

Designit A/S

Bygmestervej 61, 2400 København NV

CVR no. 35 39 89 10

Annual report 2020/21

Approved at the Company's annual general meeting on

Chair of the meeting:

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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 Designit A/S for the financial year 1 April 2020 - 31 March 2021.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 March 2021 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 April 2020 - 31 March 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

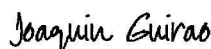
Copenhagen, 17 May 2021
Executive Board:

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Sunil Ramesh Karkera
Managing director


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.....F954116EA6B74B4.....
Kjersti Krokmoen Lund
Director

DocuSigned by:

.....E56B040F6BBA410.....
Joaquin Enrique Guirao
Sagi-Vela
Director

Board of Directors:


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Rajan Kohli
Chair


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Satyaki Banerjee

DocuSigned by:

.....F954116EA6B74B4.....
Kjersti Krokmoen Lund



Independent auditor's report

To the shareholders of Designit A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Designit A/S for the financial year 1 April 2020 - 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2021, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 April 2020 - 31 March 2021 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "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 Group 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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:



Independent auditor's report

- ▶ 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



Independent auditor's report

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 Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 17 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

A handwritten signature in blue ink, appearing to read 'Claus Hammer-Pedersen'.

Claus Hammer-Pedersen
State Authorised Public Accountant
mne21334

A handwritten signature in blue ink, appearing to read 'Simon M. Laursen'.

