



March 22st of 2019.

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, 2018 and the 2017 and related statements of income, changes in stockholders' equity, changes in financial position and cash flows for the years then ended. 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 audits.

The financial statements and notes to financial statements were translated into English from statements originally issued in Spanish. All amounts are stated in thousands of Colombian Pesos (Col\$). The statements are presented on the basis of generally accepted accounting principles in Colombia. Certain accounting principles applied by the Company that conform with the generally accepted accounting principles applied in Colombia may not conform with generally accepted accounting principles in other countries.

Responsibility of Statutory Auditor

We conducted our audits in accordance with generally accepted auditing standards in Colombia. 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.

Miembro de



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AUREN CONSULTORES MEDELLÍN S.A.S



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, 2018 and 2017, and the results of its operations, the changes in its stockholders' equity and its cash flows for the years then ended, in conformity with accounting principles accepted in Colombia.

Emphasis paragraph

The Company presented negative equity by \$ 904 millions and according to the Colombian Law it is cause of liquidation. However, the Company has complied with its obligations and there is a formal communication from the shareholder to continue responding to the liabilities. The Financial Statements have been prepared assuming that the Company will be continue as going concern.



Sd

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

Miembro de



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DESIGNIT COLOMBIA S.A.S.
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2018 AND 2017

(All amounts in COP thousands, unless otherwise stated)

	2018	2017	2018	2017
Assets			Liabilities	
Current Assets				
Cash and cash equivalents	\$ 1,793,079	\$ 1,061,439	\$ 25,628	\$ 58,080
Investments at cost	0	4,000	3,345	203
Trade and accounts receivable	367,271	518,296	179,051	121,072
Other accounts receivable	0	1,219	156,675	134,253
Current tax assets	668,196	336,638	46,422	179,902
Total Current Assets	2,828,546	1,921,592	489,874	493,510
Non-Current Assets				
Investments at historical cost	2,730	0	3,674,320	2,471,382
Investments at amortized cost	84,698	81,363	10,183	0
Property, plant and equipment	269,866	421,520	3,684,503	2,471,382
Deferred tax assets	84,134	175,341	4,174,377	2,964,392
Total Non-Current Assets	441,448	678,224		
Total Assets	\$ 3,269,994	\$ 2,599,816		
Current Liabilities				
Financial obligations				
Suppliers accounts payable				
Current tax liabilities				
Employee benefits				
Provisions				
Deferred income				
Total Current Liabilities				
Non-Current Liabilities				
Long-term other accounts payable				
Deferred tax liabilities				
Total Non-Current Liabilities				
Total Liabilities				
Equity				
Issued capital			210,000	210,000
Profit (loss) for the year			(539,307)	(958,137)
Retained earnings			(575,076)	383,061
Total Equity			(904,383)	(365,076)
Total Liabilities and Equity			\$ 3,269,994	\$ 2,599,816

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FLORESTÁN MASCÍAS SANTAMARÍA
 Substitute legal representative

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DESIGNIT COLOMBIA S.A.S.
PROFITS AND LOSSES STATEMENT
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
 (All amounts in COP thousands, unless otherwise stated)

CONTINUING OPERATIONS	2018	2017
Ordinary revenue	\$ 7,325,313	\$ 5,749,722
Cost of services	(4,190,185)	(2,253,219)
Gross profit	3,135,128	3,496,503
Administrative expenses	(2,586,063)	(4,258,146)
Selling expenses	(471,405)	(4,026)
Operating results	77,660	(765,669)
Finance income	3,346	9,552
Finance costs	(136,747)	(376,670)
Other expenses	(577,252)	(33,071)
Loss before taxes	(632,993)	(1,165,858)
Other revenue	564,062	38,472
Tax estimate (provision)	(470,376)	169,249
(Provision) CREE surcharge	0	0
Profit (Loss) from continuing operations after taxes	\$ (539,307)	\$ (958,137)

