

INDEX AWARD A/S

Bryghuspladsen 8, 3. tv., 1473 København K

CVR no. 31 42 95 52

Annual report 2018

Approved at the Company's annual general meeting on 9 May 2019

Chairman:



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Jens Wittrup Willumsen

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of INDEX AWARD A/S for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

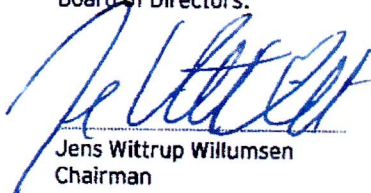
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 9 May 2019
Executive Board:



Liza Chong

Board of Directors:



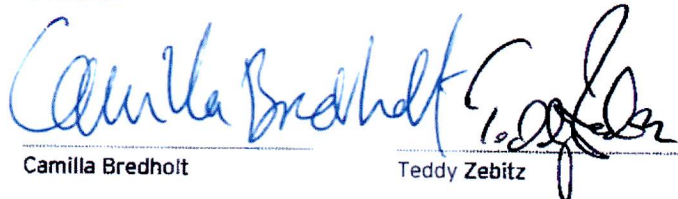
Jens Wittrup Willumsen
Chairman



Pii Ayoe Paltoorp



Felicitas Bernhardine
Barbara Christine Edle von
Peter



Camilla Bredholt



Teddy Zebitz



Torben Møger Pedersen



Flemming Bent Lindeløv

Independent auditor's report

To the shareholders of INDEX AWARD A/S

Opinion

We have audited the financial statements of INDEX AWARD A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 in preparing the financial statements 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 as to 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 ISAs and the additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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.

Independent auditor's report

- ▶ 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 in preparing the financial statements 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 contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Independent auditor's report

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial reporting comply with the appropriations granted, legislation and other regulations and with agreements entered into and usual practice; and that due financial consideration has been taken of the management of the funds and operations of the entities covered by the financial statements. Consequently, Management is responsible for establishing systems and procedures supporting economy, productivity and efficiency.

In performing our audit of the financial statements, it is our responsibility to perform compliance audit and performance audit of selected items in accordance with public auditing standards. When conducting a compliance audit, we test the selected items to obtain reasonable assurance as to whether the transactions covered by the financial reporting comply with the relevant provisions of appropriations, legislation and other regulations as well as agreements entered into and usual practice. When conducting a performance audit, we perform assessments to obtain reasonable assurance as to whether the tested systems, processes or transactions support due financial considerations in relation to the management of the funds and operations of the entities covered by the financial statements.

We must report on any grounds for significant critical comments, should we find such when performing our work.

We have no significant critical comments to report in this connection.

Copenhagen, 9 May 2019

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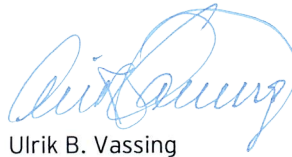
Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Kaare K. Lendorf

State Authorised Public Accountant
mne33819



Ulrik B. Vassing

State Authorised Public Accountant
mne32827



Management's review

Company details

Name	INDEX AWARD A/S
Address, Postal code, City	Bryghuspladsen 8, 3. tv., 1473 København K
CVR no.	31 42 95 52
Established	16 May 2008
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Jens Wittrup Willumsen, Chairman Pil Ayoe Paltorp Felicitas Bernhardine Barbara Christine Edle von Peter Camilla Bredholt Teddy Zebitz Torben Möger Pedersen Flemming Bent Lindeløv
Executive Board	Liza Chong
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

INDEX: Design to Improve Life is a Danish non-profit organisation working internationally. The three program areas of the organisation are Inspire, Educate and Engage, all rooted to INDEX: Award.

Financial review

In 2018, the Company's revenue amounted to DKK 9,599,368 against DKK 17,578,826 last year. The income statement for 2018 shows a profit of DKK 238,528 against a profit of DKK 48,230 last year, and the balance sheet at 31 December 2018 shows equity of DKK 310,776.

The strategic focus of the organisation

The mission of the organisation is fulfilled through the three program areas and underlying activities comprising the largest design award in the world, exhibitions, educational and investment programs organised through international collaborations.

