



March 5 of 2020.

To the Shareholder of
Designit Colombia S.A.S.

Report about financial statements

We have audited the balance sheets of DESIGNIT COLOMBIA S.A.S., as of December 31, 2019 and the 2018 and related statements of income, changes in stockholders' equity, changes in financial position and cash flows for the year then ended and notes including a summary of significant accounting policies. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements and notes to financial statements were translated into English from statements originally issued in Spanish. All amounts are stated in Colombian Pesos (Col\$). The statements are presented on the basis of generally accepted accounting principles in Colombia. Certain accounting principles applied by the Company in accordance with the International Financial Reporting Standards (IFRS) and comply with Colombia law.

Responsibility of Statutory Auditor

We conducted our audits in accordance with International Standards on Auditing (ISAs) and Colombia Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly the financial position of DESIGNIT COLOMBIA S.A.S., as of December 31, 2019 and 2018, and the results of its operations, the changes in its stockholders' equity and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) and comply with Colombia law.

Miembro de



Kra. 43 A No. 15 sur – 15 Of. 802
Código Postal: 0502 Medellín, Colombia.
Tif. +57 4 5203736
www.auren.com

AUREN CONSULTORES MEDELLÍN S.A.S



Key audit matter

During the year 2019, the shareholder capitalized the Company in COP\$ 2,421 million, increasing the equity to offset losses as of December 31, 2018. However, as of December 31, 2019, the Company's equity by COP\$ 168 million and according to the Law in Colombia, the Company should be liquidated, because the losses have reduced the equity below 50% of the common stock. Also, there is a formal communication by the shareholder to guarantee the obligations with his creditors. The financial statements have been prepared assuming, that the Company will continue as a going concern.

A handwritten signature in black ink, appearing to be "Istaél Lenis Cardona".

Istaél Lenis Cardona
Statutory Auditor
Professional Register No. 77335-T

A large, faint, light-colored watermark of the Auren logo is visible in the background, centered horizontally and partially overlapping the signature area.

Miembro de



Kra. 43 A No. 15 sur – 15 Of. 802
Código Postal: 0502 Medellín, Colombia.
Tif. +57 4 5203736
www.auren.com

AUREN CONSULTORES MEDELLÍN S.A.S


DESIGNIT COLOMBIA S.A.S.
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2019 AND 2018
(All amounts in COP thousands, unless otherwise stated)


Assets	Note	2019	2018	Liabilities	Note	2019	2018
Current Assets				Current Liabilities			
Cash and cash equivalents	4	873.302	1.793.079	Financial obligations	12	25.324	25.628
Trade and accounts receivable	5	1.076.252	367.271	Suppliers accounts payable	13	20.681	3.345
Other accounts receivable	6	833.150	0	Current tax liabilities	8	773.552	179.051
Current tax assets	7	996.139	668.196	Employee benefits	14	162.589	156.675
				Provisions	15	296.119	46.422
				Deferred income	16	0	78.753
Total Current Assets		3.778.843	2.828.546	Total Current Liabilities		1.278.265	489.874
Non-Current Assets				Non-Current Liabilities			
Investments at cost	8	9.180	2.730	Lease liability	9	205.727	0
Investments at amortized cost	8	88.171	84.698	Long-term other accounts payable	17	2.679.339	3.674.320
Right-of-use asset	9	169.146	0	Total Non-Current Liabilities		2.885.066	3.674.320
Property, plant and equipment	10	197.850	269.886				
Prepaid expenses	11	15.208	0	Total Liabilities		4.163.331	4.164.194
Deferred tax assets	7	72.563	73.951	Equity			
				Issued capital	18	2.631.356	210.000
Total Non-current Assets		552.118	431.265	Profit (loss) for the year	18	(1.296.814)	(539.307)
				Retained earnings	18	(1.166.912)	(575.076)
				Total Equity		167.630	(904.383)
Total Assets		4.330.961	3.259.811	Total Liabilities and Equity		4.330.961	3.259.811

Some reclassifications between assets and liabilities have been done for a more faithful representation of this financial statements
The complementary notes are an integral component of this financial statements


Pilar Bermúdez (May 7, 2020)

