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TRADESHIFT APS UNDER TVANGSOPLØSNING

LANDEMÆRKET 10 1., 1119 KØBENHAVN K

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2018

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 26 August 2019**

Peter Van Pruissen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 35 39 12 82

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COMPANY DETAILS

Company	Tradeshift ApS under tvangsopløsning Landemærket 10 1. 1119 Copenhagen K CVR No.: 35 39 12 82 Established: 1 July 2013 Registered Office: Copenhagen Financial Year: 1 January - 31 December
Board of Directors	Christian Langg Mikkel Hippe Brun
Board of Executives	Gert Sylvest
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Erhvervscenter København Vesterbrogade 9 1780 Copenhagen V
Law Firm	Bird&Bird

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Tradeshift ApS under tvangsopløsning for the financial year 1 January - 31 December 2018.

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

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

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

Copenhagen, 26 August 2019

Board of Executives

Gert Sylvest
Managing director

Board of Directors

Christian Lanng

Mikkel Hippe Brun

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Tradeshift ApS under tvangsopløsning

AUDITORS OPINION ON THE FINANCIAL STATEMENTS

Opinion

We have audited the Financial Statements of Tradeshift ApS under tvangsopløsning for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Violation of the Deadline stated in the Danish Financial Statements Act Relating to Submission of the Financial Statements

In our opinion, the Company has not complied with the provisions of the Danish Financial Statements Act to submit the Financial Statements to the Danish Business Authority within the deadline of five months specified in the Danish Financial Statements Act, and the Company's Management may incur liability in this respect.

Copenhagen, 26 August 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Brian Olsen Halling
State Authorised Public Accountant
MNE no. mne32094

FINANCIAL HIGHLIGHTS

	2018 DKK	2017 DKK	2016 DKK	2015 DKK
Income statement				
Gross profit/loss.....	116,040,658	97,798,786	72,646,704	50,044,386
Operating profit/loss.....	14,307,260	4,549,449	-17,198,851	3,052,929
Financial income and expenses, net.....	-8,534,686	6,112,692	395,253	-561,517
Profit/loss for the year before tax.....	5,772,574	10,662,141	-16,829,455	2,491,412
Profit/loss for the year.....	4,357,006	8,033,032	-17,760,265	1,876,988
Balance sheet				
Balance sheet total.....	148,844,097	120,503,528	97,290,438	11,109,620
Equity.....	-3,080,376	-7,437,383	-15,470,415	2,289,847
Invested capital.....	-79,597,984	-57,498,524	-24,289,807	2,173,051
Investment in tangible fixed assets.....	-3,033,018	-1,260,740	-2,043,297	-2,437,059
Average number of full-time employees.....	129	123	124	70
Ratios				
Rate of return.....	-20.9	-11.1	60.3	DIV/0
Solvency ratio.....	Neg.	Neg.	Neg.	20.6
Return on equity.....	Neg.	Neg.	-1,551.2	DIV/0

The ratios stated in the list of key figures and ratios have been calculated as follows:

Rate of return:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
Invested capital:	$\frac{\text{Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities}}{\text{Total equity and liabilities, at year end}}$
Solvency ratio:	$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

The ratios follow in all material respects the recommendations of the Danish Finance Society.

MANAGEMENT'S REVIEW

Principal activities

The company's activities are sale and development of IT solutions.

Development in activities and financial position

The management are satisfied with the results achieved for the year.

The company's management emphasizes that the company was taken into compulsory dissolution on 19 August 2019 as a result of a dissolution request by the Danish Business Authority. The company's management has initiated a process that will ensure a resumption of operations in the subsequent period.

Additionally the management draws attention to the fact that the company has lost its entire capital. The management expects that this will be re-established by continued positive results as in 2019 and by capital contribution from the shareholder.

The current liabilities at the year-end exceeds the cash and cash equivalents. In order to ensure the continued operations the company's owner has issued a letter of support, which expires on 31 December 2019. It is confirmed that the owner will not require its loan repaid and that there will be coverage of expenses for the next years operations, if this become necessary.