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DESIGNIT COLOMBIA S.A.S.**CASH FLOW STATEMENT**

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(All amounts in COP thousands, unless otherwise stated)

	2018	2017
Cash flow from operating activities		
Profit (loss) for the year	\$ (539,307)	\$ (958,137)
Adjustments for		
Property, plant and equipment depreciation	122,220	65,107
Provisions	(133,480)	37,744
Cash (used in) generated from operations	(550,567)	(855,286)
Changes in operating assets and liabilities		
(Increase) decrease from trade and accounts receivable	152,244	751,420
(Increase) decrease from current tax assets	(240,351)	(511,979)
Increase (decrease) from suppliers accounts payable	0	(1,322,533)
Increase (decrease) from other accounts payable	1,206,080	2,402,116
Increase (decrease) from employee benefits	22,422	55,337
Increase (decrease) from current tax liabilities	68,162	(1,092,928)
Increase (decrease) from deferred income	78,753	
Net cash (used in) generated from operating activities	736,743	(573,853)
Cash flow from investing activities		
(Increase) decrease from investments	(2,065)	(7,205)
(Increase) decrease from property, plant and equipment	29,414	(93,135)
Net cash (used in) generated from investing activities	27,349	(100,340)
Cash flow from financing activities		
Increase (decrease) from en obligaciones financieras	(32,452)	37,993
Net cash (used in) generated from financing activities	(32,452)	37,993
Net increase (decrease) in cash and cash equivalents	731,640	(636,200)
Cash and cash equivalents at beginning of the year	1,061,439	1,697,639
Cash and cash equivalents, end of the year	\$ 1,793,079	\$ 1,061,439

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DESIGNIT COLOMBIA S.A.S.
STATEMENT OF CHANGE IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017
 (All amounts in COP thousands, unless otherwise stated)

	Issued capital	Profit (loss) for the year	Retained earnings	Total
Stated as of 31 December 2016	\$ 210,000	\$ 383,916	\$ (855)	\$ 593,061
Transfers and Appropriations	0	(383,916)	383,916	0
Profit (loss) for the year	0	(958,137)	0	(958,137)
Stated as of 31 December 2017	\$ 210,000	\$ (958,137)	\$ 383,061	\$ (365,076)
Stated as of 31 December 2017	\$ 210,000	\$ (958,137)	\$ 383,061	\$ (365,076)
Transfers and Appropriations	0	958,137	(958,137)	0
Total Liabilities and Equity	0	(539,307)	0	(539,307)
Stated as of 31 December 2018	\$ 210,000	\$ (539,307)	\$ (575,076)	\$ (904,383)

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**EXPLANATORY NOTES TO COMPARATIVE FINANCIAL STATEMENTS
2018-2017**

(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, 2017 and 2016 were authorized for issuance to the General Assembly on March 10, 2018.

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.

Note 2 Bases and preparation assumptions

Financial statements and explanatory notes

The financial statements presented for the years ended as of December 31, 2018 and 2017 have been prepared in accordance with the international financial reporting standards (IFRS) applicable in Colombia, established by Law 1314 of 2009, and regulated by the Decrees 2420 of 2015, 2496 of 2015, 2131 of 2016, and 2170 of 2017. All the aforementioned decrees incorporated in Decree 2483 of 2018.

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, 2017, that is, \$ 789.272.

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 Denmark 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, 2018 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, 2017 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 an 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. Most lease contracts are recognized as operating leases, unless the decision to buy the property at the end of the contract is irreversible. Additional, given that IFRS 16 is due to come into effect as of 1st January 2019, the entity is evaluating its implementation and impact.

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 2018	December 2017
Cash and cash equivalents	\$ 1,793,079	\$ 1,061,439

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 Investments and financial instruments

Current investments

	December 2018	December 2017
Investments measured at historical cost	\$ 0	\$ 4,000

Non-Current investments

	December 2018	December 2017
Investments measured at historical cost	\$ 2,730	\$ 0

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 2016	\$	78,158
Financial returns	\$	3,204
Balance December 2017	\$	81,363
Financial returns	\$	3,335
Balance December 2017	\$	84,698

This deposit has been reclassified from current asset to non-current asset due to the fact that the entity no longer expects to realize it during the following 12 months from the reporting period.