BEATRIZ DEL PILAR BERMÚDEZ NÚÑEZ
Legal representative
See attached certification


ISTAEL LENIS CARDONA
Statutory Auditor
TP.: 77335 -T
See attached certification


Juan Harbey Durango Styles (May 7, 2020)
JUAN HARBEY DURANGO STYLES
Public Accountant
TP.: 194162-T
See attached certification

DESIGNIT COLOMBIA S.A.S.
PROFITS AND LOSSES STATEMENT
FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018
(All amounts in COP thousands, unless otherwise stated)

CONTINUING OPERATIONS	Note	2019	2018
Ordinary revenue	19	6.911.799	7.325.313
Cost of services	20	(6.319.274)	(4.190.185)
Gross profit		592.525	3.135.128
Administrative expenses	21	(1.748.385)	(2.586.063)
Selling expenses	22	(346.238)	(471.405)
Operating results		(1.502.098)	77.660
Net finance costs	23	(41.409)	(243.438)
Other revenue and expenses	23	248.081	96.847
Loss before taxes		(1.295.426)	(68.931)
Tax estimate (provision)	7	(1.388)	(470.376)
Profit (Loss) from continuing operations after taxes		(1.296.814)	(539.307)


Pilar Bermúdez (May 7, 2020)

BEATRIZ DEL PILAR BERMÚDEZ NÚÑEZ

Legal representative

See attached certification



ISTAEL LENIS CARDONA

Statutory Auditor

TP.: 77335 -T

See attached certification


Juan Harbey Durango Styles (May 7, 2020)

JUAN HARBEY DURANGO STYLES

Public Accountant

TP.: 194162-T

See attached certification

DESIGNIT COLOMBIA S.A.S.**CASH FLOW STATEMENT****FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018**

(All amounts in COP thousands, unless otherwise stated)

	2019	2018
Cash flow from operating activities		
Profit (loss) for the year	(1.295.426)	(68.931)
Adjustments for		
Property, plant and equipment depreciation	208.516	122.220
Provisions	249.697	(133.480)
Effect of change in IFRS 16	(15.948)	0
Cash (used in) generated from operations	(853.161)	(550.567)
Changes in operating assets and liabilities		
(Increase) decrease from trade and accounts receivable	(708.981)	151.025
(Increase) decrease from other accounts receivable	(833.150)	1.219
(Increase) decrease from current tax assets	(327.943)	(240.351)
Increase (decrease) from suppliers accounts payable	1.443.711	1.206.080
Increase (decrease) from employee benefits	5.914	22.422
Increase (decrease) from current tax liabilities	594.501	68.162
Increase (decrease) from deferred income	(78.753)	78.753
(Increase) decrease from prepaid expenses	(15.208)	0
Net cash (used in) generated from operating activities	(773.070)	736.743
Cash flow from investing activities		
(Increase) decrease from investments	(9.923)	(2.065)
(Increase) decrease from property, plant and equipment	(136.480)	29.414
Net cash (used in) generated from investing activities	(146.403)	27.349
Cash flow from financing activities		
Increase (decrease) from financial obligations	(304)	(32.452)
Net cash (used in) generated from financing activities	(304)	(32.452)
Net increase (decrease) in cash and cash equivalents	(919.777)	731.640
Cash and cash equivalents at beginning of the year	1.793.079	1.061.439
Cash and cash equivalents, end of the year	873.302	1.793.079

Pilar Bermúdez (May 7, 2020)

BEATRIZ DEL PILAR BERMÚDEZ NÚÑEZ**Legal representative**

See attached certification

ISTAEL LENIS CARDONA**Statutory Auditor****TP.: 77335 -T**

See attached certification

Juan Harbey Durango Styles (May 7, 2020)

JUAN HARBEY DURANGO STYLES**Public Accountant**

TP.: 194162-T

See attached certification

DESIGNIT COLOMBIA S.A.S.
STATEMENT OF CHANGE IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018
(All amounts in COP thousands, unless otherwise stated)