Simon M. Laursen
State Authorised Public Accountant
mne45894



Management's review

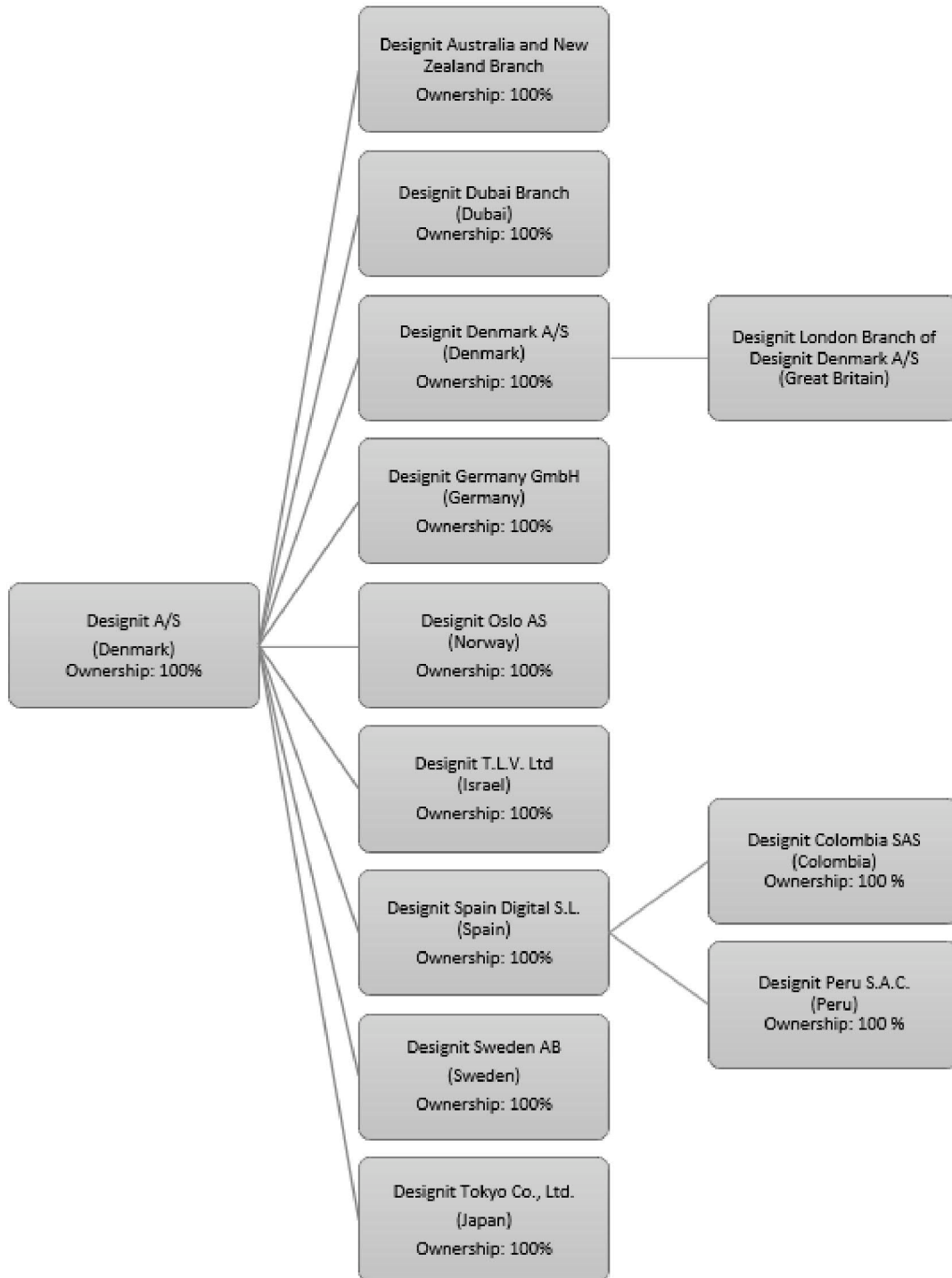
Company details

Name	Designit A/S
Address, Postal code, City	Bygmestervej 61, 2400 København NV
CVR no.	35 39 89 10
Established	31 May 2013
Registered office	København
Financial year	1 April 2020 - 31 March 2021
Website	www.designit.com
Board of Directors	Rajan Kohli, Chair Satyaki Banerjee Kjersti Krokrogen Lund
Executive Board	Sunil Ramesh Karkera, Managing director Kjersti Krokrogen Lund, Director Joaquin Enrique Guirao Sagi-Vela, Director
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark



Management's review

Group chart





Management's review

Financial highlights for the Group

DKK'000	2020/21	2019/20	2018/19
Key figures			
Revenue	186,441	267,271	325,089
Gross profit	139,365	179,475	285,534
Operating profit/loss	-169,239	-117,989	-35,467
Net financials	-1,158	-5,592	1,634
Profit/loss for the year	-176,724	-121,429	28,168
Total assets			
Total assets	188,751	379,133	180,067
Equity	19,711	178,506	74,701
Cash flows from operating activities			
Cash flows from operating activities	-37,013	-71,596	92,982
Net cash flows from investing activities	-878	-10,390	-16,422
Total cash flows	6,676	-11,274	12,388
Financial ratios			
Return on assets	-59.6%	-42.2%	-19.7%
Current ratio	52.9%	86.0%	146.4%
Equity ratio	10.4%	47.1%	41.5%
Return on equity	-178.3%	-95.9%	37.7%
Average number of employees			
Average number of employees	278	464	493

For terms and definitions, please see the accounting policies.

Comparatives for 2018/19 are not adjusted for the effect of implementation of IFRS 16.



Management's review

Business review

The Designit A/S Group helps ambitious companies make innovation happen. Our inter disciplinary teams work with our clients creating compelling products, services and experiences driving customer engagement and realising business growth.

Financial review

The negative operating results of the subsidiaries is driven by a drop in activity in the mature offices, hence the restructuring in Latam undertaken in Q4 in these offices to help improve performance in 2020/2021.

Financial risks and use of financial instruments

General risks

The Designit A/S Group's main operational risks relate to the ability to consistently deliver high quality work to all customers in order to be consistent with the values that the Designit A/S Group uses to position itself in the market. Furthermore, it is important for the Designit A/S Group to stay ahead of the trends and tendencies in design and interactive solutions.

Currency risks

The Company's ongoing trade with foreign customers, investments in foreign branches and intercompany balances exposes its profit/loss, cash flows and capital to fluctuations in currency rates. On an ongoing basis the group's management assess whether actions are necessary to lower the risk exposure.

Currency adjustments of investments in subsidiaries and associated companies that are separate entities are recognised directly in equity. Currency risks related to these are not hedged, as it is our view that hedging of such long-term investments would not be desirable from an overall risk and cost perspective.

Interest rate risks

Net interest-bearing debt does not constitute a significant amount. Moderate changes in interest rates will therefore not have any significant effect on earnings. There is, therefore, no hedge against interest rate risks.

Impact on the external environment

The Designit A/S Group's activities are based on environmentally sound operations. We believe that the Designit A/S Group's activities do not result in any significant environmental impact.

Research and development activities

The Designit A/S Group does not do independent research. We are, however, constantly developing and improving new and existing practices.