Note 6 Commercial debtors

	December 2018	December 2017
Commercial debtors	\$ 367,271	\$ 518,296

The balance corresponding to this item is composed of accounts receivable for \$ 518,296 as of 2017, derived from the recognition of the consideration to be received, by the method of advancement degree, for the services provided to customers, under the contracts that on December 31st, 2017 were in force and under progress.

Below is the composition of the balance recognized by advancement degree, which includes both the recognized revenue component in the profits and losses statement And the VAT component driven to the balance sheet:

SURA	\$	441,787	*
EPSA	\$	76,509	**
Balance December 2017	\$	518,296	

* Advancement degree of the contract at approx. 80% related to the completion of activities aiming at the creation of a new business model through a methodology of discovery and innovation, which allows the acceleration of the voluntary savings business.

The renewal and extension of the contract to carry out an additional phase is in the process of a high-level discussion.

** Advancement degree of the contract at 100%, related to the completion of training workshops on creative problem solving.

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 7 Other accounts receivable

Viajes Molitur S.A.S.	\$	1,010
Hexxa S.A.S.	\$	31
Uber Colombia S.A.S.	\$	95
Sin Es 3 S.A.S.	\$	75
Mika 70 S.A.S.	\$	8
Balance December 2017	\$	1,219

The balance corresponding to this item is related to accounts receivable, different from ordinary activities, because of returns requested for excess payments or purchases of goods or services canceled or not received.

In December 2018 there were no items to be presented in the financial statement.

Note 8 Current taxes, balances in favor and against and deferred tax

Balances in favor

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

	December 2018	December 2017
Balance in favor - Corporate Tax	\$ 583,900	\$ 280,403
Balance in favor – Ind. and Com. Tax	\$ 84,296	\$ 56,235
Balance in favor – Ind. and Com. Tax	\$ 668,196	\$ 336,638

Balances against

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

	December 2018	December 2017
Value Added Tax	\$ 89,191	\$ 21,816
Withholdings	\$ 89,860	\$ 90,659
Accrued CREE Tax	\$ 0	\$ 0
Ind. and Com. Tax	\$ 0	\$ 8,596
Current Taxes and Balances against	\$ 179,051	\$ 121,071

Corporate Tax Calculation

Corporate Tax was determined based on the profit (loss) of the year, which was increased or decreased by items with accounting incidence, but not fiscal, in accordance with the tax legislation applicable in Colombia.

Fiscal and accounting conciliation is as follows:

	December 2018	December 2017
Profit (Loss) of the year	\$ (539,307)	\$ (958,137)
More (+) non-deductable costs		
Accounting provisions	\$ 1,233,333	\$ 37,744
Payed taxes	\$ 83,258	\$ 64,578
Assumed foreign withholdings	\$ 419,149	\$ 211,211
Depreciations and amortizations	\$ 47,431	\$ 4,688
Assumed social security payments	\$ 22,158	\$ 1,718
Moratorium interests	\$ 0	\$ 411
Not realized exchange differences	\$ 487,548	\$ 345,604
Last year costs and expenses	\$ 0	\$ 26,091
Not recognized Fiscal expenses	\$ 91,821	\$ 0
Fines and penalties	\$ 11,433	\$ 6,980
Deferred Tax	\$ 101,390	\$ (169,249)
Tax Provision	\$ 368,986	\$ 0
Minus (-) Non-fiscal revenue		
Deferred revenue	\$ (101,149)	\$ 0
Liquid Income (Loss) for the year	\$ 2,226,051	\$ (428,361)

Determination of presumptive income

The presumptive income was determined based on the liquid income of the immediate previous year that was determined in the profits and losses statement, applying a rate of 3.5%. The detail of its determination is presented below:

	December 2018	December 2017
Previous year liquid assets	\$ 0	\$ 1,160,380
Presumptive income	\$ 0	\$ 40,613

In 2018 there was no calculation since the liquid income of previous year was zero or negative.

