

The Index Project A/S

Bryghuspladsen 8, 2, 1473 København K

CVR no. 31 42 95 52

Annual report 2019

Approved at the Company's annual general meeting on

Chairman:

.....





Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Financial statements 1 January - 31 December	9
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Notes to the financial statements	13

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 The Index Project A/S for the financial year 1 January - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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 March 2020
Executive Board:

Liza Chong

Board of Directors:



Jens Wittrup Willumsen
Chairman

Pii Ayoe Paltorp



Felicitas Bernhardine
Barbara Christine Edle von
Peter

Camilla Bredholt



Teddy Zebitz

Torben Möger Pedersen



Flemming Bent Lindeløv

Independent auditor's report

To the shareholders of The Index Project A/S

Opinion

We have audited the financial statements of The Index Project A/S for the financial year 1 January - 31 December 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 March 2020
ERNST & YOUNG
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	The Index Project A/S
Address, Postal code, City	Bryghuspladsen 8, 2, 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 Felicita 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 Dirch Passers Allé 36, 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

The income statement for 2019 shows a profit of DKK 439,580 against a profit of DKK 238,528 last year, and the balance sheet at 31 December 2019 shows equity of DKK 750,356.

The strategic focus of the organisation.

We promote and mobilize sustainable design solutions and businesses that can improve global quality of life. The mission of the organization is fulfilled through the three program areas and underlying activities comprising insights, communication, educational and investment programs organized 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 a sole focus on sustainability established in Denmark in 2002. We communicate stories of how design can improve quality of life across our channels and other platforms.

We teach through advisory and training programs - based on design thinking principles coupled with a focus on sustainability and impact to address real life challenges.

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

That way we are in a unique position to engage with global 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.

The Index Project 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 2019

In 2019 the organization underwent a re-branding process with a new name (formerly "INDEX: Design to Improve Life" to "The Index Project") and visual identity in-line with the values of the organization in the context of the urgency of global environmental, economic and societal challenges - the biggest issues of our generation.

INDEX Award

The primary focus in 2019 was to execute the 8th Index Award cycle aligned with the Danish Industry Foundation deliveries as well as partnership obligations.

With a successful global and Danish campaign and communication push, our Award nominations exceeded expectations with a record-breaking 1,813 nominations from over 90 countries globally.

These inbound cases provide excellent inspirational solutions that were Jury-shortlisted to Finalists and Winners.

We hosted Index Award Ceremony in Copenhagen, for over 700 Danish and international guests comprising HRH The Crown Princess Mary, business leaders, designers, investors and entrepreneurs. Aligned with Index Award 2019 Ceremony, our first edition of Business x Sustainability Conference was hosted with six track partners, University of Southern Denmark, Climate Technology Centre and Network (UNCCC), Danish Design Center, Trouble, NordicLA, IDA Design & Innovation.

Over 300 entrepreneurs, investors, designers, policymakers and academics attended the conference from Denmark as well as international guests.

Notable collaborations in 2019 under Index Award include The New York Times, Laerdal Global Health, Vestergaard AS and The Boston Consulting Group, JA Studio and Harbinger PR.

Management's review

Design to Improve Life Education

We train and advise in sustainable design-based didactical methodologies developed with the aim to use global challenges as learning resources and talents as an innovation resource in society. The main target is decision-makers leaders and implementers to foster a next generation of solution-makers. In 2019 programs have been delivered with the Siemens Foundation in South Africa and Chile to transform their signature STEM education to STEAM - using design thinking framed for impact. This program continues in 2020.

Investment

Our micro-fund supports the best sustainable design solutions selected through the Index Award process, established in 2018 with private investors from Denmark and overseas.

The Design to Improve Life Fund 1 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 Finalists and semi-Finalists.

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+.

In 2019 we publicly announced our investment in the Series C round of Zipline (US) in Q1. In addition to this we invested in Destacame (CL), WeFarm (UK) and Ananas Anam (UK) taking the portfolio to 11 companies, with one final investment before Fund 1 is fully deployed.

We will continue to pursue an incrementally bigger Fund 2 planned to invest into Index Award 2019 companies using the same investment thesis as Fund 1.

Restructuring

The parent fund Design Society have determined a restructuring where The Index Project A/S are separated by a contribution in kind to a new foundations being established by Design Society. The new foundation will hereafter be merge with The Index Project A/S. The restructuring is expected to be completed in June 2020.