Statutory CSR report

Designit A/S does not have policies related to human rights, social and labour conditions, anti-corruption, environment and climate. The reason is that it is handled by the Wipro Group. For more information about the group's work with sustainability, we refer to the current CSR report <https://www.wipro.com/sustainability/>



Management's review

Account of the gender composition of Management

Designit A/S top management consists of three persons of which one is female. Thereby, the gender composition at the top management level in the Group is equal. When there is a change in top management, the Designit Group always evaluates the competencies of the applicants regardless of gender.

The Group's overall goal is to ensure that at all times the Executive Board and management team are made up of the most suitable candidates, irrespective of gender.

The management team consists of 64 % men and 36 % women. It is Designit's policy to promote gender equality in the management team. The company pursues to develop and ensure diversity. This objective is also valid for the managerial positions. In the recruitment process for leading positions, HR has to ensure that candidates from the underrepresented gender are represented, if possible.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Outlook

Designit A/S Group expects continued growth and improved profitability from its future operations. This was manifested in 2020/2021 by revenue in Q4 recovering to level seen in Q1, after COVID 19 negatively impacted revenue in Q2 and Q3. It is our expectation that we, in Financial Year 2021/2022, will continue to see a positive outcome from our investments in our markets and a result around break-even.



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Income statement

Note	DKK	Group		Parent company	
		2020/21	2019/20	2020/21	2019/20
2	Revenue	186,441,203	267,271,210	39,540,090	46,914,097
	Other external expenses	-47,076,398	-87,795,745	-20,685,761	-25,226,338
	Gross profit	139,364,805	179,475,465	18,854,329	21,687,759
3	Staff costs	-180,538,432	-234,705,677	-32,854,028	-33,779,000
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-128,065,331	-62,758,440	-1,693,161	-2,149,938
	Other operating expenses	-627,060	-231,069	-3,082,965	0
	Profit/loss before net financials	-169,866,018	-118,219,721	-18,775,825	-14,241,179
	Income from investments in group enterprises	0	0	-155,475,189	-105,514,607
4	Financial income	11,118,483	4,705,300	6,186,968	3,159,490
5	Financial expenses	-12,276,698	-10,296,855	-8,399,568	-5,816,159
	Profit/loss before tax	-171,024,233	-123,811,276	-176,463,614	-122,412,455
6	Tax for the year	-5,699,940	2,382,392	-260,559	983,571
	Profit/loss for the year	-176,724,173	-121,428,884	-176,724,173	-121,428,884



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Balance sheet

Note	DKK	Group		Parent company	
		2020/21	2019/20	2020/21	2019/20
		ASSETS			
		Fixed assets			
7		Intangible assets			
		Completed development projects			
		0	3,101,753	0	3,101,753
		76,681,860	180,989,478	0	0
		<u>76,681,860</u>	<u>184,091,231</u>	<u>0</u>	<u>3,101,753</u>
8		Property, plant and equipment			
		Land and buildings			
		26,554,652	39,779,291	3,767,063	4,260,827
		Fixtures and fittings, other plant and equipment			
		3,020,364	5,398,988	355,646	685,765
		6,117,051	11,479,528	188,355	179,802
		<u>35,692,067</u>	<u>56,657,807</u>	<u>4,311,064</u>	<u>5,126,394</u>
9		Investments			
		Investments in group enterprises			
		0	0	162,516,691	277,107,472
		3,600,382	4,128,857	0	0
		<u>3,600,382</u>	<u>4,128,857</u>	<u>162,516,691</u>	<u>277,107,472</u>
		Total fixed assets			
		<u>115,974,309</u>	<u>244,877,895</u>	<u>166,827,755</u>	<u>285,335,619</u>
		Non-fixed assets			
		Receivables			
		Trade receivables			
		19,335,582	33,080,329	85,981	557,338
10		14,143,580	13,746,964	0	53,696
		Receivables from group enterprises			
		13,051,579	58,261,393	11,746,216	37,088,135
13		765,983	5,381,876	0	0
		353,871	4,879,516	497,621	454,211
11		5,123,364	5,578,415	3,577,001	3,061,156
		<u>52,773,959</u>	<u>120,928,493</u>	<u>15,906,819</u>	<u>41,214,536</u>
		Cash			
		20,002,385	13,326,335	3,614,604	1,610,168
		<u>72,776,344</u>	<u>134,254,828</u>	<u>19,521,423</u>	<u>42,824,704</u>
		Total non-fixed assets			
		<u>188,750,653</u>	<u>379,132,723</u>	<u>186,349,178</u>	<u>328,160,323</u>
		TOTAL ASSETS			


