

# **Tradeshift ApS**

**Landemærket 10, 1., 1119 København K**

**Company reg. no. 35 39 12 82**

## **Annual report**

**1 January - 31 December 2019**

The annual report was submitted and approved by the general meeting on the 4 September 2020.

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**Peter Van Pruissen**  
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

## **Management's report**

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Today, the board of directors and the managing director have presented the annual report of Tradeshift ApS for the financial year 1 January - 31 December 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

København K, 4 September 2020

### **Managing Director**

Gert Sylvest

### **Board of directors**

Mikkel Hippe Brun

Christian Lanng

## **Independent auditor's report**

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### **To the shareholders of Tradeshift ApS**

#### **Auditor's report on the financial statements**

##### **Opinion**

We have audited the financial statements of Tradeshift ApS for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

##### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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 the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

Contrary to the Danish VAT Act the Company has not submitted all VAT returns to SKAT within the deadlines to the Danish Tax Authorities, and the Company's Management may incur liability in this respect.

Copenhagen, 4 September 2020

#### **BDO**

State Authorised Public Accountants  
Company reg. no. 20 22 26 70

#### **Brian Olsen Halling**

State Authorised Public Accountant  
mne32094

## **Company information**

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<b>The company</b>	Tradeshift ApS Landemærket 10, 1. 1119 København K
	Company reg. no. 35 39 12 82 Financial year: 1 January - 31 December
<b>Board of directors</b>	Mikkel Hippe Brun Christian Lanng
<b>Managing Director</b>	Gert Sylvest
<b>Auditors</b>	BDO Statsautoriseret Revisionspartnerselskab Havnehomen 29 1561 København V
<b>Parent company</b>	Tradeshift Holdings Ltd.

## Financial highlights

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DKK in thousands.	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Income statement:</b>					
Gross profit	152.532	116.041	97.799	72.647	50.044
Profit from ordinary operating activities	12.007	14.307	4.549	-17.199	3.053
Net financials	-3.677	-17.285	6.113	395	-562
Net profit or loss for the year	6.347	-4.393	8.033	-17.760	1.877
<b>Statement of financial position:</b>					
Balance sheet total	98.734	140.094	120.504	97.290	11.110
Equity	4.117	-11.830	-7.437	-15.470	2.290
Invested capital	-28.400	-24.909	-57.499	-24.290	2.173
<b>Employees:</b>					
Average number of full-time employees	181	129	123	124	70
<b>Key figures in %:</b>					
Solvency ratio	4,2	-8,4	-6,2	-15,9	20,6
Rate of return	-45,0	-34,7	-11,1	60,3	-

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.



## Management commentary

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### The principal activities of the company

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

### Prior year material misstatements

A material misstatement in the 2018 Financial Statements has been identified, which relates to incorrect recognition of 'Equity investments in associated enterprises'. The misstatement means that the item 'Equity investments in associated enterprises' stated at DKK 63,439,159 at 31 December 2018 decreases by DKK 63,439,159 to DKK 0. DKK 54,689,310 is reclassified to 'receivable from associated enterprises'. DKK 8,749,849 is reflected as an impairment on 'Equity investments in associated enterprises' that is taken to profit and loss in 2018. The effect has in turn been taken to retained earnings in 2019 and is shown as an adjustment to opening equity.

### Development in activities and financial matters

The gross profit for the year totals DKK 152.532.160 against DKK 116.040.658 last year. Income or loss from ordinary activities after tax totals DKK 6.347.307 against DKK -4.392.843 last year.

The management team is satisfied with the results achieved for 2019. The company's management acknowledges 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 depleted its capital. The management team expects that capital will be re-established by continued positive results as in 2019 and by capital contribution from the shareholder, as needed.

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 2020. It is confirmed that the owner will not require its loan repaid and that there will be coverage of expenses for the next year's operations, if this become necessary.

### *Profit/loss for the year compared to expectations*

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

### Expected developments

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

### Events occurring after the end of the financial year

In Jan 2020 the group management communicated the decision to reach break-even by the end of next year, resulting in a series of immediate actions that were put in place in order to achieve that goal. Among these, notable changes are the reorganization of our org chart, downsizing redundant positions and decreasing business travel to a minimum.

## **Management commentary**

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### **Impact of COVID-19**

#### **Measures taken by the management to face this crisis:**

Management has acted immediately to protect employees' health by implementing work from home to all categories of employment, restricting business travel and face to face meetings with partners and has constantly sent updates to all employees with regard to health protection and government decisions. A business continuity committee has been put in place, we initiated campaigns focusing on digital connectivity and access to capital.

#### **Impact on the budget 2020:**

Company is actively evaluating the impact of COVID-19 on its 2020 Budget and has developed several scenario based forecasts to keep the Company's strategy nimble as COVID-19 situation evolves further; WFH policy decreased T&E expenses; the result of the ongoing campaigns is constantly evaluated and the company will be quick to react to the new economic landscape.

