**

During the 2019 period, the Entity did not have items that generated temporary differences, so the deferred tax expense during the 2020 period corresponds to $ 6,525,463.

14. Accounts payable to related parties:

Corresponds to the account payable for the lease, to which IFRS 16 applies, in accordance with the contract entered into with BUFFALO BICYCLE COLOMBIA SAS, for the sum of $ 75,004,828, which, after making the corresponding amortizations, was agreed on December 31 for $ 51,849,024, for the 40 MT2 office located on Calle 73 Vía 40 -150 BG1, in the city of Barranquilla.

Scope Under IFRS 16:

- The contract does not involve rights to intangible assets or assets held by a lessee under license agreements within the scope of IAS 38 Intangible Assets (i.e. motion picture film, video recording, games, manuscripts, patents and copyrights).
- The contract does not imply the right to explore minerals, oil or natural gas, or similar non-regenerative resources.
- The contract does not involve biological assets within the scope of IAS 41 Agriculture Held by a Lessee.
- The contract does not involve service concession agreements (i.e. contracts with a private operator to develop (upgrade) operate and maintain the grantor's infrastructure assets, such as roads, bridges, tunnels, airports, power distribution networks, prisons or hospitals).
- The contract does not involve intellectual property licenses granted by a landlord.
- This contract does not consider a short-term contract. (i.e. <1 year and no purchase option, regardless of whether it is reasonably true to exercise).
- This contract does not have asset classes that have been considered low value.

IFRS 16 analysis

- Description of the contract: Corresponds to the lease of an office located at Calle 73 Vía 40 - 150 Bodega 1 in the city of Barranquilla.

- **Initial date of the contract:** January 1, 2020

- **Term contract:** 1 year with automatic extensions, the Entity has considered a reasonable time of 3 years for the term of the contract.

- **Time remaining from initial application:** 3 years

- **Identified asset:** An office located on Calle 73 Vía 40 - 150 Bodega 1 in the city of Barranquilla.

- **Physically distinct assets:** No, the contract only has one identified asset.

- **Provider has the right of substitution:** According to the contractual clauses, it is not mentioned that the lessor has the capacity and / or substantive right to replace the asset during the term of the contract or period of use.Therefore, the supplier's right of substitution is not substantive, because the supplier does not have the practical capacity to substitute the asset.

- **The economic benefits of the Entity:** The office will be used for the development of the corporate purpose of the Entity when it operates in the city of Barranquilla.

- **The Entity manages the asset:** Yes, the entity is the one who decides the way in which the assets will operate, taking care of their destination.

- **Lease value:** $ 7,000,000 Quarter plus VAT.

- **Incremental debt rate:** 7.77% effective annual (See Note 16).

- **Variable:** Fixed plus readjustment for CPI.

- **Components other than the lease:** No, the contract only contemplates a single asset.

The financial liability is recognized in accordance with the following amortization table:

Period	Date	Payments Value	Interest	Debt Amortization	Liability Value
0					75,004,828
1	2020	27,999,996	4,844,197	23,155,803	51,849,024
2	2021	27,999,996	3,044,990	24,955,010	26,894,014
3	2022	27,999,996	1,105,987	26,894,014	0

15. EQUITY

Equity is the residual part of the Entity's assets, once all its liabilities have been deducted.

According to the articles of incorporation, the social fund is made up of the following:

- Social fund, contributions in the amount of $ 5,000,000

- Contributions to the Social Fund receivable of $ 5,000,000

For World Bicycle Relief Colombia, the equity at the cutoff of the financial statements corresponds to the deficit generated in the course of the business.

16. Income from ordinary activities

Revenues are composed as follows:

	Period from January 1 and December 31 2020	Period from October 18 and December 31 2019
Income from ordinary operating activities	166,338,258	0
Income from ordinary activities for delivery of bicycles	372,450,000	0
Total	**538,788,258**	**0**

17. Costs related to program activities:

The costs are composed as follows:

	Period from January 1 and December 31 2020	Period from October 18 and December 31 2019
Costs of carrying out ordinary activities	166,338,258	0
Cost generated in bicycle delivery	372,450,000	0
Total	**538,788,258**	**0**

18. Administration expenses

Administrative expenses are composed as follows:

	Period from January 1 and December 31 2020	Period from October 18 and December 31 2019
Personal expenses	277,757,987	0
Fee	56,337,035	4,357,372
Taxes	16,237,733	0
Insurance	1,440,082	0
Services	1,330,300	0
Legal expenses	158,596	0
Maintenance and repairs	775,000	0
Administrative tolls	284,160	0
Depreciation	36,333,330	0
Amortization	2,544,660	0
Various	6,519,720	0
Total	**399,718,603**	**4,357,372**

19. Other income

The detail of other income is composed as follows:

	Period from January 1 and December 31 2020	October 18 and 2019
Reimbursement of costs and expenses	116,000	0
Peso adjustment	641	0
Total	**116,641**	**0**

20. Selling expenses

Selling expenses are detailed below:

	Period from January 1 and December 31 2020	October 18 and 2019
Propaganda and publicity	1,843,548	0
Total	**1,843,548**	**0**

21. Net income from exchange difference

The net exchange difference is composed as follows:

	Period from January 1 and December 31 2020	October 18 and 2019
Exchange difference income	91,524,363	0
Exchange difference expenses	(68,371,674)	0
Total	**23,152,689**	**0**

Exchange difference generated by the loans in dollars with the parent company and the interest associated with them.

22. Financial expenses

The financial expenses are detailed below:

	Period from January 1 and December 31 2020	October 18 and 2019
Interest	25,647,808	0
Bank fees	1,505,290	0
VAT for bank commissions	503,648	0
Non deductibles	3,458,462	0
Peso adjustment	5,443	0
Total	**31,120,651**	**0**

23. Income tax

The reconciliation between the result of the accounting period and the income tax expense is as follows:

	Period between January 1 and December 31 2020	Period between October 18 and December 31 2019
Deficit before taxes	(409,413,472)	(4,357,372)
(-) Non-deductible expenses:		
Unrealized exchange difference	21,751,542	0
Tax on financial movement	(2,625,119)	0
Other non-deductible expenses	(420)	0
Net income base	**(390,287,469)**	**(4,357,372)**
Income tax rate	32%	33%
Income tax of the year	**0**	**0**
Self-withholding of income	4,311,233	0
Income tax in favor (Note 6)	**4,311,233**	**0**

Legal provisions applicable to income tax and presumptive income:

The following are the current provisions applicable to the Entity:

a. According to the 2010 Law of 2019, the income tax rates for the years 2019 onwards are the following:

Year	Rate
2019	33%
2020	32%
2021	31%
2022 onwards	30%

b. The basis for determining the presumptive income tax for the 2020 taxable year is 0.5% (2019-1.5%) of the net equity of the immediately preceding year; and 0% from 2021.

c. The occasional win rate is 10%.

d. Deferred tax assets and liabilities are calculated, without discounting, at the tax rates that are expected to apply in the respective period of realization, provided that they have been enacted or substantially enacted on the reporting date, taking into consideration all possible results of a review by the tax authorities. Deferred tax is recognized in income for the period, except for items that are recognized in equity or other comprehensive income. The carrying amount of deferred tax assets is reviewed annually on each reporting date and adjusted as necessary to reflect the current assessment of future taxable profits.

24. Events after the period presented:

We are not aware of subsequent events, which have occurred between the dates of the financial statements and their authorization, that necessitate a modification of the figures presented.

25. Authorization of these financial statements:

These financial statements were authorized by Management, for presentation and approval by the Founders Assembly.