 Consolidated financial statements and parent company financial statements 1 April 2020 -
 31 March 2021

Statement of changes in equity

		Group		
Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 April 2020	10,000,200	168,505,334	178,505,534
	Capital increase	100	22,315,400	22,315,500
	Transfer through appropriation of loss	0	-176,724,173	-176,724,173
	Adjustment of investments through foreign exchange adjustments	0	-4,386,181	-4,386,181
	Equity at 31 March 2021	10,000,300	9,710,380	19,710,680

		Parent company		
Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 April 2020	10,000,200	168,505,334	178,505,534
	Capital increase	100	22,315,400	22,315,500
19	Transfer, see "Appropriation of profit/loss"	0	-176,724,173	-176,724,173
	Adjustment of investments through foreign exchange adjustments	0	-4,386,181	-4,386,181
	Equity at 31 March 2021	10,000,300	9,710,380	19,710,680



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Cash flow statement

Note	DKK	Group	
		2020/21	2019/20
	Profit/loss for the year	-176,724,173	-121,428,884
20	Adjustments	134,822,825	65,967,603
	Cash generated from operations (operating activities)	-41,901,348	-55,461,281
21	Changes in working capital	12,155,937	-9,804,723
	Cash generated from operations (operating activities)	-29,745,411	-65,266,004
	Interest received, etc.	6,242,241	4,705,300
	Interest paid, etc.	-7,400,457	-10,296,855
	Income taxes paid	-6,109,481	-738,801
	Cash flows from operating activities	-37,013,108	-71,596,360
	Additions of intangible assets	0	-1,533,725
	Additions of property, plant and equipment	-1,406,612	-8,990,705
	Other cash flows from investing activities	528,475	133,984
	Cash flows to investing activities	-878,137	-10,390,446
	Proceeds of debt, group enterprises	38,852,711	70,712,102
	Repayments, debt to credit institutions	-16,600,916	0
	Cash capital increase	22,315,500	0
	Cash flows from financing activities	44,567,295	70,712,102
	Net cash flow	6,676,050	-11,274,704
	Cash and cash equivalents at 1 April	13,326,335	24,601,039
	Cash and cash equivalents at 31 March	20,002,385	13,326,335



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies

The annual report of Designit A/S for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

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

Consolidated financial statements

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Foreign exchange adjustments of balances with separate foreign subsidiaries, which are considered part of the aggregate investment in the subsidiary, are taken directly to equity, and foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are recognised directly in equity.

Income statement

Revenue

The Company has chosen IFRS15 as interpretation for revenue recognition.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

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.

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

Development projects and other intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised over the expected lifetime of the assets.



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period of 10 years, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

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

Goodwill	10 years
Other intangible assets	3-9 years
Land and buildings	5-10 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	3-5 years

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

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.

The Company and its Danish group entities are jointly taxed. 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.



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period of 10 years, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

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.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen to use IFRS 16 as interpretation basis for the provisions of the Danish Financial Statements Act on recognition of leases.

Leased assets and lease commitments are recognised in the balance sheet when the leased asset under a lease entered into regarding a specific identifiable asset is made available to the Company in the lease term, and when the Company in this connection obtains the right to almost all economic benefits from the use of the identified asset and the right to control the use of the identified asset.

On initial recognition, lease commitments are measured at the present value of the future lease payments discounted by an incremental borrowing rate. The following lease payments are recognised as part of the lease commitment:

- Fixed payments.
- Variable payments that change concurrently with changes to an index and an interest rate based on said index or interest rate.
- Payments overdue subject to a residual value guarantee.
- Exercise price of call options that it is highly probable that Management will exercise.
- Payments subject to an extension option that it is highly probable that the Group will exercise.
- Penalty related to a termination option unless it is highly probable that the Group will not exercise the option.



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

The lease commitment is measured at amortised cost according to the effective interest method. The lease commitment is recalculated when the underlying contractual cash flows change due to changes in index or interest rate if the Company's estimate of a residual value guarantee changes or if the Company changes its assessment of whether call options, extension options or termination options can reasonably be expected to be exercised.

