

**KNIGHT TECH FUND
AT AMSTERDAM**

Annual Report 2020

Jansen *Fiscaal adviseurs BV*
Schepers

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AUDITOR'S REPORT

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AUDITOR'S REPORT

Knight Tech Fund
Concertgebouwplein 21
1071 LM Amsterdam

| <i>Reference</i> | <i>Processed by</i> | <i>Date</i> |
|------------------|---------------------|-------------|
| 2717 | LC | May 6, 2021 |

Dear Board of directors,

We hereby send you the report regarding the financial statements for the year 2020 of your company .

1 COMPILATION REPORT

To the board of directors

The financial statements of Knight Tech Fund at Amsterdam have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2020 and the profit and loss account for the year 2020 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Knight Tech Fund. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Maarn, May 6, 2021

Jansen Schepers Fiscaal Adviseurs B.V.
L. Correljé



Knight Tech Fund, Amsterdam

2 GENERAL

2.1 Company

Knight Tech Fund is based in Amsterdam, The Netherlands, and was founded in 2020.

BOARD OF DIRECTORS REPORT

2020

In 2020, the return of the Knight Tech Fund was +127.8%, net of fees and expenses. This compares to 18.40% for the S&P 500 Index and 47.58% for the NASDAQ-100, measured in U.S. dollars, and including dividends.

2020 has been a strong year for our businesses, and it is our conviction that we are just getting started. The wild thing is that the companies we own are in the early innings of capturing the opportunity right in front of them. The digitalization of our lives will unlock and create trillions of dollars in value and continue to drive a tectonic shift of wealth within society. It is our mission to participate in the thriving winners of our time.

We own businesses that we believe will be worth significantly more in 2025. For example, in June we bought a pre-IPO stake in Palantir. The company was viewed as a secretive company due to the nature of its clients and it was clear to us that management understood the need to become more open and grow the enterprise business. At the price we bought, both pre-IPO and at the IPO, the equity had much more upside than downside.

Palantir is operating a software platform that functions as the digital infrastructure for data-driven operations and decision making. The software helps to structure and capture context in data of large corporations. Gotham, the platform for governments and defense clients, focuses on investigative workflows. Governments are increasingly realizing that they have to deal with serious data challenges and cyber risk. As most governments cannot attract the most talented software engineers, they need private enterprises such as Palantir to help them build solid infrastructure. Gotham is a solid cash generating business with significant upside as governments cannot build software in-house. Foundry, software for enterprises, is used by companies for example to build safer cars and airplanes or accelerate cancer research. The speed to onboard new clients is improving and revenues will grow faster than expenses.

Another example is Spotify, which has a long runway of growth ahead. It is our task to figure out how sustainable the exponential growth of every firm is. The forces that drive companies into the sky eventually abate and every firm will at some point lose relevance. The more interesting question is if a business can sustain high and profitable growth for much longer than consensus thinks is possible? We all assume that there will be a reverse to the mean at some point. Yet, companies such as Google, Amazon, and Microsoft, have surprised the world by continuing to grow faster than most small companies despite their USD 1 trillion + market caps.

Knight Tech Fund, Amsterdam

2021

The secular digital trends were already in place for years, yet the pandemic has finally opened up the eyes of many and broke old habits that were being continued mostly out of complacency. Businesses are now forced to rethink their entire technology stack.

As technology becomes increasingly engrained in our lives, one cannot easily define a 'tech' industry anymore. We can speak about a beer sector, yet there is no technology sector in the same way. The leader in every industry is going to be a business that is data driven. This requires an excellent digital architecture. Also all established franchises such as Lindt & Sprüngli and Colgate Palmolive need to be data driven (both recently launched their stores on Shopify).

As the world will emerge from the pandemic there is a fair chance that we are going to see the highest demand for leisure travel ever. Other things will be changed forever, as some habits have been broken and many eyes opened to the importance of having an agile digital infrastructure that can adapt as the world changes. Over the next decade, stunning businesses will emerge, and huge fortunes will be made in the digitalization of our personal and professional lives.

We are happy to work with such a nice team and looking forward to another interesting year.