#### **Description of the liquidity situation of the company as per today:**

Collections of customer accounts receivable are a current and ongoing priority. The company is looking into fiscal stimulus and benefits as a supplemental source of funds. Historically the Company has funded a significant portion of its cash flows through preferred stock issuances and debt. Management's plans are to secure additional financing in the near term and is currently in discussion with potential investors for both debt and equity financing.

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 2020. 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.

#### **Ability of the company to continue in a going concern perspective:**

Over the past couple weeks, the group management has come together to quickly pivot to a renewed focus on driving values for both Buyers and Sellers and leading sales processes with Tradeshift's Cash, Engage and Go programs.

## Accounting policies

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The annual report for Tradeshift ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

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

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Tradeshift ApS and its group enterprises are included in the consolidated financial statements for Tradeshift Holdings Ltd., 612 Howard Street, San Francisco, CA 94105, United States.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Tradeshift Holdings Ltd.

### Prior year material misstatements

A material misstatement in the 2018 Financial Statements has been identified, which relates to incorrect recognition of 'Equity investments in associated enterprises'. The misstatement means that the item 'Equity investments in associated enterprises' stated at DKK 63,439,159 at 31 December 2018 decreases by DKK 63,439,159 to DKK 0. DKK 54,689,310 is reclassified to 'receivable from associated enterprises'. DKK 8,749,849 is reflected as an impairment on 'Equity investments in associated enterprises' that is taken to profit and loss in 2018. The effect has in turn been taken to retained earnings in 2019 and is shown as an adjustment to opening equity.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets and other nonmonetary assets acquired in foreign currency and not considered to be investment assets are measured using the exchange rate at the transaction date.

## Income statement

### Gross profit

Gross profit comprises the revenue, cost of sales and external costs.

## **Accounting policies**

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Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts.

Other external costs comprise costs incurred for sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

### **Other operating costs**

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

### **Financial income and expenses**

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Dividend from equity investments is recognised in the financial year in which the dividend is declared.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Accounting policies

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### Statement of financial position

#### Intangible assets

##### Goodwill

Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at 5 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

##### Plant and equipment

Plant and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately when the useful lives of each individual components differ.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	2-5 years	0-30 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

##### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

## **Accounting policies**

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If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

### **Leasehold improvements**

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 2-5 years.

### **Investments**

#### **Equity investments in group enterprises and associates**

Equity investments in group enterprises and associates are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

### **Deposits**

Deposits are measured at amortised cost and represent lease deposits, etc.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank and on hand.

### **Income tax and deferred tax**

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

## **Accounting policies**

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Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities other than provisions**

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

### **Accruals and deferred income**

Payments received concerning future income are recognised under accruals and deferred income.

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Gross profit</b>	<b>152.532.160</b>	<b>116.040.658</b>
2 Staff costs	-134.734.514	-96.705.225
Depreciation, amortisation, and impairment	-5.316.788	-4.897.251
Other operating costs	<u>-473.636</u>	<u>-130.922</u>
<b>Operating profit</b>	<b>12.007.222</b>	<b>14.307.260</b>
Income from equity investments in associates	0	-8.749.849
Other financial income	282.239	428.618
Other financial costs	<u>-3.959.403</u>	<u>-8.963.304</u>
<b>Pre-tax net profit or loss</b>	<b>8.330.058</b>	<b>-2.977.275</b>
3 Tax on net profit or loss for the year	<u>-1.982.751</u>	<u>-1.415.568</u>
<b>4 Net profit or loss for the year</b>	<b><u>6.347.307</u></b>	<b><u>-4.392.843</u></b>



## Statement of financial position at 31 December

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Non-current assets</b>		
5 Goodwill	5.509.385	8.026.889
Total intangible assets	<u>5.509.385</u>	<u>8.026.889</u>
6 Other fixtures and fittings, tools and equipment	9.002.273	3.960.831
7 Leasehold improvements	<u>7.570.056</u>	<u>199.414</u>
Total property, plant, and equipment	<u>16.572.329</u>	<u>4.160.245</u>
8 Equity investments in group enterprises	0	0
9 Equity investments in associates	0	0
10 Deposits	<u>953.921</u>	<u>813.920</u>
Total investments	<u>953.921</u>	<u>813.920</u>
<b>Total non-current assets</b>	<b><u>23.035.635</u></b>	<b><u>13.001.054</u></b>
<b>Current assets</b>		
Trade receivables	5.106.424	5.039.714
Receivables from group enterprises	59.473.335	114.135.846
11 Deferred tax assets	11.702	492.843
Other receivables	4.032.282	2.713.369
12 Prepayments and accrued income	<u>1.259.145</u>	<u>966.625</u>
Total receivables	<u>69.882.888</u>	<u>123.348.397</u>
Cash on hand and demand deposits	<u>5.815.960</u>	<u>3.744.797</u>
<b>Total current assets</b>	<b><u>75.698.848</u></b>	<b><u>127.093.194</u></b>
<b>Total assets</b>	<b><u>98.734.483</u></b>	<b><u>140.094.248</u></b>