On initial recognition, the leased asset is measured at cost, which corresponds to the value of the lease commitment adjusted for prepaid lease payments plus directly related costs and estimated costs for demolition, repairs or the like less discounts received or other types of incentive payments from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The leased asset is depreciated over the shorter of the lease term and the useful life of the leased asset. Depreciation charges are recognised on a straight-line basis in profit or loss.

The leased asset is adjusted for changes to the lease commitment due to changes to the terms of the lease or changes to the cash flows of the lease concurrently with changes to an index or an interest rate.

Leased assets are depreciated on a straight-line basis over the expected lease term, which is:

- Operating equipment 5-10 years
- Office buildings 4-6 years

The Company has generally chosen to apply the practical exemptions IFRS 16 so that leased assets of low value and short-term leases are not recognised in the balance sheet. Instead, related lease payments are recognised on a straight-line basis as other external costs in profit or loss. The Company has also chosen not to recognise service elements in the capitalised value of lease commitments and leased assets. Service elements are therefore recognised as other external costs in profit or loss on an ongoing basis.

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Contract assets

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.



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Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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.



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

	Group		Parent company	
	2020/21	2019/20	2020/21	2019/20
DKK				
2 Segment information				
Breakdown of revenue by geographical segment:				
Denmark	27,527,830	33,314,487	39,540,090	46,914,097
Norway	42,918,189	47,649,058	0	0
Germany	15,496,452	22,276,904	0	0
Great Britain	21,867,155	32,083,948	0	0
Spain	21,033,455	27,165,861	0	0
Israel	21,082,913	28,580,849	0	0
Sweden	12,480,984	37,159,624	0	0
Columbia	816,402	12,293,715	0	0
Japan	13,777,430	14,427,466	0	0
Peru	218,785	3,335,685	0	0
Australia and New Zealand	6,965,862	7,323,977	0	0
Dubai	2,255,746	1,659,636	0	0
	<u>186,441,203</u>	<u>267,271,210</u>	<u>39,540,090</u>	<u>46,914,097</u>

	Group		Parent company	
	2020/21	2019/20	2020/21	2019/20
DKK				
3 Staff costs				
Wages/salaries	152,828,438	197,168,082	30,556,069	31,939,196
Pensions	6,077,263	12,211,382	1,309,667	1,024,662
Other social security costs	15,616,621	16,248,570	38,058	38,602
Other staff costs	6,016,110	9,077,643	950,234	776,540
	<u>180,538,432</u>	<u>234,705,677</u>	<u>32,854,028</u>	<u>33,779,000</u>

	Group		Parent company	
	2020/21	2019/20	2020/21	2019/20
Average number of full-time employees	<u>278</u>	<u>464</u>	<u>31</u>	<u>28</u>

Group

Total remuneration to Management: DKK 5,419,772 (2019/20: DKK 5,988,156).



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

DKK	Group		Parent company	
	2020/21	2019/20	2020/21	2019/20
4	Financial income			
	Interest receivable, group entities			
	114,327	1,368,166	2,591,792	2,521,608
	Other interest income			
	700,112	390,641	31	7,338
	Exchange gain			
	10,304,044	2,946,493	3,595,145	630,544
	<u>11,118,483</u>	<u>4,705,300</u>	<u>6,186,968</u>	<u>3,159,490</u>
5	Financial expenses			
	Interest expenses, group entities			
	910,662	48,755	4,613,169	3,528,437
	Other interest expenses			
	1,682,143	2,915,869	362,017	487,960
	Exchange losses			
	9,683,893	7,332,231	3,424,382	1,799,762
	<u>12,276,698</u>	<u>10,296,855</u>	<u>8,399,568</u>	<u>5,816,159</u>
6	Tax for the year			
	Estimated tax charge for the year			
	2,707,331	0	0	0
	Deferred tax adjustments in the year			
	4,569,938	77,981	0	0
	Tax adjustments, prior years			
	0	-2,460,373	611,093	-983,571
	Refund in joint taxation			
	-1,577,329	0	-350,534	0
	<u>5,699,940</u>	<u>-2,382,392</u>	<u>260,559</u>	<u>-983,571</u>


 Consolidated financial statements and parent company financial statements 1 April 2020 -
 31 March 2021