The Knight Tech Fund team

Signing of the financial statements

Amsterdam, May 6, 2021

F.J.G.M. Groenewoud
Managing Director Knight Tech Fund

FINANCIAL STATEMENTS

Balance sheet as at December 31, 2020

Profit & loss account from 2020

Notes to the Statements

Notes to the balance sheet as of December 31, 2020

Notes to the profit & loss account from 2020

Knight Tech Fund, Amsterdam

1 BALANCE SHEET AS AT DECEMBER 31, 2020
(after appropriation of results)

| | December 31, 2020 | |
|-------------------------|-------------------|------------|
| | € | € |
| ASSETS | | |
| Investments long | | |
| Equity securities | (1) | 11,092,083 |
| Current assets | | |
| Cash and deposits | (2) | 2,563,309 |

13,655,392

LIABILITIES

Fund Capital

Paid in unit capital
Other reserves

| | December 31, 2020 | |
|------------------------------|-------------------|------------|
| | € | € |
| | <hr/> | |
| | December 31, 2020 | |
| | <hr/> | |
| (3) | € | € |
| | 9,287,612 | |
| | 2,918,376 | |
| | <hr/> | |
| | | 12,205,988 |
| Current liabilities | (4) | |
| Accruals and deferred income | | 1,449,404 |

13,655,392

2 PROFIT AND LOSS ACCOUNT OVER 2020

| | <u>Balance 2020</u> |
|---|-------------------------|
| | € |
| Income | |
| Investment income | (5) 3,509,831 |
| Expenses | |
| Costs of management and accounting | |
| General expenses | (6) 12,164 |
| Operating costs | (7) 1,479,825 |
| | <u>1,491,989</u> |
| Result | <u><u>2,017,842</u></u> |

3 NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Activities

The activities of Knight Tech Fund mainly consist investment activities.

General information

The Fund is an investment fund (beleggingsfonds) as referred to in Article 1:1 of the Wft. The Fund is not a legal entity, but the aggregate of the assets less an amount equal to all accrued debts, liabilities and obligations of the Fund, in which monies or other assets are called or received for the purpose of collective investment by the Participants, as governed by the Prospectus.

The actual address of Knight Tech Fund is Weteringschans 28 in Amsterdam.

Going concern

The manager is convinced that the fund has enough equity and assets to continue. Moreover, the manager is not aware of any material uncertainties that cast doubt on the Fund's ability to continue. Therefore, the financial statements are prepared based on going concern.

Net Asset Value

The Net Asset Value (and the Net Asset Value per Participation) will be expressed in euro (EUR) and determined at the close every month by the Manager as stated in the relevant supplement to the prospectus.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The aggregated financial statements of the Fund have been prepared in accordance with the statutory provisions of Part 9, Book 2, of The Netherlands Civil Code.

Initial recognition financial instruments

On initial recognition, financial instruments (assets and liabilities) are measured at fair value and directly attributable transaction and transaction related expenses. The fair value upon initial recognition under normal circumstances would be the transaction price of the financial instrument at the trade date. If financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction and transaction related expenses are directly recognized in the income statement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value is determined by the Manager on an instrument-by-instrument basis.

- When financial instruments are traded in an active market, the quoted market price is the best indication of fair value. The Fund uses the price of the most recent transaction (close price) as the quoted market price.
- In circumstances whereby the close price is not a reliable indication of the fair value (i.e. the market is not active, the market is not sufficiently developed or the volumes being transacted are limited), valuation techniques can be used to determine a reliable fair value.
- Commonly used valuation techniques are comparison to fair value of instruments with similar characteristics, discounted cash flow and option models. When using the discounted cash flow technique, the reporting entity uses the discount rate applicable to comparable financial instruments with regard to terms and characteristics, including credit standing of the counterparty, the agreed interest rate period, the remaining maturity and the currency of the payment.

Foreign currency

Translation of foreign currency

Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Foreign currency transaction gains and losses on financial instruments at fair value are included in the income statement as part of the 'Value adjustments of investments and other assets'.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Equity securities

Equity securities

Investments in listed equity securities are stated at fair value following their initial recognition. Changes in the fair value are recognized in the income statement.

Cash and deposits

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

Investment result consists of direct income from investments, realized and unrealised income from investments and other assets less the related costs. In general, income en expenses are attributed to the period to which they belong.

