

Black Swan Investments A/S

Amaliegade 10, 1256 København K

CVR no. 37 30 16 55

**Annual report for the period
1 January to 31 December 2020**

Adopted at the annual general meeting on 17 August
2021

Benjamin Robert
chairman



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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Black Swan Investments A/S for the financial year 1 January - 31 December 2020.

The annual report is prepared 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company at its Annual General Meeting.

Copenhagen, 6 August 2021

Executive board

Benjamin Robert

Supervisory board

Benjamin Robert

Pascal Marty

Vladimir Nicolas Basile Jules
Marie Piard Roland Cadet

Independent auditor's report

To the shareholders of Black Swan Investments A/S

Opinion

We have audited the financial statements of Black Swan Investments A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 the 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.

Independent auditor's report

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 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 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.

Independent auditor's report

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.

Copenhagen, 6 August 2021

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Henrik Sadolin Jørgensen
state authorised public accountant
MNE no. mne33281

Peter Aagesen
state authorised public accountant
MNE no. mne41287

Company details

The company	Black Swan Investments A/S Amaliegade 10 København K CVR no.: 12 56 Reporting period: 1 January - 31 December 2020 Incorporated: 15. December 2015 Domicile: Copenhagen
Supervisory board	Benjamin Robert Pascal Marty Vladimir Nicolas Basile Jules Marie Piard Roland Cadet
Executive board	Benjamin Robert
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

Management's review

Business review

Black Swan Investments A/S objective is to invest in information and communication technologies and other technology areas, including Socialtech, Fintech, Edutech and Healthtech which are empowered by Artificial Intelligence solutions; either in the form of share capital or convertible loans and other related investment instruments.

Financial review

The company's income statement for the year ended 31 December 2020 shows a loss of DKK 17.046.232, and the balance sheet at 31 December 2020 shows negative equity of DKK 7.459.390.

Black Swan Investments A/S has invested in the lateseed, earlygrowth and growth stages of a company's life cycle and does not invest in the more highly risk stages of preseed or seed. Black Swan Investments A/S is a followup fund coinvesting with local Angel Investors and Seed Venture Funds mainly in Europe with a great focus on the successful Nordic region.

A new shareholding group was assembled in late 2020, which invested into the company by acquiring newly issued shares in order to allow for the acquisition of Tradeshift shares under option. They requested and obtained a majority of the seats at the Board of Directors and started a review of the Executive Director's tenure. The conclusions of this review, while not final, led to the removal of the Executive Director and the termination of the investment management agreements he had caused the company to sign after the end of the reporting period.

Because of the mismanagement of the affairs of the Company that led to significant investment losses, the Company has indicated to the investment management firms it had concluded agreements with that no management fee would be paid or payable. We have nonetheless maintained the accrued expense related to past management fees.

The Company is now fully focused on increasing its exposure to Tradeshift through further acquisitions of shares if and when they become available and trying to maximize the value of its two remaining potential assets, BlueTown ApS and Taxeo. The new management team has also requested all parties involved in the mismanagement of the Company to provide compensation for some of the losses the Company has incurred.

Between the recovery of some of the funds lost by the Company and the sale of Tradeshift shares following its IPO, management expects that the Company will return to profitability in 2022 at the latest, and potentially as soon as 2021.

Management's review

Considerations about the continued operation (going concern)

The Company is a holding company for the assets and there are no significant costs related to the operation of the Company. The new shareholding group is committed to provide funding for any external costs associated with the legal proceedings in which the Company is engaged.

Significant events occurring after the end of the financial year

After the balance sheet date, the company has completed a cash capital increase, which affects the equity by DKK 38,964k. As such, the Company had returned to positive net equity after the completion of the capital increase.

No events, other than above mentioned have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2020	2019
		DKK	DKK
Gross profit		-1.283.750	-2.967.125
Financial costs	3	<u>-15.762.482</u>	<u>-77.111.360</u>
Profit/loss before tax		-17.046.232	-80.078.485
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u><u>-17.046.232</u></u>	<u><u>-80.078.485</u></u>
 Distribution of profit			
Retained earnings		<u>-17.046.232</u>	<u>-80.078.485</u>
		<u><u>-17.046.232</u></u>	<u><u>-80.078.485</u></u>

Balance sheet 31 December

	Note	2020	2019
		DKK	DKK
Assets			
Other fixed asset investments		32.881.406	17.906.500
Fixed asset investments		32.881.406	17.906.500
Total fixed assets		32.881.406	17.906.500
Other receivables		6.117.937	0
Receivables		6.117.937	0
Cash at bank and in hand		1.426.995	176.473
Total current assets		7.544.932	176.473
Total assets		40.426.338	18.082.973

Balance sheet 31 December

	Note	2020 DKK	2019 DKK
Equity and liabilities			
Share capital		12.345.816	12.345.816
Retained earnings		-19.805.206	-2.758.974
Total equity		-7.459.390	9.586.842
Prepayments capital increase		40.057.741	0
Trade payables		0	5.000
Payables to related parties		0	1.069.394
Other payables		7.827.987	7.421.737
Total current liabilities		47.885.728	8.496.131
Liability total		47.885.728	8.496.131
Total equity and liabilities		40.426.338	18.082.973
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	12.345.816	-2.758.974	9.586.842
Net profit/loss for the year	0	-17.046.232	-17.046.232
Equity at 31 December	12.345.816	-19.805.206	-7.459.390

Notes

	2020 DKK	2019 DKK
1 Staff costs		
Average number of employees	1	1

2 Special items

The company has recognized a revaluation (write-down) of other fixed asset investments of DKK 15,760 thousand in the financial costs.

	2020 DKK	2019 DKK
3 Financial costs		
Impairment losses on financial assets	15.759.580	77.110.097
Other financial costs	2.902	1.263
	15.762.482	77.111.360

4 Considerations about the continued operation (going concern)

The Company is a holding company for the assets and there are no significant costs related to the operation of the Company. The Company has denounced any financial commitments to the portfolio companies that had been agreed to by the now terminated investment manager. It has also indicated to the investment manager that no management fee will be paid for past services because of mismanagement. Investors are committed to providing the Company with the resources to meet any legal challenge. Furthermore a capital increase of approx. DKK 39 million has been conducted in the beginning of 2021.

Based thereon the financial statements have been prepared according to the ongoing concern principles.

Notes

5 Uncertainty in the recognition and measurement

Investments:

The Company invests in the late seed, early growth and growth stages of companies' life cycles and does not invest in the more highly risk stages of pre seed or seed. The Company is a follow on fund coinvesting with local Angel Investors and Seed Venture Funds mainly in Europe with a significant focus on the Nordic region.

Because of serious questions around the ability of some of its investments to turn a profit, the Company has decided to write down a significant portion of its portfolio in 2019 and further reduced the value of some of its investments in 2020.

6 Contingencies etc.

The Company is currently involved in two arbitration cases. Management assess that the cases will not result in material losses and as such no liability was included on the balance sheet.

Accounting policies

The annual report of Black Swan Investments A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Other external costs

Other external costs include expenses related to administration etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Other securities and investments, fixed assets

Other securities and investments are measured at cost. If cost exceed the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Income tax and deferred tax

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.