Given that the Company, at the end of the reporting period as of 2017, was within the third year of progressive income of Law 1429 of 2010, as amended by Law 1819 of 2016, the rate was determined as follows:

$$\text{Tax rate} = 9\% + (34\% - 9\%) * 25\%$$

Given that the Company, at the end of the reporting period as of 2018, was within the third forth of progressive income of Law 1429 of 2010, as amended by Law 1819 of 2016, the rate was determined as follows:

$$\text{Tax rate} = 9\% + (33\% - 9\%) * 0.5$$

Deferred tax

The deferred tax asset is determined based on the temporary differences between the accounting information and those fiscally accepted. Its composition is explained as follows:

	December 2018	December 2017
Fiscal loss	\$ 0	\$ 137,562
Depreciation	\$ 50,337	\$ 0
Accounting provisions	\$ 12,534	\$ 37,779
Deferred income	\$ 21,263	\$ 0
Deferred tax assets	\$ 84,134	\$ 175,341

The deferred tax liability is determined based on the temporary differences between the accounting information and those fiscally accepted. Its composition is explained as follows:

	December 2018	December 2017
Fixed asset cost	\$ 10,183	\$ 0
Deferred tax liabilities	\$ 10,183	\$ 0

Its impact on the profits and losses statement is as follows:

	Diciembre 2018	Diciembre 2017
Income from deferred tax	\$ 84,134	\$ 175,341
Expense from deferred tax	\$ (10,183)	\$ 0
Deferred tax reversal	\$ (175,341)	
Current corporate tax	\$ (368,986)	\$ (6,092)
Income (Expense) from taxes	\$ (470,376)	\$ 169,249

Note 9 Property, plant and equipment

The following are the cost, additions, withdrawals and depreciation of property, plant and equipment movements that occurred in the year 2018 and 2017:

	Furniture	Computers	Total
Cost to December 2016	\$ 340,827	\$ 94,636	\$ 435,463
Additions	\$ 33,377	\$ 59,757	\$ 93,134
Withdrawals	\$ (50,784)	\$ (15,460)	\$ (66,244)
Cost to December 2017	\$ 323,420	\$ 138,933	\$ 462,353
Depreciation to December 2016	\$ 32,849	\$ 9,121	\$ 41,971
Depreciation expense	\$ 34,799	\$ 30,307	\$ 65,106
Depreciation withdrawal	\$ (50,355)	\$ (15,889)	\$ (66,245)
Depreciation to December 2017	\$ 17,293	\$ 23,539	\$ 40,832
PPE net to December 2017	\$ 306,127	\$ 115,394	\$ 421,521

	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

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 10 Financial obligations

At the end of December 2018 and 2017, 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.

	December 2018	December 2017
Financial obligations	\$ 25,628	\$ 58,080

Note 11 Suppliers accounts payable

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

	December 2018	December 2017
Suppliers accounts payable	\$ 3,345	\$ 203

The following is the detailed composition of the balances:

As of 2017

Señal Market S.A.S.	\$	109
Uber Colombia S.A.S.	\$	94
Balance 2017	\$	203

As of 2018

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

Note 12 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 2018	December 2017
Consolidated Unemployment bonus	\$ 98,431	\$ 76,467
Unemployment bonus interests	\$ 0	\$ 7,920
Consolidated holidays	\$ 19,896	\$ 14,505
Other social security benefits	\$ 38,348	\$ 35,361
Employee benefits	\$ 156,675	\$ 134,253

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 13 Estimated liabilities and provisions

At the end of December 2017, the balances correspond 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 balances correspond to provisioned costs for retention bonus to be given to key personnel.

