

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Designit Oslo AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Designit Oslo AS, which comprise the balance sheet as at March 31st 2021, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at March 31st 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and 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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 25 May 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Kjetil Andersen
State Authorised Public Accountant (Norway)

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Kjetil Andersen

Statsautorisert revisor

På vegne av: EY

Serienummer: 9578-5992-4-2398085

IP: 37.191.xxx.xxx

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Designit Oslo AS

Annual report 31.03.2021

Board of directors' report

Annual accounts

- **Income statement**
- **Balance sheet**
- **Cash flow statement**
- **Notes**

Auditors' report

Annual Report 2020/21

Designit Oslo AS

Company No.: 990 679 614

Type of business

Designit Oslo AS operates an innovation- and design agency, developing products and services for the private and public sector.

The company has their office in Oslo.

Development in earnings and position

Revenue for the period 01.04.2020-31.03.2021 was 61,9 MNOK, -5,7 MNOK lower than the previous year.

The profit for the year is 7,6 MNOK compared to 1,2 MNOK last year. Operating profit, before depreciation, amounted to positive NOK 11,5 MNOK compared to 7,1 MNOK the year before.

The total capital was at the end of the year 25,5 MNOK compared with 27,5 MNOK the year before. The company has equity of 14,1 MNOK as of 31 March 2021, against 8,1 NOK in 2020.

The Board believes that the financial statements presented provide a true and fair view of the development and the result of the company's business and position.

Going concern

In accordance with section 4-5 of the Norwegian Accounting Act, it is confirmed that the conditions for continued operation are present. The company has a profit of 6,0 MNOK the current year, and has made a profit regularly the last years and has an equity ratio of 55% as of 31. March 2021. The criteria for continued operation are considered as fulfilled.

COVID-19 had limited economical and operational impact on the company during 2020. Demand for Designit Oslo AS services is high. Based on this demand, the company expects growth in the coming year but the exact outlook is subject to the uncertainty of COVID-19.

Equality

The company's board consist of two men.

At Designit Oslo AS, we strive to be a diverse, equitable and inclusive workplace.

Our initiatives and strategies are designed to attract, develop, and advance the most talented individuals regardless of their race, sexual orientation, religion, age, gender, disability status or any other dimension of diversity. We do this by

- Investing in proprietary research that helps to inform our people strategy and our understanding of key issues.
- Offer diversity, equity, and inclusion (DEI) training and provide customized tools to guide decision making
- Initiating and analysing internal employee engagement surveys, including DEI specific sections three times a year using Peakon.
- Monthly updates on our DEI efforts and initiatives as part of our company wide Information meetings.

Environmental

The company's business does not pollute the external environment.

5/21/2021
Oslo, /05/2020



Ashish Chawla
Chairman of the board

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Christian Sogaard
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Christian Sogaard
Board member

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Niklas Mortensen
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Niklas Skovholt Mortensen
General manager

Designit Oslo AS

Income statement

	Note	31.03.2021	31.03.2020
Total revenue		61 942 002	67 605 895
Operating expenses			
Payroll expenses	2	36 436 361	41 457 047
Depreciation of tangible and intangible fixed assets	3	4 088 164	4 273 001
Other operating expenses	2	14 275 978	19 020 004
Total operating expenses		<u>54 800 503</u>	<u>64 750 052</u>
Operating result		<u>7 141 499</u>	<u>2 855 843</u>
Financial income and expenses			
Other interest income		316 374	26 397
Foreign exchange income		259 627	1 145 198
Other interest expenses		281 653	490 750
Foreign exchange losses (disagio)		-182 667	2 367 313
Net financial items		<u>477 015</u>	<u>-1 686 468</u>
Ordinary result before tax		<u>7 618 514</u>	<u>1 169 375</u>
Tax on ordinary result	5	<u>1 611 511</u>	<u>255 702</u>
Net profit or loss for the year		<u>6 007 003</u>	<u>913 673</u>
Allocated as follows			
Transferred to other equity	4	<u>6 007 003</u>	<u>913 673</u>

Designit Oslo AS

Balance sheet

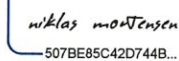
	Note	31.03.2021	31.03.2020
Fixed assets			
<i>Intangible assets</i>			
Deferred tax asset	5	<u>1 033 297</u>	<u>791 324</u>
Total intangible assets		<u>1 033 297</u>	<u>791 324</u>
<i>Tangible assets</i>			
Fixtures and fittings, tools, office machinery etc.	3	<u>1 168 162</u>	<u>2 950 087</u>
Total tangible assets		<u>1 168 162</u>	<u>2 950 087</u>
Total fixed assets		<u>2 201 459</u>	<u>3 741 411</u>
Current assets			
<i>Receivables</i>			
Trade receivables	7	9 582 099	13 768 459
Other receivables		<u>6 565 021</u>	<u>5 547 448</u>
Total accounts receivable		<u>16 147 120</u>	<u>19 315 907</u>
Cash and cash equivalents	6	<u>7 137 192</u>	<u>4 436 122</u>
Total current assets		<u>23 284 312</u>	<u>23 752 029</u>
Total assets		<u>25 485 771</u>	<u>27 493 440</u>