We profile and show tangible examples of how the world can be improved through design via biennially coordinating INDEX: Award - a prestigious global award with sole focus on sustainability established in Denmark in 2002. We communicate stories from our archives across our channels and other platforms. We teach and train through education programs - developed in partnership with universities - to audiences keen to learn design & innovation methodologies coupled with a focus on sustainability and impact to address real life challenges, thereby making global problems, local yet relevant.

We draw from the pipeline of INDEX Award and build bridges to private investors keen to invest in businesses that are growing and profiting from 'design to improve life'.

That way we are in a unique position to engage with companies from INDEX: Award beyond awarding prizes and profiling to being an active part of the value creation.

The activities take place in Denmark and abroad.

INDEX: Design to Improve Life is a subsidiary to Design Society together with Global Fashion Agenda, Danish Design Center and Copenhagen Fashion Week.

Priorities in the organisation, activities and economic conditions in 2018

Since April 2018, INDEX has had a transitional leadership period, as the former Founding CEO, Kigge Hvid, departed the organisation after 16 years of service.

The newly appointed interim CEO, Liza Chong, formerly Strategy & Program Director at INDEX, was recruited in an open recruitment process for the role in August 2018.

During the interim leadership period in April 2018, INDEX was awarded a generous multi-year grant from Industriens Fond totalling DKK 16 million over four years. The purpose of the grant is i) to secure the organisation at a time of transition, ensuring that INDEX Award evolves and reaches its full potential and ii) in building bridges between the activities of INDEX and servicing Danish companies, to enhance their competitiveness, growth and job creation while contributing towards the UN's Sustainable Development Goals (SDGs).

The grant from Industriens Fond reinforces the existing grant received from the Ministry of Industry, Business and Financial Affairs that funds the INDEX: Award process, in addition to programs around promotion and support of investments in companies with a focus on sustainability.

INDEX Award

Activities in 2018 pertaining to the Award have mainly focused on communication and marketing campaigns about INDEX: Award and the nomination process for INDEX: Award aiming to secure a minimum of 1400 nominations for INDEX: Award 2019.

Activities also include, planning and conducting online and onsite planning session with the international jury, as well as developing business plans for INDEX: Award Global.

Management's review

Industriens Fond's grant supports INDEX: Award through funding re-branding of INDEX, benchmark analysis, development of knowledge and big data platforms, trend reports, communication and marketing campaigns. Additional activities that utilise knowledge from INDEX: Award to support Danish companies include developing e-learning and podcast formats targeting Danish companies and specialised conferences for Danish companies focusing on the global SDG market.

Design to Improve Life Education

Design to Improve Life Education, which teaches sustainable design-based education, was developed between 2009 and 2012 with the aim to use global challenges as learning resources in schools and the students' talent as an innovation resource in society. In 2018, activities within Education have primarily been sales-driven based on demand from overseas partners with bespoke needs. The main target audience has been to focus on decision-makers and implementers rather than only focus on schools, students and pupils.

Programs have been delivered in Chile with the Universidad del Desarrollo, in Taiwan with the Kaohsiung University, in Tanzania with UNIDO with public and private participants from 5 different African nationalities as well as initiating a large-scale project with Siemens Foundation in South Africa due to be implemented in 2019.

Investment

A micro-VC fund supporting the best sustainable design solutions selected through the INDEX: Award process was legally established in 2018 with private investors from Denmark and overseas.

The Design to Improve Life Fund highlights the ability of INDEX: to identify exceptional companies at all stages who are using Design to Improve Life. It provides an exclusive opportunity to invest in a broad selection of INDEX: Award 2017 Finalists and will act as a prototype for 2019 and beyond.

The Fund is structured to co-invest in the most exciting companies, derived from the INDEX: Award pipeline, alongside leading international investors. The Fund will invest in a broad selection of global companies, from Seed to Series B+. Eight companies from INDEX: Award 2017 have been invested in. They include: What3words (UK), Seaborg Technologies (DK), Electroninks (US), Iris AI (NO), AVA (US), Ignitia (SE), Agribudd (HK) and one company that cannot yet be disclosed publicly.

In addition to the Fund, we offer newsletters to Danish impact investors seeking knowledge about investment possibilities in Danish companies with focus on sustainability as well as the newest trends within design to improve life including matchmaking activities. Ongoing development of business plans for scaling Design Orbit - an acceleration program for SMEs in the INDEX: Award pipeline continues.