Profit/loss for the year compared to expectations

The management are satisfied with the results achieved for the year. The result for the year is therefore in line with the forecast.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

Future expectations

Management expects this trend to continue in the future and thus strengthen the company's financial situation.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 DKK	2017 DKK
GROSS PROFIT		116,040,658	97,798,786
Staff costs.....	1	-96,705,225	-89,661,926
Depreciation, amortisation and impairment.....		-4,897,251	-3,587,411
Other operating expenses.....		-130,922	0
OPERATING PROFIT		14,307,260	4,549,449
Other financial income.....		428,618	6,301,774
Other financial expenses.....		-8,963,304	-189,082
PROFIT BEFORE TAX		5,772,574	10,662,141
Tax on profit/loss for the year.....	2	-1,415,568	-2,629,109
PROFIT FOR THE YEAR	3	4,357,006	8,033,032

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 DKK	2017 DKK
Goodwill.....		8,026,889	11,016,425
Intangible fixed assets.....	4	8,026,889	11,016,425
Other plants, machinery, tools and equipment.....		3,960,831	2,732,024
Leasehold improvements.....		199,414	278,038
Tangible fixed assets.....	5	4,160,245	3,010,062
Equity investments in associated enterprises.....		63,439,159	32,525,168
Rent deposit and other receivables.....		813,920	60,103
Fixed asset investments.....	6	64,253,079	32,585,271
FIXED ASSETS.....		76,440,213	46,611,758
Trade receivables.....		5,039,714	5,797,685
Receivables from group enterprises.....		59,446,536	60,414,774
Deferred tax assets.....	7	492,843	251,217
Other receivables.....		2,713,369	916,823
Prepayments and accrued income.....	8	966,625	303,043
Receivables.....		68,659,087	67,683,542
Cash and cash equivalents.....		3,744,797	6,208,228
CURRENT ASSETS.....		72,403,884	73,891,770
ASSETS.....		148,844,097	120,503,528

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2018 DKK	2017 DKK
Share capital.....		80,000	80,000
Retained profit.....		-3,160,376	-7,517,383
EQUITY.....		-3,080,376	-7,437,383
Trade payables.....		3,239,186	3,227,017
Payables to group enterprises.....		125,371,019	104,606,858
Corporation tax.....		3,688,176	2,161,962
Other liabilities.....		16,367,040	13,924,968
Accruals and deferred income.....	9	3,259,052	4,020,106
Current liabilities.....		151,924,473	127,940,911
LIABILITIES.....		151,924,473	127,940,911
EQUITY AND LIABILITIES.....		148,844,097	120,503,528
Contingencies etc.	10		
Charges and securities	11		
Related parties	12		
Consolidated financial statements	13		

EQUITY

	Share capital	Retained profit	Total
Equity at 1 January 2018.....	80,000	-7,517,382	-7,437,382
Proposed distribution of profit.....		4,357,006	4,357,006
Equity at 31 December 2018.....	80,000	-3,160,376	-3,080,376

NOTES

	2018 DKK	2017 DKK	Note
Staff costs			1
Average number of employees 129 (2017: 123)			
Wages and salaries.....	95,937,155	87,669,920	
Social security costs.....	768,070	1,992,006	
	96,705,225	89,661,926	
In accordance to section 98 B (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.			
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	1,657,194	2,535,962	
Adjustment of tax for previous years.....	0	212,000	
Adjustment of deferred tax.....	-241,626	-118,853	
	1,415,568	2,629,109	
Proposed distribution of profit			3
Retained earnings.....	4,357,006	8,033,032	
	4,357,006	8,033,032	
Intangible fixed assets			4
		Goodwill	
Additions.....		13,219,243	
Cost at 31 December 2018.....		13,219,243	
Amortisation at 1 January 2018.....		2,202,818	
Amortisation for the year.....		2,989,536	
Amortisation at 31 December 2018.....		5,192,354	
Carrying amount at 31 December 2018.....		8,026,889	
Tangible fixed assets			5
	Other plants, machinery, tools and equipment	Leasehold improvements	
Cost at 1 January 2018.....	7,471,996	1,494,264	
Additions.....	3,026,410	6,608	
Cost at 31 December 2018.....	10,498,406	1,500,872	
Depreciation and impairment losses at 1 January 2018.....	4,739,971	1,216,190	
Depreciation for the year.....	1,797,604	85,268	
Depreciation and impairment losses at 31 December 2018....	6,537,575	1,301,458	
Carrying amount at 31 December 2018.....	3,960,831	199,414	