	December 2018	December 2017
Provisions	\$ 46,422	\$ 179,902
Estimated liabilities and provisions	\$ 46,422	\$ 179,902

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 14 Accounts payable to related parties

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

	December 2018	December 2017
LT Accounts payable	\$ 3,674,320	\$ 2,471,382
LT Accounts payable	\$ 3,674,320	\$ 2,471,382

Broken down by entity as of 2017, it is observed that the highest amount owed corresponds to the parent company or direct controlling entity Designit Spain Digital S.L., followed by Designit A / S, entity that in turn has control links over Designit Spain Digital S.L.

Designit Spain Digital S.L.	\$	500,565
Designit A/S	\$	1,970,816
Balance December 2017	\$	2,471,382

For 2018, the detail is as follows:

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

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 15 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 2017, this class of item was not presented in the balance sheet.

Note 16 Equity

Social Capital

As of December 31st 2018, and 2017 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.

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 loss of \$ 539,307 for 2018 and \$ 958,137 for 2017. The cumulative result for the years 2016 and beyond amounts to \$383,061.

Note 18 Ordinary activities revenue

The ordinary activities revenue is detailed as follows:

	December 2018	December 2017
Consulting and Management	\$ 5,674,228	\$ 4,465,978
Foreign Consulting and Management	\$ 2,194,610	\$ 1,698,606
Income Recognition – advancement degree	\$ 9,323,123	\$ 435,543
Total gross revenue	\$ 17,191,961	\$ 6,600,127
Returns, rebates and discounts	\$ (9,866,648)	\$ (850,406)
Total net revenue	\$ 7,325,313	\$ 5,749,721

Note 19 Other revenue

This revenue 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 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 2018	December 2017
Personnel	\$ 2,239,108	\$ 1,919,488
Fees	\$ 1,874,661	\$ 84,410
Taxes	\$ 542	\$ 462
Renting	\$ 24,900	\$ 31,912
Policy	\$ -	\$ 516
Services	\$ 410	\$ 33,000
Travel expenses	\$ 37,154	\$ 152,533
Sundry	\$ 13,410	\$ 30,898
Costs of services	\$ 4,190,185	\$ 2,253,219

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 2018	December 2017
Personnel	\$ 256,073	\$ 223,921
Fees	\$ 1,180,785	\$ 2,996,150
Taxes	\$ 490,655	\$ 273,212
Renting	\$ 182,801	\$ 220,374
Policy	\$ 0	\$ 449
Services	\$ 71,788	\$ 95,668
Legal activities	\$ 4,745	\$ 12,809
Maintenance	\$ 1,743	\$ 2,112
Repair and others	\$ 1,149	\$ 2,841
Travel expenses	\$ 138,351	\$ 243,195
Depreciation	\$ 122,220	\$ 65,107
Amortization	\$ 0	\$ 3,100
Sundry	\$ 135,753	\$ 119,208
Administrative expenses	\$ 2,586,063	\$ 4,258,146

Note 22. Transactions between related parties

See below all transactions between related parties:

	Revenue		Costs and Expenses	
	December 2018	December 2017	December 2018	December 2017
Designit Denmark A/S	\$ 13,335	\$ 13,997	\$ 559,070	\$ 730,229
Designit Spain S.L.	\$ 348,530	\$ 580,948	\$ 1,599,026	\$ 2,170,880
Designit Perú S.A.C.	\$ 1,397,163	\$ 671,648	\$ 76,916	\$ 0
Designit TLV LTDA	\$ 167,474	\$ 0	\$ 0	\$ 0
Total	\$ 1,926,502	\$ 1,266,593	\$ 2,235,012	\$ 2,901,109

The following are expenses related to payments of Designit executives:

	Costs and Expenses	
	December 2018	December 2017
Executives	\$ 120,673	\$ 158,703

Note 23 Operating leases

The Company has only operating leases where it acts as a lessee, being these related to the rental of its offices in Medellín and Bogotá for a renewable term of 3 years, 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 2018	December 2017
Leases	\$ 207,701	\$ 391,459

Note 24 Events occurred after the reporting period

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