	Issued capital	Profit (loss) for the year	Retained earnings	Total
Stated as of 31 December 2017	210.000	(958.137)	383.061	(365.076)
Transfers and Apropiations	0	958.137	(958.137)	0
Profit (loss) for the year	0	(539.307)	0	(539.307)
Stated as of 31 December 2018	210.000	(539.307)	(575.076)	(904.383)
Stated as of 31 December 2018	210.000	(539.307)	(575.076)	(904.383)
Transfers and Apropiations	2.421.356	539.307	(539.307)	2.421.356
Effect of change implementation of IFRS	0	0	(52.529)	(52.529)
Profit (loss) for the year	0	(1.296.814)	0	(1.296.814)
Stated as of 31 December 2019	2.631.356	(1.296.814)	(1.166.912)	167.630


Pilar Bermúdez (May 7, 2020)

BEATRIZ DEL PILAR BERMÚDEZ NÚÑEZ

Legal representative

See attached certification



ISTAEL LENIS CARDONA

Statutory Auditor

TP.: 77335 -T

See attached certification


Juan Harbey Durango Styles (May 7, 2020)

JUAN HARBEY DURANGO STYLES

Public Accountant

TP.: 194162-T

See attached certification

EXPLANATORY NOTES TO COMPARATIVE FINANCIAL STATEMENTS 2019-2018

(All amounts in COP thousands, unless otherwise stated)

Note 1 Company Overview

Designit Colombia S.A.S. (hereinafter, the Company), was constituted by private document on December 14th, 2015, initially registered in the Chamber of Commerce of Bogotá on December 21st of the same year and, subsequently, registered in the Chamber of Commerce of Medellín for Antioquia on March 11th, 2016.

Its main domicile is in the city of Medellín, street 48 No. 20 - 114 Block 2, office 921.

The financial statements and explanatory notes completed as of December 31, 2019 and were authorized for issuance to the General Assembly on February 28, 2019.

The corporate purpose of the Company includes the following main activities:

- a. Consulting and services for total quality management and processes of quality certification, distribution and sale of training courses; dedication by third parties to create, project, distribute and supervise promotional marketing campaigns; implementation of marketing strategies and business organization, market studies, design, advice and conducting of advertising campaigns on behalf of third parties, through the necessary means of dissemination, as well as the monitoring and control of their development, creation of programs and campaigns for direct marketing, public relations, design, production and marketing of all kinds of reports, montages and reproductions by photography, audiovisual or information media, selection and training of sale teams, senior and intermediate managers, as well as the advice and optimization of human resources, consulting and development of systems for the improvement of the quality of companies and entities.
- b. Directing and managing the economic activities of the companies that have previously been owned, and in which there is control of the company's management, and of the own shares held, through the corresponding organization of material and personal means.
- c. Entering into partnership and association agreements with companies that have similar purposes or the incorporation of other companies with purposes complementary to those of the company's main purpose.
- d. Providing technical services and technical, administrative or commercial assistance that require the development of its main activities, as well as the representation of national or foreign entities or natural persons in activities specific to the development of the corporate purpose.

- e. The commercialization, distribution, export, import and marketing of all kinds of goods,
- f. The commercial exploitation of trademarks, slogans, trade signs, commercial names, names of addresses, industrial secrets, invention patents, utility models, industrial designs and copyright.
- g. The development of complementary activities related to its main purpose. In general, the company may execute all acts and enter into all contracts related to the activities described above, whose purpose is to exercise the rights or comply with legal obligations or conventionally derived from the existence and operation of the company.

The Company was constituted by Designit Spain Digital S.L. (Spain), as recorded in Act No. 001 registered in the Chamber of Commerce of Bogotá on December 21, 2016, this being its sole shareholder and controlling company with 100% of shares owned by it.

Given to the cumulative losses as of December 2018, the General Assembly decided to capitalize the accounts payable due to Designit Spain Digital S.L. increasing the social capital in \$2,421,356.

Note 2 Bases and preparation assumptions

Financial statements and explanatory notes

The financial statements presented for the years ended as of December 31, 2019 and 2018 have been prepared in accordance with the international financial reporting standards (IFRS) applicable in Colombia, established by Law 1314 of 2009, and regulated by Decree 2270 of 2019.

The present set of financial statements, prepared under IAS 1, is composed of:

Statement of financial position
Profits and losses statement
Statement of changes in equity
Cash flow statement and,
Explanatory notes

Responsibility

The Management of the Company is responsible for the information contained in these financial statements. The preparation of these, under the presentation rules mentioned above, require the use of judgments and assumptions for the application of accounting policies.