Financial Management

The organisation uses a fully integrated income, liquidity and balance budget.

Financial conditions

The Company's income statement for 2018 shows a profit of DKK 238,528 and the Company's equity per share. December 31, 2018 shows 310,776 kr.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2018	2017
	Revenue	9,599,368	17,578,826
	Other external expenses	-2,347,529	-8,605,561
	Gross margin	7,251,839	8,973,265
2	Staff costs	-6,857,601	-8,900,584
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-18,362	-8,928
	Profit before net financials	375,876	63,753
	Financial income	0	36,335
	Financial expenses	-70,101	-37,331
	Profit before tax	305,775	62,757
3	Tax for the year	-67,247	-14,527
	Profit for the year	238,528	48,230
	Recommended appropriation of profit		
	Retained earnings	238,528	48,230
		238,528	48,230

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2018</u>	<u>2017</u>
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	30,468	7,857
		<u>30,468</u>	<u>7,857</u>
	Investments		
	Deposits, investments	249,259	52,070
		<u>249,259</u>	<u>52,070</u>
	Total fixed assets	<u>279,727</u>	<u>59,927</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	5,000	928,068
	Deferred tax assets	71,747	139,657
	Joint taxation contribution receivable	663	0
	Other receivables	281,194	179,259
	Prepayments	176,602	530,266
		<u>535,206</u>	<u>1,777,250</u>
	Cash	<u>802,667</u>	<u>197,710</u>
	Total non-fixed assets	<u>1,337,873</u>	<u>1,974,960</u>
	TOTAL ASSETS	<u><u>1,617,600</u></u>	<u><u>2,034,887</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2018</u>	<u>2017</u>
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	500,000	500,000
	Retained earnings	<u>-189,224</u>	<u>-427,752</u>
	Total equity	<u>310,776</u>	<u>72,248</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	567,718	147,867
	Payables to group enterprises	34,998	468,255
	Other payables	<u>704,108</u>	<u>1,346,517</u>
		<u>1,306,824</u>	<u>1,962,639</u>
	Total liabilities other than provisions	<u>1,306,824</u>	<u>1,962,639</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>1,617,600</u></u>	<u><u>2,034,887</u></u>

1 Accounting policies

6 Other contractual obligations and contingencies, etc.

Financial statements 1 January - 31 December**Statement of changes in equity**

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2018	500,000	-427,752	72,248
Transfer through appropriation of profit	0	238,528	238,528
Equity at 31 December 2018	<u>500,000</u>	<u>-189,224</u>	<u>310,776</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of INDEX AWARD A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals, which are due to changes in estimated amounts previously recognised in the profit and loss account, are recognised in the profit and loss account.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	5 years
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Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Work in progress

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

DKK	2018	2017
2 Staff costs		
Wages/salaries	6,753,271	8,764,026
Pensions	27,000	39,480
Other social security costs	77,330	97,078
	<u>6,857,601</u>	<u>8,900,584</u>
 Average number of full-time employees	 <u>11</u>	 <u>16</u>
Number of employees at the balance sheet date	<u>9</u>	<u>10</u>
 Remuneration to members of management:		
Executive board	0	1,033,584
Board of Directors	239,954	227,500
	<u>239,954</u>	<u>1,261,084</u>
 3 Tax for the year		
Estimated tax charge for the year	-663	0
Deferred tax adjustments in the year	67,910	14,527
	<u>67,247</u>	<u>14,527</u>

Financial statements 1 January - 31 December

Notes to the financial statements

4 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment
Cost at 1 January 2018	641,280
Additions	40,973
Cost at 31 December 2018	682,253
Impairment losses and depreciation at 1 January 2018	633,423
Depreciation	18,362
Impairment losses and depreciation at 31 December 2018	651,785
Carrying amount at 31 December 2018	30,468

Note provides more details on security for loans, etc. as regards property, plant and equipment.

DKK	2018	2017
5 Share capital		
Analysis of the share capital:		
500 A shares of DKK 1,000.00 nominal value each	500,000	500,000
	500,000	500,000

The Company's share capital has remained DKK 500,000 in the past year.

6 Other contingent liabilities

Contingent liabilities

The Company entered into a leasing contract of a lease payment of DKK 50 thousand within 1 year and DKK 120 thousand between 1-5 years.