## Statement of financial position at 31 December

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2019</u>	<u>2018</u>
	<b>Equity</b>		
13	Contributed capital	100.000	80.000
	Retained earnings	4.017.082	-11.910.225
	<b>Total equity</b>	<b><u>4.117.082</u></b>	<b><u>-11.830.225</u></b>
	<b>Liabilities other than provisions</b>		
	Trade payables	11.748.088	3.239.186
	Payables to group enterprises	28.171.499	125.371.019
	Payables to associates	14.072.562	0
	Income tax payable	2.104.837	3.688.176
	Other payables	33.914.341	16.367.040
14	Accruals and deferred income	4.606.074	3.259.052
	Total short term liabilities other than provisions	<u>94.617.401</u>	<u>151.924.473</u>
	<b>Total liabilities other than provisions</b>	<b><u>94.617.401</u></b>	<b><u>151.924.473</u></b>
	<b>Total equity and liabilities</b>	<b><u>98.734.483</u></b>	<b><u>140.094.248</u></b>
<b>1</b>	<b>Subsequent events</b>		
<b>15</b>	<b>Contingencies</b>		
<b>16</b>	<b>Related parties</b>		

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2018	80.000	-7.517.382	-7.437.382
Profit or loss for the year brought forward	0	4.357.006	4.357.006
Effect material misstatements	0	-8.749.849	-8.749.849
Equity 1 January 2019	80.000	-11.910.225	-11.830.225
Cash capital increase	20.000	9.580.000	9.600.000
Profit or loss for the year brought forward	0	6.347.307	6.347.307
	<b>100.000</b>	<b>4.017.082</b>	<b>4.117.082</b>

## Notes

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All amounts in DKK.

### 1. Subsequent events

In Jan 2020 the group management communicated the decision to reach break-even by the end of next year, resulting in a series of immediate actions that were put in place in order to achieve that goal. Among these, notable changes are the reorganization of our org chart, downsizing redundant positions and decreasing business travel to a minimum.

#### **Impact of COVID-19**

##### **Measures taken by the management to face this crisis:**

Management has acted immediately to protect employees' health by implementing work from home to all categories of employment, restricting business travel and face to face meetings with partners and has constantly sent updates to all employees with regard to health protection and government decisions. A business continuity committee has been put in place, we initiated campaigns focusing on digital connectivity and access to capital.

##### **Impact on the budget 2020:**

Company is actively evaluating the impact of COVID-19 on its 2020 Budget and has developed several scenario based forecasts to keep the Company's strategy nimble as COVID-19 situation evolves further; WFH policy decreased T&E expenses; the result of the ongoing campaigns is constantly evaluated and the company will be quick to react to the new economic landscape.

##### **Description of the liquidity situation of the company as per today:**

Collections of customer accounts receivable are a current and ongoing priority. The company is looking into fiscal stimulus and benefits as a supplemental source of funds. Historically the Company has funded a significant portion of its cash flows through preferred stock issuances and debt. Management's plans are to secure additional financing in the near term and is currently in discussion with potential investors for both debt and equity financing.

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## Notes

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All amounts in DKK.

