



STATUTORY AUDITOR'S REPORT

To the Management of Designit Colombia S.A.S., in Liquidation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Designit Colombia S.A.S. in Liquidation, which comprise the statement of Net Assets in Liquidation as of December 31, 2020, and the statement of Changes in Net Assets in Liquidation, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Net Assets in Liquidation of the Company as of December 31, 2020, and Changes in Net Assets in Liquidation for the year then ended in accordance with the regulatory technical framework for financial reporting for entities that do not comply with the going concern assumption, Decree 2101 of 22 December 2016.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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)* together with the ethical requirements that are relevant to our audit of the financial statements in Colombia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



- Designit Colombia S.A.S. in Liquidation, by means of Shareholders' Meeting Act No. 15, approves the early dissolution of the company in accordance with the provisions of the law. I reviewed the preparation of the Inventory of Social Patrimony, which included the list of assets and liabilities of the entity, in accordance with article 62 of Decree 2101 of 2016, in Colombia.
- As mentioned in Note 10 of the accompanying Financial Statements, as of December 31, 2020, the Entity presented accounts payable to related parties of COP\$2.967 million. I reviewed the corresponding balances by confirmation and document review, finding no material differences and evidencing the reasonableness of the amount.
- As mentioned in Note 11 of the accompanying Financial Statements, as of December 31, 2020, the Company presents a provision corresponding to a penalty of COP\$21 million. A confirmation process was carried out with the legal department of the Entity and the recognition of the liability was verified, due to its high probability of loss.
- As mentioned in note 7 of the accompanying Financial Statements, as of December 31, 2020, Designit has income tax receivables of COP\$175 million and trade local tax (ICA) receivables of COP\$65 million, for which the Management has reasonable expectations that the Entity will be able to recover the balances. I verified that the balances correspond with the returns filed and that the company complies with the requirements for requesting refunds.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs applied in Colombia, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are 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 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.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in



extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Medellín, February 23, 2021.

Mª Alejandra Hernández R.

Maria A. Hernández R.

External Auditor

Professional Card No. 255926 - T

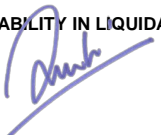
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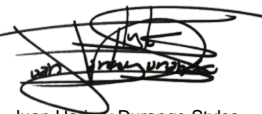
DESIGNIT COLOMBIA S.A.S. EN LIQUIDACIÓN**STATEMENT OF CHANGE IN NET ASSET IN LIQUIDATION
FOR PERIODS ENDING 31 OCTOBER AND 31 DECEMBER 2020**

(All amounts in COP thousands, unless otherwise stated)

SHAREHOLDERS' EQUITY, ending 31 December 2018 (Prepared under the ongoing concern principle)		(904.383)
PROFIT (LOSS), for the period between 1st January and 31st December 2019 (Prepared under the ongoing concern principle)		(1.296.814)
Capitalization effect		2.421.356
IFRS 16 application effect		(52.529)
SHAREHOLDERS' EQUITY, ending 31 December 2019 (Last period with financial statements under the ongoing concern principle)		167.630
Adjustment for applying the net liquidation value principle (Adjustment to assets, liabilities and cost/income recognition for liquidation process)		(1.691.302)
NET LIABILITY IN LIQUIDATION, ending 31 October 2020		(1.523.672)
COMPANY'S STATEMENT OF OPERATIONS IN LIQUIDATION		
Income		212.146
Sale of assets	6.161	
Financial income	2.515	
Currency translation	<u>203.470</u>	
Expenditures		(467.290)
Fees	7.699	
Taxes	29.781	
Rent	8.040	
Services	11.957	
Procedures	1.168	
Other expenses	2.815	
Financial expenditures	865	
Currency translation	384	
Taxes - assumed	382.551	
Penalties and default interests	21.497	
Corporate tax	<u>532</u>	
LOSS DUE TO LIQUIDATION PROCESS		(255.144)
NET LIABILITY IN LIQUIDATION, ending 31 December 2020		(1.778.816)



Florestán Mascías Santa María
Company liquidator
(See attached certification)



Juan Harbey Durango Styles
Accountant
TP: 194162-T
(See attached certification)

Mª Alejandra Hernández R.
Maria Alejandra Hernández Roa
External Auditor
On behalf of Auren Consultores Medellín S.A.S.
TP: 255926-T
(See attached report)

DESIGNIT COLOMBIA S.A.S. EN LIQUIDACIÓN

**STATEMENT OF NET ASSETS IN LIQUIDATION
FOR PERIODS ENDING 31 OCTOBER AND 31 DECEMBER 2020**

(All amounts in COP thousands, unless otherwise stated)

		31 de December 2020	31 de October 2020
Assets	Note		
Cash and cash equivalents	4	970.026	450.123
Accounts receivable	5	-	559.144
Investments at amortized cost	6	-	91.173
Current tax assets	7	240.168	548.250
Total Assets		1.210.194	1.648.690
Liabilities			
Current tax liabilities	8	352	1.722
Accounts payable	9	120	9.656
Accounts payable with related parties	10	2.967.470	3.160.985
Provisions	11	21.067	-
Total Liabilities		2.989.010	3.172.362
Net Asset (Liability) in liquidation	12	(1.778.816)	(1.523.672)



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EXPLANATORY NOTES TO COMPARATIVE FINANCIAL STATEMENTS

(All amounts in COP thousands, unless otherwise stated)

Note 1 Company overview

Designit Colombia S.A.S. en Liquidación (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.

The Company does not have a current domicile due to its liquidation.

