



Capitalaid DK ApS

Torndalsvej 13
9240 Nibe
CVR No. 35479023

Annual report 2019

The Annual General Meeting adopted the
annual report on 01.07.2020

Torben Pedersen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	9
Balance sheet at 31.12.2019	10
Statement of changes in equity for 2019	12
Notes	13
Accounting policies	15

Entity details

Entity

Capitalaid DK ApS

Torndalsvej 13

9240 Nibe

CVR No.: 35479023

Registered office: Rebild

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Torben Pedersen

Jimmy Fussing Nielsen

Morten Lund Nielsen, formand

Executive Board

Torben Pedersen, adm. dir

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Capitalaid DK ApS for the financial year 01.01.2019 - 31.12.2019.

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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 01.07.2020

Executive Board

Torben Pedersen
adm. dir

Board of Directors

Torben Pedersen

Jimmy Fussing Nielsen

Morten Lund Nielsen
formand

Independent auditor's report

To the shareholders of Capitalaid DK ApS

Opinion

We have audited the financial statements of Capitalaid DK ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Without qualifying our opinion, we draw attention to the fact that the Company has negative equity at 31 December 2019 and to the Management commentary and Note 1 where it is mentioned that Management has concluded that the Company will have adequate cash to meet its obligations at least until 31 December 2020, whereby the financial statements have been prepared assuming that the Company is a going concern. Based on the audit performed we concur that it is appropriate to prepare the financial statements on a going-concern basis.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 judgement 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Copenhagen, 01.07.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Kim Takata Mücke

State Authorised Public Accountant
Identification No (MNE) mne10944

Management commentary

Primary activities

The Company was established as a financial technology company with the plan to offer technology based factoring services. To fund the Company's activities the Company succeeded to obtain venture capital financing from Heartcore Capital Fund II K/S (previously Sunstone Technology Ventures Fund III K/S) and a syndication loan from Vækstfonden.

During 2014 the Company entered into a collaboration with Tradeshift to permit the Company to offer factoring services via the Tradeshift invoicing platform. Later on - still in 2014 - the parties agreed to terminate the collaboration, and after which the Company is not any longer engaged in active operations.

As part of the terminating the collaboration with Tradeshift, Tradeshift agreed to refund an amount to the Company in cash to partly cover costs relating to the close down of all operations, including the close-down of the Capitalaid Ltd., UK. The refund was received in 2015 and was included in the financial statements for 2015. In addition, it was agreed that the Company was entitled to receive revenue and profit shares from Tradeshift with an option for the Company to exchange these rights to shares in Tradeshift, which was settled in 2019 where the Company received Tradeshift Series D Preferred Stock.

Development in activities and finances

The shares in Tradeshift are valued according to public available information and taking into account the preference rights attached to the Tradeshift Series D Preferred Stock.

On this basis, the financial statements for 2019 reflect a profit of DKK 9.0 million, primarily driven by fair value gain of DKK 10.8 million from the Tradeshift shares.

The profit for the year has contributed to reducing the negative equity to DKK 0.3 million at 31 December 2019.

The negative equity is primarily financed by the syndication loan from Vækstfonden of DKK 15.1 million including added interests, which falls due in 2021.

The Company will seek to realise part of its assets to ensure a going concern in 2020 and beyond.

The ability to repay the loan to Vækstfonden in 2021 will depend on the development in the value of the Tradeshift shares. This implies that there is a risk that the Company – every thing else being equal – will not be able to repay the loan in full, including interest. The Company is in dialogue with Vækstfonden to discuss alternatives to the current loan conditions, including extending the maturity date beyond 2021, and it is expected that such dialogue will be completed before the loan matures in 2021.

Uncertainty relating to recognition and measurement

The value of the shares in Tradeshift is based on publicly available information from recent funding rounds. Tradeshift has shows strong growth in the past and is close to/have possibly achieved profitability.