Estimates and accounting judgments

In the preparation of these financial statements, accounting estimates and judgments have been used by Management, considering the best information available at the date of preparation of the financial statements. These accounting estimates and judgments are related to:

- a. The going business hypothesis
- b. The valuation of financial assets at cost and amortized cost, according to their fundamental characteristics.
- c. The useful life of plant, property and equipment.
- d. The accrual of employee benefits, such as unemployment bonus, interest on unemployment bonus and others
- e. The recognition of estimated liabilities and provisions.

Relative importance and materiality

The recognition and presentation of economic facts are determined according to their relative importance. An economic fact is considered material when, due to its nature or amount, its knowledge or ignorance, considering the circumstances, can significantly influence the economic decisions of the users of the information. The relative importance for purposes of presenting financial statements has been established at 10% of the total net income generated as of December 31, 2019, that is, \$783.411.

Presentation of financial statements

The statement of financial position has been prepared under the assumption of liquidity, that is, by denominating current assets or liabilities to those items that are expected to be disposed of or realized in a period no longer than 12 months after the period in which it is reported. Non-current assets or liabilities are those that do not comply with the previous statement.

The profits and losses statement has been prepared according to the category that, in accordance with the Management, most appropriately reflects the information on revenues, costs and expenses, in terms of income from ordinary activities, sale costs, income or financial expenses and other.

The statement of changes in equity is prepared based on changes in equity items from one period to another.

The cash flow statement is prepared based on cash inflows and outflows, in appropriate categories according to their relationship with ordinary, financing and investment activities.

Accrual basis Accounting

The financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

Functional currency

The functional currency for all purposes is the Colombian peso, legal currency in Colombian territory.

In the case of operations in foreign currencies such as euros and dollars, these are recognized on the date of their occurrence at the official exchange rate published by the Bank of the Republic of Colombia, updated monthly.

Debt or Equity

Debt and equity instruments are presented as financial liabilities or equity, in accordance with the essence of the contractual agreement.

Related parties

Transactions between related parties are those transfers of resources, services and obligations between the Company and its related parties.

The Company considers its direct parent company, Designit Spain Digital S.L, the parent of the latter, Designit A/S, and the other entities, joint ventures and permanent establishments abroad under the Designit franchise as related parties.

Besides, the following are understood as related parties: the operations carried out with the key personnel of the administration, which may include the legal and alternate representative and their relatives, the members and directors of the General Assembly of Shareholders and their relatives, as well as those entities over which they have control and management capacity.

None of the transactions carried out with related parties incorporates particular terms and conditions, the transactions carried out with their related parties do not differ substantially from those carried out with third parties, nor do they imply differences with the market prices for similar operations, purchases and sales are made in similar conditions for those that exist between independent parties.

Note 3 Accounting policies

The financial statements as of December 31st, 2019 have been prepared using the same accounting policies, measurements and bases used for the presentation of the financial statements for the annual period ended December 31st, 2018 in accordance with IFRS accepted in Colombia, established by Law 1314 of 2009, without making use of any of the exceptions allowed.

Résumé of Relevant Accounting Policies

Financial Instruments. This group is made up of cash and bank accounts. Short-term accounts payable and receivables are recognized at their initial value.

Property, plant and equipment. The cost of and item of property shall be recognized as an asset if, and only if: a) It is probable that future economic benefits associated with the item will flow to Designit and b) the cost can be measured reliably. Method of depreciation is straight line.

Asset	Useful life	Amount to Depreciate	Threshold	Residual value
Leasehold improvements	7 years (or lease term if less)	Includes costs of buying, delivery of furniture, fixtures/fittings, partition wall and cost of electrical installation, architects, laborer/fitters etc.	>€ 0,00	€ 0,00
Furniture, Fixtures and Fittings	5 years	Purchase price + delivery costs and duties	>€ 500,00 per item	€ 0,00
Computer, IT and other equipment	2 years	Purchase price + delivery costs and duties	>€ 1.000,00 per item	€ 0,00
Vehicles	4 years	Purchase price minus residual value of 15-25%	>€ 0,00	15-25% of the purchase price
Air conditioner	6 years	Purchase price + delivery costs and duties + costs of installation	>€ 1.000,00 per item	€ 0,00

Lease contracts. The company applies IFRS 16 to recognize the right-of-use assets and the lease liability derived from the initial recognition and subsequent measurement of lease contracts for its main offices in Medellín, Colombia.