NOTES

			Note
Fixed asset investments			6
		Equity investments in associated Rent deposit and enterprises other receivables	
Cost at 1 January 2018.....	32,525,168	60,103	
Additions.....	30,938,834	0	
Disposals.....	-24,843	753,817	
Cost at 31 December 2018.....	63,439,159	813,920	
Carrying amount at 31 December 2018.....	63,439,159	813,920	

Investments in associates (DKK)

Name and registered office	Equity	Profit for the year	Ownership
Baiwang Tradeshift Software Suzhou Ltd, China.....	-55,846,225	-31,806,893	49 %

Deferred tax assets

Provision for deferred tax comprises deferred tax on intangible and tangible fixed assets.

	2018 DKK	2017 DKK
Deferred tax concerns:		
Tangible assets.....	181,698	182,183
Intangible assets.....	311,145	69,034
	492,843	251,217
Deferred tax, beginning of year.....	251,217	132,364
Deferred tax of the year, income statement.....	241,626	118,853
Deferred tax assets 31 December 2018.....	492,843	251,217

The company's deferred tax assets are recognized in the balance sheet at DKK ('000) 493. The tax assets relates to year-end timing differences on fixed assets. The tax asset is recognized on the basis of the expectations for the coming year's positive taxable profit, together with the lifetime of the underlying assets, which is assessed by the management on a continued basis. The assessment is also based on the company's running budgets for the next two years. The budgets have been prepared in accordance with the company's normal budget procedure.

NOTES

	2018 DKK	2017 DKK	Note
Prepayments and accrued income			8
Costs.....	966,625	303,043	
	966,625	303,043	

Accruals and deferred income **9**

Contingencies etc. **10**

Contingent liabilities

The company has signed rent obligations concerning rent agreement corresponding to DKK ('000) 1,682 hereof DKK ('000) 1,277 is due with the following financial year.

Charges and securities **11**

The company has in the bank pledged a rental guarantee of ('000) 691 DKK against lessor.

Related parties **12**

The Company's related parties include:

Controlling interest

Tradeshift Holdings Ltd., 612 Howard Street, San Francisco, CA 94105, United States, is the principal shareholder.

Transactions with related parties

The company 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 on common market conditions.

Consolidated financial statements **13**

The company is included in the consolidated financial statements of Tradeshift Holdings Ltd.

The consolidated financial statements may be obtained at the following address:

612 Howard Street,
San Francisco, CA 94105, United States.

ACCOUNTING POLICIES

The Annual Report of Tradeshift ApS under tvangsopløsning for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

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

Consolidated financial statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Tradeshift Holdings Ltd., at 612 Howard Street, San Francisco, CA 94105, United States.

INCOME STATEMENT

Net revenue

Net revenue is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

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

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

ACCOUNTING POLICIES

Patents and licences are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term and licences are amortised over the term of the agreement, however, no more than 8 years.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company’s development activities and which fulfil the criteria for recognition.

Tangible fixed assets

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	2-5 years	0-30 %
Leasehold improvements.....	2-5 years	0-30 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

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

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets

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

ACCOUNTING POLICIES

Tax payable and deferred tax

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

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 carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

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

Liabilities

Other liabilities are measured at amortised cost equal to nominal value.

Accruals, liabilities

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

CASH FLOW STATEMENT

In accordance with section 86(4) of the Danish Financial Statements Act no cash flow statement has been prepared. The cash flow statement for Tradeshift Denmark ApS incorporated in the cash flow statement of the consolidated Financial Statements of Tradeshift Holdings Ltd., at 612 Howard Street, San Francisco, CA 94105, United States.