	<u>2019</u>	<u>2018</u>
<b>2. Staff costs</b>		
Salaries and wages	133.000.014	94.668.507
Other costs for social security	1.734.500	768.070
Other staff costs	<u>0</u>	<u>1.268.648</u>
	<b><u>134.734.514</u></b>	<b><u>96.705.225</u></b>
Average number of employees	<u>181</u>	<u>129</u>
<p>In accordance to section 98 B (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.</p>		
<b>3. Tax on net profit or loss for the year</b>		
Tax of the results for the year, parent company	1.501.610	1.657.194
Adjustment for the year of deferred tax	<u>481.141</u>	<u>-241.626</u>
	<b><u>1.982.751</u></b>	<b><u>1.415.568</u></b>
<b>4. Proposed appropriation of net profit</b>		
Transferred to retained earnings	6.347.307	0
Allocated from retained earnings	<u>0</u>	<u>-4.392.843</u>
<b>Total allocations and transfers</b>	<b><u>6.347.307</u></b>	<b><u>-4.392.843</u></b>
<b>5. Goodwill</b>		
Cost 1 January 2019	13.219.243	0
Additions during the year	<u>0</u>	<u>13.219.243</u>
<b>Cost 31 December 2019</b>	<b><u>13.219.243</u></b>	<b><u>13.219.243</u></b>
Amortisation and writedown 1 January 2019	-5.192.354	-2.202.818
Amortisation for the year	<u>-2.517.504</u>	<u>-2.989.536</u>
<b>Amortisation and writedown 31 December 2019</b>	<b><u>-7.709.858</u></b>	<b><u>-5.192.354</u></b>
<b>Carrying amount, 31 December 2019</b>	<b><u>5.509.385</u></b>	<b><u>8.026.889</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>6. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2019	10.498.406	7.471.996
Additions during the year	7.968.640	3.026.410
Disposals during the year	<u>-1.211.638</u>	<u>0</u>
<b>Cost 31 December 2019</b>	<b><u>17.255.408</u></b>	<b><u>10.498.406</u></b>
Amortisation and writedown 1 January 2019	-6.537.575	-4.739.971
Depreciation for the year	-2.453.562	-1.797.604
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>738.002</u>	<u>0</u>
<b>Amortisation and writedown 31 December 2019</b>	<b><u>-8.253.135</u></b>	<b><u>-6.537.575</u></b>
<b>Carrying amount, 31 December 2019</b>	<b><u>9.002.273</u></b>	<b><u>3.960.831</u></b>
<b>7. Leasehold improvements</b>		
Cost 1 January 2019	1.500.872	1.494.264
Additions during the year	9.099.308	6.608
Transfers	<u>-1.382.943</u>	<u>0</u>
<b>Cost 31 December 2019</b>	<b><u>9.217.237</u></b>	<b><u>1.500.872</u></b>
Depreciation and writedown 1 January 2019	-1.301.458	-1.216.190
Depreciation for the year	<u>-345.723</u>	<u>-85.268</u>
<b>Depreciation and writedown 31 December 2019</b>	<b><u>-1.647.181</u></b>	<b><u>-1.301.458</u></b>
<b>Carrying amount, 31 December 2019</b>	<b><u>7.570.056</u></b>	<b><u>199.414</u></b>

## Notes

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All amounts in DKK.

### 8. Equity investments in group enterprises

Additions, transfers from investments in associates	23.756.334	0
Disposals during the year	-23.756.334	0
<b>Cost 31 December 2019</b>	<b>0</b>	<b>0</b>
Transfers from investments in associates	-23.756.334	0
Reversal, transfers from investments in associates	23.756.334	0
<b>Writedown 31 December 2019</b>	<b>0</b>	<b>0</b>
<b>Carrying amount, 31 December 2019</b>	<b>0</b>	<b>0</b>

### 9. Equity investments in associates

Acquisition sum, opening balance 1 January 2019	23.756.334	32.525.168
Additions during the year	0	30.938.834
Disposals	-23.756.334	-24.843
Effect material misstatements	0	-39.682.825
<b>Cost 31 December 2019</b>	<b>0</b>	<b>23.756.334</b>
Revaluation, opening balance 1 January 2019	-23.756.334	0
Effect material misstatements, opening balance	0	-15.006.485
Effect material misstatements, adjustment	0	-8.749.849
Reversals for the year, transfer to group enterprises	23.756.334	0
<b>Writedown 31 December 2019</b>	<b>0</b>	<b>-23.756.334</b>
<b>Carrying amount, 31 December 2019</b>	<b>0</b>	<b>0</b>

### 10. Deposits

Cost 1 January 2019	813.920	60.103
Additions during the year	140.001	753.817
<b>Cost 31 December 2019</b>	<b>953.921</b>	<b>813.920</b>
<b>Carrying amount, 31 December 2019</b>	<b>953.921</b>	<b>813.920</b>

## Notes

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All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>11. Deferred tax assets</b>		
Deferred tax assets 1 January 2019	492.843	251.217
Deferred tax of the results for the year	<u>-481.141</u>	<u>241.626</u>
	<u><b>11.702</b></u>	<u><b>492.843</b></u>

Deferred tax assets concerns intangible and tangible fixed assets and tax loss to carry forward.

### 12. Prepayments and accrued income

Prepayments relates to prepaid expenses and prepaid commissions.

### 13. Contributed capital

The share capital consists of 10.000 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

Within the latest 5 years, the following changes in the share capital have taken place:

Capital increase, TDKK 20, paid in rate 48.000,00, August 28th 2019.

### 14. Accruals and deferred income

Accruals and deferred income relates to income which which has not yet been earned.

### 15. Contingencies

#### Contingent liabilities

Lease liabilities

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

### 16. Related parties

#### Controlling interest

Tradeshift Holdings Ltd.  
221 Main Street, 2. floor  
San Francisco, CA 94105  
United States

Majority shareholder



## Notes

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All amounts in DKK.

### **Transactions**

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**

The company is included in the consolidated financial statements of Tradeshift Holdings Ltd. The consolidated financial statements may be obtained at the following address:

221 Main Street, 2. floor, San Francisco, CA 94105, United States