Revenue. Each transaction (contract) is recognized individually, on the condition that the consideration and the degree of advancement can be measured reliably.

Employment benefits. All employment benefits are short-term perks.

Transactions in foreign currencies. All transactions must be recognized using Colombian legal tender.

Intangibles. The Company shall recognize the cost of an intangible as an asset only if it is an insurance contract.

Note 4 Cash and cash equivalents

This group is composed as follows:

	December 2019	December 2018
Cash and cash equivalents	\$ 873,302	\$ 1,793,079

At the end of the reporting periods, this group had no restrictions or levies on its use. There is no general cash, petty cash or funds in bills or coins. The balances correspond to bank accounts only.

Note 5 Trade and accounts receivable

This group is composed as follows:

	December 2019	December 2018
Trades receivable	\$ 1,076,252	\$ 367,271

The balance as of 2019, in detail, is as follows:

Designit Perú S.A.C.	\$ 4,347
Novartis de Colombia	\$ 8,412
Fiduciaria Bancolombia	\$ 34,380
Yanbal de Colombia	\$ 86,755
Income recognition	\$ 409,656
Ericsson de Colombia	\$ 532,702
Balance as of 2019	\$ 1,076,252

The balance corresponding to this item as of December 2018 is composed of accounts receivable for \$ 367,271 due to the development of different projects in both Greece and Israel relating to services provided to develop banking softwares and other related activities.

Note 6 Other accounts receivable

	December 2019	December 2018
Other accounts receivable	\$ 833,150	\$ 0

This group, at the end of 2019, is an account receivable owed by the Colombian Tax Authority as a result of refund requested due to tax payments in excess by withholdings applied by customers and clients.

Note 7 Current taxes, balances in favour and against and deferred tax

Balances in favour

The following is a detail, by type of tax, of the balances in favour, which were determined once the tax statements were prepared:

	December 2019	December 2018
Balance in favor - Corporate Tax	\$ 673,337	\$ 583,900
Balance in favor – Ind. and Com. Tax	\$ 2,476	\$ 84,296
Balance in favor – VAT	\$ 320,326	\$ 0
Balance in favor	\$ 996,139	\$ 668,196

Balances against

Below, the balances against are detailed, which were determined once the tax statement was prepared:

	December 2019	December 2018
Value Added Tax	\$ 0	\$ 89,191
Withholdings	\$ 773,552	\$ 89,860
Current Taxes and Balances against	\$ 773,552	\$ 179,051

Note 8 Investments measured at initial cost and amortized cost

	December 2019	December 2018
Investments measured at historical cost	\$ 9,180	\$ 2,730
Investments at amortized cost	\$ 88,171	\$ 84,698

At the end of the reporting periods, this group consists of one deposit in guarantee measured at historical cost, originated as collateral in the subscription of one rent contract in Bogotá D.C. At the end of which, the deposit will be transferred back to the Company.

The other item corresponds to a TDC measured at amortized cost, recognizing an income for financial returns monthly. TEA 4.10%. Automatic renewal. 360-day term.

Balance December 2017	\$	81,363
Financial returns	\$	3,335
Balance December 2018	\$	84,698
Financial returns	\$	3,473
Balance December 2019	\$	88,171

Note 9 Right-of-use asset and lease liability

For the right-of-use asset, the amounts are as follow:

	December 2019	December 2018
Right-of-use asset, initial	\$ 279,679	\$ 0
Depreciation	\$ 110,533	\$ 0
Right-of-use asset, net	\$ 169,146	\$ 0

For the lease liability, the amounts are as follow:

	December 2019	December 2018
Lease liability	\$ 205,757	\$ 0
Lease liability	\$ 205,757	\$ 0

Implicit interests paid total \$13,251.

Payments to principal total \$126,484.

Discounted interest rate is 6,39% Annually.