The valuation of the Tradeshift shares are thus inherently subject to significant uncertainty in relation to variables

like Tradeshift's ability to meet performance targets, exit/IPO strategy, need for additional funding and thereby risk that the Company's shareholdings in Tradeshift may be diluted, etc. Further, the COVID19 outbreak in 2020 may also create an uncertainty on the value of the Tradeshift shares, at least in the short and medium-term.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report, other than the COVID19 outbreak in 2020 may have created an additional uncertainty to the value of the Tradeshift shares.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(87,127)	(750,024)
Depreciation, amortisation and impairment losses		(6,123)	(6,121)
Operating profit/loss		(93,250)	(756,145)
Income from other financial assets		10,763,854	0
Other financial expenses	2	(1,624,829)	(1,453,716)
Profit/loss for the year		9,045,775	(2,209,861)
Proposed distribution of profit and loss			
Retained earnings		9,045,775	(2,209,861)
Proposed distribution of profit and loss		9,045,775	(2,209,861)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Acquired intangible assets		0	6,123
Intangible assets	3	0	6,123
Other investments		16,499,600	3,989,269
Other financial assets	4	16,499,600	3,989,269
Fixed assets		16,499,600	3,995,392
Cash		22,831	446,161
Current assets		22,831	446,161
Assets		16,522,431	4,441,553

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	5	90,879	90,879
Retained earnings		(364,851)	(9,410,626)
Equity		(273,972)	(9,319,747)
Other payables		15,135,935	13,514,228
Non-current liabilities other than provisions		15,135,935	13,514,228
Payables to shareholders and management		0	2,563
Other payables		1,660,468	244,509
Current liabilities other than provisions		1,660,468	247,072
Liabilities other than provisions		16,796,403	13,761,300
Equity and liabilities		16,522,431	4,441,553

Going concern

1

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	90,879	(9,410,626)	(9,319,747)
Profit/loss for the year	0	9,045,775	9,045,775
Equity end of year	90,879	(364,851)	(273,972)

Notes

1 Going concern

As of 31 December 2019 the equity is negative by DKK 0.3 million. Therefore, Management has assessed whether the Company can continue its activities at least until 31 December 2020. Management has concluded that by selling a few Tradeshift shares, the Company will be able to fund its ongoing operations and as such there is no uncertainty as to the Company will be able to continue its operations at least until 31 December 2020.

To secure a long-term viable situation, the Company has engaged in dialogue with Vækstfonden to discuss alternatives to the current loan conditions, since there is a significant risk that the Company will not be able to repay the loan from Vækstfonden in full in 2021, including interest. It is expected that such discussions will be completed before the loan matures in 2021.

2 Other financial expenses

	2019	2018
	DKK	DKK
Other interest expenses	1,621,707	1,447,953
Other financial expenses	3,122	5,763
	1,624,829	1,453,716

3 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	30,607
Cost end of year	30,607
Amortisation and impairment losses beginning of year	(24,484)
Amortisation for the year	(6,123)
Amortisation and impairment losses end of year	(30,607)
Carrying amount end of year	0

4 Financial assets

	Other investments DKK
Cost beginning of year	3,989,269
Additions	1,746,477
Cost end of year	5,735,746
Other adjustments	10,763,854
Revaluations end of year	10,763,854
Carrying amount end of year	16,499,600

5 Share capital

Shared capital comprise 11,566 A-shares and 79,313 B-shares.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises operating income less external expenses.

Other operating income

Other operating income comprises cash refunds and value of option for shares in Tradeshift as compensation for termination of collaboration.

Other external expenses

Other external expenses include corporate expenses.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains from sale of intangible assets.

Income from other fixed asset investments

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc on fixed asset investments which are not investments in group enterprises or associates.

Other financial expenses

Other financial expenses comprise interest expenses and currency losses.

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise an option which entitle the Company to exchange future profit/revenue shares from Tradeshift, from certain specific activities, to shares in Tradeshift.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.