The corporate purpose until the liquidation process started, included below 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

Once the liquidation process was initiated, corporate main purpose is focused on achieving the complete cessation of the business, including legal, tax and related activities aiming at closing down the Company.

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

Shareholders agreed upon closing down the entity during meeting held on September 15th, 2020. Decision was officially submitted at the Chamber of Commerce of Medellin on October 21st, 2020. The reasons for the termination of businesses are based on difficulties to carry out business operations due to the Pandemic and other related burdens imposed by the Government such as restrictions on free movements and lockdowns.

The set of financial statements for 2020 have been prepared abiding by Decree 2101 of 2016 which establishes the accounting framework for entities under liquidation process that no longer apply the ongoing concern basis.

Note 2 Liquidation plan

The liquidation process under which the Company has established its working route corresponds to a voluntary liquidation under Colombia private law.

Note 3 Bases and preparation assumptions

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 net liquidation value basis.

- b. For cash and cash equivalent, the net liquidation value is the undiscounted amount.
- c. For current taxes assets the net liquidation value is the undiscounted amount expected to be paid/recovered.
- d. For liabilities, the net liquidation value is the undiscounted amount expected to be paid to settle the liability or receive to transfer it.

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.

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.

Financial Instruments

This group is made up of cash and bank accounts. Short-term accounts payable and receivables are recognized at their initial value which is the undiscounted amount.

Note 4 Cash and cash equivalents

Account	Account name	31 October	31 December
11100501	BANCOLOMBIA CUENTA CORRIENTE	448,059	970,026
11200501	BANCOLOMBIA CUENTA DE AHORROS	2,064	0
	TOTAL	450,123	970,026

Note 5 Accounts receivable

Account	Account name	Customer	31 October	31 December
130505	NACIONALES	MUCHO COLOMBIA SAS	397,812	0
130510	DEL EXTERIOR	WIPRO DO BRASIL LTDA	161,332	0
		TOTAL	559.144	0

Note 6 Financial instruments measured at amortized cost

Account	Account name	31 October	31 December
1225	AL COSTO AMORTIZADO (RESULTDO)	91,173	0
	TOTAL	91,173	0

Note 7 Current tax assets

Account	Account name	31 October	31 December
135510	ANTICIPO MENSUAL ICA	45,605	0
135515	RETEFUENTE EN RENTA	116,314	0
135517	IVA RETENIDO	730	0
135518	INDUSTRIA Y COMERCIO RETENIDO	1,124	0
135519	AUTORRENTA	19,110	0
13552001	SALDO A FAVOR DECLARACIÓN RENTA	0	174,776
13552002	SALDO A FAVOR DECLARACIÓN IVA	362,891	0
13552003	SALDO A FAVOR DECLARACIÓN ICA	2,476	65,392
	TOTAL	548,250	240,168

Note 8 Current tax liabilities

Account	Account name	31 October	31 December
2365	RETEFUENTE POR PAGAR	1,436	352
2369	AUTORRENTA POR PAGAR	286	0
	TOTAL	1,722	352

Note 9 Accounts payable

Account	Account name	Provider	31 October	31 December
233510	GASTOS LEGALES	JESSICA VILLAREAL ESCOBAR	6	120
233526	HONORARIOS	MAAKAL SYSTEMS S.A	2,740	0
233530	SERVICIOS TÉCNICOS	JOSE EDIMER QUINTERO LIBREROS	150	0
233545	TRANSPORTE	MARIA ALEJANDRA RINCON VALENCIA	30	0
233575	PAGOS AL EXTERIOR	FOCUSVISION WORLDWIDE INC	6,730	0
	TOTAL		9,656	120

Note 10 Accounts payable with related parties

Account	Account name	Provider	Balance EUR/USD	31 October Balance COP	31 December Balance COP
233575	PAGOS AL EXTERIOR	DESIGNIT A/S	EUR 175	783,155	733,499
233576	PAGOS AL EXTERIOR	DESIGNIT A/S	USD 345	1,327,934	1,184,075
233575	PAGOS AL EXTERIOR	WIPRO LIMITED	0	1,049,896	1,049,896
		TOTAL		3,160,985	2,967,470

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 11 Provisions

The Company accrued for a highly expected penalty of 21,067 COP as a result of a migration lawsuit for hiring foreign personnel in 2016 whose enrollment was not reported on time to the Colombian control authorities.

Note 12 Equity

Authorized capital is represented by 2,631,356 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.

Note 13 Corporate tax

Corporate tax for 2020 is 532 COP calculated using the basis of presumptive income, (1,661 COP) to which the general rate is applied 32%.

Note 14 Expected liquidation costs

The Company expects to incur liquidation costs of one hundred million COP (\$100.000). For liquidation purposes we abide by article 71 of law 1116 of 2006.

Note 15 Cash transactions movement

Below, the main cash operations are displayed, either inflow or outflow.

Results from the period	-	255,144
<u>Transactions which do not affect cash</u>		
Accruals and provisions		21,067
Total cash in operations	-	234,077
<u>Changes in operational assets and liabilities</u>		
Change in accounts receivable		559,144
Change in current taxes		306,712
Change in account payables and related parties	-	203,050
Total net cash in operations		428,730
<u>Changes in investments assets and liabilities</u>		
Change in investments measured at amortized cost		91,173
Total net cash in investments		91,173
Net increase/decrease in cash and cash equivalent		519,903
Cash and cash equivalent at the beginning of the period		450,123
Cash and cash equivalent at the end of the period		970,026