Note 10 Property, plant and equipment

The following are the cost, additions, withdrawals and depreciation of property, plant and equipment movements that occurred in the year 2019 and 2018:

	Furniture	Computers	Total
Cost to December 2017	\$ 323,420	\$ 138,933	\$ 462,353
Additions	\$ 37,915	\$ 42,540	\$ 80,455
Withdrawals	\$ 0	\$ 0	\$ 0
Cost to December 2018	\$ 361,335	\$ 181,473	\$ 542,808
Depreciation to December 2017	\$ 17,293	\$ 23,539	\$ 40,832
Depreciation expense	\$ 120,044	\$ 112,046	\$ 232,090
Depreciation withdrawal	\$ 0	\$ 0	\$ 0
Depreciation to December 2018	\$ 137,337	\$ 135,585	\$ 272,922
PPE net to December 2018	\$ 223,998	\$ 45,888	\$ 269,886

	Furniture	Computers	Lease improvements	Total
Cost to December 2018	\$ 361,335	\$ 181,473	\$ 0	\$ 542,808
Additions	\$ 0	\$ 6,971	\$ 18,976	\$ 25,947
Withdrawals				0
Cost to December 2019	\$ 361,335	\$ 188,444	\$ 18,976	\$ 568,755
Depreciation to December 2018	\$ 137,337	\$ 135,585	\$ 0	\$ 272,922
Depreciation expense	\$ 56,962	\$ 37,308	\$ 3,713	\$ 97,983
Depreciation withdrawal				0
Depreciation to December 2019	\$ 194,299	\$ 172,893	\$ 3,713	\$ 370,905
PPE net to December 2019	\$ 167,036	\$ 15,551	\$ 15,263	\$ 197,850

For information regarding the accounting policy of property, plant and equipment, including depreciation, useful life, activation and withdrawal methodology, see **Note 3**.

Up to date, there are no elements of property, plant and equipment whose ownership is restricted, or assets held as pledged or in guarantees of debts.

Note 11 Prepaid expenses

As of December 2019, the Company has a balance of \$ 15,208 originated in prepayments of the health insurance for employees, which covers a period of 12 months and which is valid until April 2020.

	December 2019	December 2018
Prepayments	\$ 15,208	\$ 0
Prepayments	\$ 15,208	\$ 0

Note 12 Financial obligations

At the end of December 2019 and 2018, the financial obligations are composed of three credit cards with Bancolombia, used for the purchase of goods and services required in the development of the operations of the business, such as the purchase of air tickets, lodging and ground transportation services.

	Decembre 2019	Decembre 2018
Financial obligations	\$ 25,324	\$ 25,628

Note 13 Suppliers accounts payable

At the end of December, the following balance information is presented:

	Decembre 2019	Decembre 2018
Suppliers accounts payable	\$ 20,661	\$ 3,345

The following is the detailed composition of the balances:

As of 2018

Silvana Restrepo Ramírez	\$	72
Viajes Molitur S.A.S.	\$	494
Hotel T3 Tirol	\$	2,779
Balance 2018	\$	3,345

As of 2019

Juanita Castaño Alzate	\$	8
Velez Escobar Andres Felipe	\$	12
Gomez Jaramillo Alejandra	\$	18
Gutierrez Molina Catalina	\$	20
Raphael Alex De Sousa	\$	37
Escobar Rengifo Carmen	\$	42
Sangiorgio Jessica	\$	76
Barrera Rego Maria Ana	\$	78
Perdomo Villegas Natalia	\$	117
Castaño Gomez Santiago	\$	143
José Edimer Quintero Libreros	\$	150
Laura Llanos Garcia	\$	183
Sangiorgio Jessica	\$	190
LinkedIn Ireland Unlimited	\$	270
Maakal Systems S.A	\$	1,320
Focusvision Worldwide Inc	\$	6,728
Designit Colombia S.A.S.	\$	11,290
Balance 2019	\$	20,681

Note 14 Employee benefits

This item is comprised of the provisioned and consolidated balances of the social benefits to which each employee is entitled as of the time of their contractual relationship with the Company, as well as the other social security contributions such as pension and health contribution.