Designit Oslo AS**Balance sheet**

	Note	31.03.2021	31.03.2020
Equity			
<i>Paid-in capital</i>			
Share capital	4	<u>100 000</u>	<u>100 000</u>
Total paid-in capital		<u>100 000</u>	<u>100 000</u>
<i>Retained earnings</i>			
Other equity	4	<u>14 030 559</u>	<u>7 999 859</u>
Total retained earnings		<u>14 030 559</u>	<u>7 999 859</u>
Total equity		<u>14 130 559</u>	<u>8 099 859</u>
Liabilities			
<i>Current liabilities</i>			
Trade creditors		1 062 678	1 382 709
Tax payable, not offset		1 979 396	-21 305
Public duties payable		7 563 809	10 230 325
Other short-term liabilities		<u>749 329</u>	<u>7 801 852</u>
Total current liabilities		<u>11 355 212</u>	<u>19 393 581</u>
Total liabilities		<u>11 355 212</u>	<u>19 393 581</u>
Total equity and liabilities		<u>25 485 771</u>	<u>27 493 440</u>

Oslo, 5/21/2021

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 Niklas Skovholt Mortensen
Daglig leder



 Ashish Chawla
Styrets leder

DocuSigned by:



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 Christian Sogaard
Styremedlem

Designit Oslo AS

Cash flow statement

	Note	31.03.2021	31.03.2020
Cash flow from operating activities			
Profit/(loss) before tax		7 618 514	913 673
Taxes paid		-255 702	-260 809
Depreciation and amortisation		4 088 164	4 273 001
Changes in inventories, trade receivables and trade payables		3 866 329	-4 228 128
Changes in other receivables and liabilities		-17 072 257	-1 720 635
Changes in other current balance sheet items		4 177 486	1 511 487
Net cash flow from operating activities		<u>2 422 534</u>	<u>488 589</u>
Cash flow from investing activities			
Proceeds from sale of tangible fixed assets		7 516	22 400
Purchase of tangible fixed assets		271 020	-663 044
Net cash flow from investing activities		<u>278 536</u>	<u>-640 644</u>
Cash flow from financing activities			
Net cash flow from financing activities		<u>0</u>	<u>0</u>
Net change in cash and cash equivalents		2 701 070	-152 055
Cash and cash equivalents at 31.03		<u>4 436 122</u>	<u>4 588 177</u>
Cash and cash equivalents at 01.04		<u>7 137 192</u>	<u>4 436 122</u>

Designit Oslo AS

Notes

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles for small companies.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Designit Oslo AS

Notes

Note 2 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

<i>Wage costs</i>	31.03.2021	31.03.2020
Salaries	25 326 699	34 763 582
Payroll tax	7 980 550	5 389 442
Pension costs	1 538 018	1 518 182
Other payments	1 591 093	-214 159
Total	36 436 360	41 457 047

The average number of employees 56 59

Management remuneration

	Salary	Pension expenses	Other remuneration
General manager 01.04.20 - 31.03.21	1 474 795	50 378	11 241
Regional General manager 01.04.20-31.03.21	2 248 683	58 196	11 241
	3 723 478	108 574	22 482

<i>Auditor fee has been divided as follows</i>	31.03.2021	31.03.2020
Audit fee	77 000	75 000
Other services	43 000	55 000

VAT is not included in the figures of auditor's fee.

Note 3 - Tangible assets

	Machinery and Office equipment	Land, buildings and other property	Running equipment, tools etc	Total
Acquisition cost 01.04	2 968 084	8 039 584	58 496	11 066 164
Purchased tangibles	266 217	0	30 007	296 224
Disposals	-1 010 426	-116 563	0	-1 126 989
Acquisition cost 31.03	2 223 875	7 923 021	88 503	10 235 399
Acc.depreciation 31.03	-1 906 439	-7 143 219	-17 579	-9 067 237
Net carrying amount at 31.03	317 436	779 802	70 924	1 168 162
Depreciation for the year	449 235	1 601 230	15 200	2 065 665
Useful economic life	3-5	10		

Note 4 - Owners equity

Designit Oslo AS

Notes

	Share capital	Share premium reserve	Other equity	Total
Owners equity 01.01.	100 000	4 000	7 995 859	8 099 859
Profit for the year	0	0	6 007 003	6 007 003
Other changes	0	0	23 697	23 697
Owners equity 31.12.	100 000	4 000	14 026 559	14 130 559

Note 5 - Income taxes

<i>Income tax expenses</i>	31.03.2021	31.03.2020
Change in deferred tax	241 973	-132 321
Total income tax expense	<u>241 973</u>	<u>-132 321</u>
 <i>Tax base estimation</i>	 31.03.2021	 31.03.2020
Ordinary result before tax	7 618 514	1 169 375
Permanent differences	-293 464	0
Temporary differences	<u>1 099 879</u>	<u>350 233</u>
Tax base	<u>8 424 929</u>	<u>1 519 608</u>
	1 853 484	349 510
 <i>Temporary differences outlined</i>	 31.03.2021	 31.03.2020
Fixed assets	-4 743 016	-3 647 285
Receivables	<u>46 068</u>	<u>50 218</u>
Base for deferred tax	<u>-4 696 948</u>	<u>-3 597 067</u>
Deferred income tax liability (22%)	-1 033 329	-791 355

Note 6 - Bank deposit

	31.03.2021
Restricted cash for withheld tax:	744 533

Note 7 - Bad debt

	31.03.2021	31.03.2020
Provisions as of 01.04	-22 750	-858 281
Provisions as of 31.03	<u>-39 375</u>	<u>-22 750</u>
Change in provisions for bad debt	<u>16 625</u>	<u>-835 531</u>

Designit Oslo AS

Notes

Note 8 - Other events

COVID-19 had limited economical and operational impact on the company during 2020. Demand for Designit Oslo A/S services is high. Based on this demand, the company expects growth in the coming year but the exact outlook is subject to the uncertainty of COVID-19.