Dividend income is recognized when the Fund's right to receive has been established, normally being the exdividend date. Dividend income is recognized net of withholding tax deducted at the source, if any.

The indirect income from investments and other assets' includes all realized gains and losses on disposal of investments and all unrealized changes in the market value of investments and foreign exchange gains and losses with respect cash and cash equivalents.

The realised results from financial instruments represents the difference between the sale price and the historical cost price less recognised unrealised result previous years. The cost price is calculated on the basis of first-in first-out (FIFO). The unrealised result represents the difference between the cost price, or market value of a financial instrument at the beginning of the year, and its market value at the end of the year. These results are divided by product and split in profits and losses in the notes of the income statement.

Expenses

Expenses are accounted for in the income statement on the basis of the accrual method. Exceptions to this are transaction and transaction related expenses incurred when purchasing financial instruments. These expenses are included in the cost price of the financial instrument. Expenses incurred in the sale of financial instruments are deducted from the proceeds.

Taxes

The Fund is structured as transparent for Dutch tax purposes. The Fund is from corporate income tax perspective, "closed funds for joint account" (besloten fondsen voor gemene rekening). This means that the Fund is fiscally transparent and is therefore not subject to Dutch corporate income tax or dividend withholding tax if applicable. However dividends and interest income on debt securities received by the Fund can be subject to withholding tax deducted at the source.

4 NOTES TO THE BALANCE SHEET AS OF DECEMBER 31, 2020

ASSETS

1. Equity securities

| | <u>12/31/2020</u> |
|--------------------------|--------------------------|
| | € |
| Equity securities | |
| Binck Bank | 10,514,568 |
| Palantir | <u>577,515</u> |
| | <u><u>11,092,083</u></u> |

CURRENT ASSETS

2. Cash and deposits

| | |
|------------|-------------------------|
| Binck Bank | <u><u>2,563,309</u></u> |
|------------|-------------------------|

Aanhouding activa

EQUITY AND LIABILITIES

| | <u>12/31/2020</u> |
|------------------------------|--------------------------|
| | € |
| 3. Reserves and funds | |
| Paid in unit capital | 9,287,612 |
| Other reserves | <u>2,918,376</u> |
| | <u><u>12,205,988</u></u> |

Knight Tech Fund, Amsterdam

| | 2020 |
|-----------------------------------|------------------|
| | € |
| <i>Paid in unit capital</i> | |
| Carrying amount as of June 5 | 635,927 |
| Subscriptions and redemptions | 8,651,685 |
| Carrying amount as of December 31 | <u>9,287,612</u> |

Other reserves

| | |
|---|------------------|
| Carrying amount as of June 5 | 900,534 |
| Allocation of financial year net result | 2,017,842 |
| Carrying amount as of December 31 | <u>2,918,376</u> |

4. Current liabilities

Trade creditors

Other liabilities and Accruals and deferred income

| | 12/31/2020 |
|-------------------------------------|------------------|
| | € |
| Accruals and deferred income | |
| Management fee | 13,941 |
| Participation Administration Fees | 1,513 |
| Audit costs | 469 |
| Performance fee | 1,428,984 |
| Other | 4,497 |
| | <u>1,449,404</u> |

5 NOTES TO THE PROFIT AND LOSS ACCOUNT 2020

| | Balance 2020 |
|-----------------------------------|------------------|
| | € |
| 5. Investment income | |
| (Un) realised result | 3,487,441 |
| Dividend | 23,893 |
| Interest | -1,503 |
| | <u>3,509,831</u> |
| Other operating expenses | |
| 6. General expenses | |
| Audit costs | 938 |
| Transaction costs | 10,122 |
| Other costs | 1,104 |
| | <u>12,164</u> |
| 7. Operating costs | |
| Management fee | 47,312 |
| Participation Administration Fees | 3,529 |
| Performance fee | 1,428,984 |
| | <u>1,479,825</u> |

Signing of the financial statements

Adoption of the financial statements

The financial statements are created and adopted by the management respectively the General Meeting.

Amsterdam, May 6, 2021

F.J.G.M. Groenewoud
Managing Director Knight Tech Fund