Employee benefits are shown as follows:

	December 2019	December 2018
Consolidated Unemployment bonus	\$ 86,646	\$ 98,431
Unemployment bonus interests	\$ 9,791	\$ 0
Consolidated holidays	\$ 23,773	\$ 19,896
Other social security benefits	\$ 42,379	\$ 38,348
Employee benefits	\$ 162,589	\$ 156,675

Employees who earn a salary equal to or greater than 10 SMLMV are considered integral salaries, therefore, they are not entitled to those benefits, except for holidays, since it is replaced by the integral portion equivalent to 3 SMLMV.

Note 15 Estimated liabilities and provisions

At the end of December 2019, the balance corresponds to provisioned costs for support and technical services in the development of projects provided by Wipro Limited, a company which in turn is the parent company of Designit Spain Digital S.L.

At the end of December 2018, the balance corresponds to provisioned costs for retention bonus to be given to key personnel.

	December 2019	December 2018
Provisions	\$ 296,119	\$ 46,422
Estimated liabilities and provisions	\$ 296,119	\$ 46,422

These provisions are recognized to reflect the outflows that would probably have to be incurred to settle the obligations derived from the technical support received by the entity, since at the end of the reporting period and until the date of approval of these financial statements, there was no information that could reflect a situation contrary to their imminent payment.

Note 16 Deferred Income

As of December 2018, the entity presented an amount of \$ 78,753 for deferred income, derived from billing performed over the services rendered, which resulted in the invoiced surplus being treated as income to be deferred, which will be recognized as ordinary income from contracts with customers insofar as the entity is effectively providing the contracted service. For 2019, this class of item was not presented in the balance sheet.

Note 17 Accounts payable to related parties

The long-term Accounts payable correspond to the following amounts:

	December 2019	December 2018
LT Accounts payable	\$ 2,679,339	\$ 3,674,320
LT Accounts payable	\$ 2,679,339	\$ 3,674,320

For 2018, the detail is as follows:

Designit Spain Digital S.L.	\$ 138,162
Designit A/S	\$ 3,514,747
Designit Perú S.A.C.	\$ 21,411
Balance 2018	\$ 3,674,320

For 2019, the detail is as follows:

Cooper Software Inc.	\$ 2,836
Designit Spain Digital S.L.	\$ 310,622
Designit A/S	\$ 652,614
Wipro Limited	\$ 1,713,267
Balance 2019	\$ 2,679,339

These accounts payable correspond to the following concepts:

- Technical services and technical assistance
- Costs and shared expenses for management and administration
- Participation of joint projects
- Other reimbursable expenses

Note 18 Equity

Social Capital

As of December 31st, 2018, the authorized capital is represented by 210,000,000 common shares with voting rights, with a nominal value of \$ 1 each. 100% of the authorized capital is paid. 100% of ordinary shares are owned by Designit Spain Digital L.S.

Due to the retained losses as of 2018, the shareholders of the company decided unanimously to capitalize long-term accounts payable in order to increase the authorized social capital in \$2,421,356 whose equity shares have a price of \$1 COP.

Below the comparative amounts:

	December 2019	December 2018
Social capital	\$ 2,631,356	\$ 210,000
Social capital	\$ 2,631,356	\$ 210,000

As of today, no privileges have been granted on the shares, nor are restrictions or encumbrances imposed on them.

Result of the reporting year and accumulated results.

At the end of the reporting period, the Company obtained a total loss of \$1,296,112 for 2019 and \$539,307 for 2018. The cumulative result is \$1,166,912

Note 19 Ordinary activities revenue

The ordinary activities revenue is detailed as follows:

	December 2019	December 2018
Consulting and Management	\$ 6,296,832	\$ 5,674,228
Foreign Consulting and Management	\$ 348,236	\$ 2,194,610
Income Recognition – advancement degree	\$ 6,611,897	\$ 9,323,123
Total gross revenue	\$ 13,256,965	\$ 17,191,961
Returns, rebates and discounts	\$ (6,345,166)	\$ (9,866,648)
Total net revenue	\$ 6,911,799	\$ 7,325,313

Note 20 Costs of services

This item corresponds to the costs directly associated with the provision of consulting and management services, in the development of innovation projects and workshops, such as payroll expenses (including employee benefits, social security and other social security benefits) of the person hired for the development of the aforementioned activities, fees for specialized advice, general services, leasing, travel expenses such as ground transport and air tickets and other expenses for field activities, stationery and items intended for contracted activities.