Events after the balance sheet date

After the end of the financial year, 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	2019	2018
	Gross profit	6,930,012	7,251,839
2	Staff costs	-6,320,050	-6,857,601
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-22,959	-18,362
	Profit before net financials	587,003	375,876
	Financial income	485	0
	Financial expenses	-22,202	-70,101
	Profit before tax	565,286	305,775
3	Tax for the year	-125,706	-67,247
	Profit for the year	439,580	238,528
	Recommended appropriation of profit		
	Retained earnings	439,580	238,528
		439,580	238,528



Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2019</u>	<u>2018</u>
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	41,141	30,469
		<u>41,141</u>	<u>30,469</u>
	Investments		
	Other securities and investments	5,000	5,000
	Deposits, investments	254,640	249,259
		<u>259,640</u>	<u>254,259</u>
	Total fixed assets	<u>300,781</u>	<u>284,728</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	287,380	0
	Deferred tax assets	39,897	71,747
	Joint taxation contribution receivable	0	663
	Other receivables	915,641	281,194
	Prepayments	88,693	176,602
		<u>1,331,611</u>	<u>530,206</u>
	Cash	<u>1,392,539</u>	<u>802,666</u>
	Total non-fixed assets	<u>2,724,150</u>	<u>1,332,872</u>
	TOTAL ASSETS	<u>3,024,931</u>	<u>1,617,600</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	500,000	500,000
	Retained earnings	250,356	-189,224
	Total equity	750,356	310,776
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	170,863	0
		170,863	0
	Current liabilities other than provisions		
	Trade payables	577,233	567,718
	Payables to group enterprises	899,337	34,998
	Joint taxation contribution payable	93,856	0
	Other payables	533,286	704,108
		2,103,712	1,306,824
	Total liabilities other than provisions	2,274,575	1,306,824
	TOTAL EQUITY AND LIABILITIES	3,024,931	1,617,600

- 1 Accounting policies
6 Other contractual obligations and contingencies, etc.



Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2019	500,000	-189,224	310,776
Transfer through appropriation of profit	0	439,580	439,580
Equity at 31 December 2019	500,000	250,356	750,356

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of The Index Project A/S for 2019 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

Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

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:

Fixtures and fittings, other plant and equipment	5 years
--	---------

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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 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.

Other securities and investments

Securities which the Company intends to hold to maturity are measured at amortised cost, using the effective interest rate method at the date of acquisition. Value adjustments are recognised in the income statement under "Net financials".

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Impairment of fixed assets

The carrying amount of equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Prepayments

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

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.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2019	2018
2 Staff costs		
Wages/salaries	6,038,696	6,753,271
Pensions	202,800	27,000
Other social security costs	78,554	77,330
	<u>6,320,050</u>	<u>6,857,601</u>
 Average number of full-time employees	 <u>12</u>	 <u>11</u>
 Remuneration to members of Management:		
Board of Directors	<u>240,000</u>	<u>239,954</u>
	<u>240,000</u>	<u>239,954</u>
 3 Tax for the year		
Estimated tax charge for the year	93,856	-663
Deferred tax adjustments in the year	31,850	67,910
	<u>125,706</u>	<u>67,247</u>
 4 Property, plant and equipment		
DKK		Fixtures and fittings, other plant and equipment
Cost at 1 January 2019		682,253
Additions		<u>33,632</u>
Cost at 31 December 2019		<u>715,885</u>
Impairment losses and depreciation at 1 January 2019		651,784
Depreciation		<u>22,960</u>
Impairment losses and depreciation at 31 December 2019		<u>674,744</u>
Carrying amount at 31 December 2019		<u>41,141</u>
 DKK	 <u>2019</u>	 <u>2018</u>
5 Share capital		
Analysis of the share capital:		
500 class A shares of DKK 1,000.00 nominal value each	<u>500,000</u>	<u>500,000</u>
	<u>500,000</u>	<u>500,000</u>

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



Financial statements 1 January - 31 December

Notes to the financial statements

6 Other contingent liabilities

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed income of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Liza Chong

Executive Board

On behalf of: The Index Project A/S

Serial number: PID:9208-2002-2-428839149514

IP: 80.71.xxx.xxx

2020-03-27 13:55:59Z

NEM ID 

Torben Möger Pedersen

Board of Directors

On behalf of: The Index Project A/S

Serial number: PID:9208-2002-2-323236825862

IP: 188.183.xxx.xxx

2020-03-29 15:38:20Z

NEM ID 

Pil Ayoe Paltorp

Board of Directors

On behalf of: The Index Project A/S

Serial number: PID:9208-2002-2-602991348446

IP: 2.130.xxx.xxx

2020-03-30 08:49:22Z

NEM ID 

The name is withheld (SSN validated)

Board of Directors

On behalf of: The Index Project A/S

Serial number: PID:9208-2002-2-229705001642

IP: 176.20.xxx.xxx

2020-03-30 08:58:22Z

NEM ID 

Ulrik B Vassing

Statsautoriseret revisor

On behalf of: Ernst & Young P/S

Serial number: CVR:30700228-RID:77180494

IP: 85.204.xxx.xxx

2020-03-30 09:11:05Z

NEM ID 

Kaare Kristensen

Statsautoriseret revisor

On behalf of: Ernst & Young P/S

Serial number: CVR:30700228-RID:73827337

IP: 188.183.xxx.xxx

2020-03-30 09:50:48Z

NEM ID 

Penneo document key: EA14A-XGB71-H85NB-HB647-CGZLH-V00EP

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validate>