	December 2019	December 2018
Personnel	\$ 2,526,556	\$ 2,239,108
Fees	\$ 3,641,703	\$ 1,874,661
Taxes	\$ 3,558	\$ 542
Renting	\$ 34,055	\$ 24,900
Services	\$ 997	\$ 410
Travel expenses	\$ 94,802	\$ 37,154
Sundry	\$ 17,603	\$ 13,410
Costs of services	\$ 6,319,274	\$ 4,190,185

Note 21 Administrative Expenses

This group corresponds to expenses related to administrative, sales and financial activities such as: payroll (including employee benefits, social security and other social security benefits), office leasing, public and related services, maintenance and repairs as well as improvements to the office and its movable property, stationery expenses, travel expenses to develop administrative activities, insurance and policies, as well as financial expenses, exchange differences, bank commissions, among others.

	December 2019	December 2018
Personnel	\$ 288,050	\$ 256,073
Fees	\$ 775,631	\$ 1,180,785
Taxes	\$ 106,640	\$ 490,655
Renting	\$ 84,775	\$ 182,801
Policy	\$ 390	\$ 0
Services	\$ 57,978	\$ 71,788
Legal activities	\$ 3,130	\$ 4,745
Maintenance	\$ 24,314	\$ 1,743
Repair and others	\$ 1,096	\$ 1,149
Travel expenses	\$ 125,581	\$ 138,351
Depreciation	\$ 208,516	\$ 122,220
Sundry	\$ 72,284	\$ 135,753
Administrative expenses	\$ 1,748,385	\$ 2,586,063

Note 22 Selling expenses

This item corresponds to selling expenses incurred in marketing activities to booster business relations and sales.

	December 2019	December 2018
Per diem	\$ 8,711	\$ 1,984
Fees	\$ 245,153	\$ 366,171
Taxes	\$ 1,625	\$ 1,851
Renting	\$ 3,000	\$ 200
Services	\$ 0	\$ 4,264
Legal activities	\$ 6	\$ 228
Travels	\$ 45,269	\$ 78,278
Marketing	\$ 30,038	\$ 10,104
Sundry	\$ 12,436	\$ 8,325
Selling expenses	\$ 346,238	\$ 471,405

Note 23 net finance costs and other revenue and expenses

This item corresponds mainly to the financial returns generated by the savings and CDT accounts opened with Bancolombia S.A., as well as the effect of fluctuations in exchange rates on transactions carried out in euros, mainly.

Note 24. Transactions between related parties

See below all transactions between related parties:

	Revenue		Costs and Expenses	
	December 2019	December 2018	December 2019	December 2018
Designit A/S	\$ 18,428	\$ 13,335	\$ 169,842	\$ 559,070
Designit Spain Digital S.L.	\$ 224,790	\$ 348,530	\$ 805,629	\$ 1,599,026
Designit Perú S.A.C.	\$ 37,069	\$ 1,397,163	\$ 348,711	\$ 76,916
Designit TLV Ltd.	\$ 0	\$ 167,474	\$ 0	\$ 0
Cooper Software Inc.	\$ 6,915	\$ 0	\$ 12,344	\$ 0
Wipro Limited	\$ 0	\$ 0	\$ 2,803,336	\$ 0
Wipro Colombia	\$ 0	\$ 0	\$ 363,213	\$ 0
Totals	\$ 287,202	\$ 1,926,502	\$ 4,503,075	\$ 2,235,012

The following are expenses related to payments of Designit executives:

	Costs and Expenses	
	December 2019	December 2018
Directors	\$ 422,949	\$ 120,673

Note 25 Operating leases

The Company has only operating leases where it acts as a lessee, being these related to the rental of its office in Bogotá for a renewable term of 1 year, as well as rental of commercial premises, equipment and apartments to host foreign personnel hired to provide specific services in consulting and project management. The following figures are presented below:

	December 2019	December 2018
Leases	\$ 118,831	\$ 207,701

Note 26 Events occurred after the reporting period

No events took place after the reporting period that could imply a significant impact on the financial statements.