Notes to the financial statements

7 Intangible assets

	Group		
	Completed development projects	Goodwill	Total
DKK			
Cost at 1 April 2020	3,722,104	593,940,975	597,663,079
Disposals	-3,722,104	0	-3,722,104
Cost at 31 March 2021	0	593,940,975	593,940,975
Impairment losses and amortisation at 1 April 2020	620,351	412,951,497	413,571,848
Impairment losses for the year	0	64,000,000	64,000,000
Amortisation for the year	0	40,307,618	40,307,618
Reversal of accumulated amortisation and impairment of assets disposed	-620,351	0	-620,351
Impairment losses and amortisation at 31 March 2021	0	517,259,115	517,259,115
Carrying amount at 31 March 2021	0	76,681,860	76,681,860
			Parent company
DKK			Completed development projects
Cost at 1 April 2020			3,722,104
Disposals			-3,722,104
Cost at 31 March 2021			0
Impairment losses and amortisation at 1 April 2020			620,351
Reversal of accumulated amortisation and impairment of assets disposed			-620,351
Impairment losses and amortisation at 31 March 2021			0
Carrying amount at 31 March 2021			0



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

8 Property, plant and equipment

DKK	Group			
	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 April 2020	52,381,844	15,515,433	23,532,044	91,429,321
Foreign exchange adjustments	1,947,472	337,101	870,737	3,155,310
Additions	8,281,504	1,846,303	424,164	10,551,971
Disposals	-20,136,972	-5,379,597	-6,743,772	-32,260,341
Cost at 31 March 2021	42,473,848	12,319,240	18,083,173	72,876,261
Impairment losses and depreciation at 1 April 2020	12,602,553	10,116,445	12,052,516	34,771,514
Foreign exchange adjustments	367,318	232,805	556,583	1,156,706
Depreciation	8,464,413	2,377,599	3,627,694	14,469,706
Depreciation and impairment of disposals	-5,515,088	-3,427,973	-4,270,671	-13,213,732
Impairment losses and depreciation at 31 March 2021	15,919,196	9,298,876	11,966,122	37,184,194
Carrying amount at 31 March 2021	26,554,652	3,020,364	6,117,051	35,692,067

The total value of right of use assets amount to DKK 27,459 thousand for the Group and DKK 3,767 thousand for Parent company.

DKK	Parent company			
	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 April 2020	5,105,113	1,910,472	203,032	7,218,617
Foreign exchange adjustments	816,424	0	0	816,424
Additions	0	186,274	62,500	248,774
Disposals	0	-65,052	0	-65,052
Cost at 31 March 2021	5,921,537	2,031,694	265,532	8,218,763
Impairment losses and depreciation at 1 April 2020	844,286	1,224,707	23,230	2,092,223
Foreign exchange adjustments	135,021	0	0	135,021
Depreciation	1,175,167	507,991	53,947	1,737,105
Reversal of accumulated depreciation and impairment of assets disposed	0	-56,650	0	-56,650
Impairment losses and depreciation at 31 March 2021	2,154,474	1,676,048	77,177	3,907,699
Carrying amount at 31 March 2021	3,767,063	355,646	188,355	4,311,064



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

9 Investments

	Group
	<u>Other receivables</u>
DKK	
Cost at 1 April 2020	4,128,857
Disposals	-528,475
Cost at 31 March 2021	<u>3,600,382</u>
Carrying amount at 31 March 2021	<u>3,600,382</u>
	<u>Parent company</u>
	<u>Investments in group enterprises</u>
DKK	
Cost at 1 April 2020	753,239,038
Additions	44,402,595
Cost at 31 March 2021	<u>797,641,633</u>
Value adjustments at 1 April 2020	-476,131,566
Foreign exchange adjustments	-1,942,234
Profit/loss for the year	-155,013,483
Underbalance transferred to be offset in receivables primo	-52,201,146
Underbalance transferred to be offset in receivables ultimo	50,163,487
Value adjustments at 31 March 2021	<u>-635,124,942</u>
Carrying amount at 31 March 2021	<u>162,516,691</u>

	Group		Parent company	
DKK	2020/21	2019/20	2020/21	2019/20
10 Contract assets				
Selling price of work performed	28,262,348	31,982,179	0	53,696
Progress billings	-16,176,715	-21,226,721	0	0
	<u>12,085,633</u>	<u>10,755,458</u>	<u>0</u>	<u>53,696</u>
recognised as follows:				
Contract assets (assets)	14,143,580	13,746,964	0	53,696
Contract assets (liabilities)	-2,057,947	-2,991,506	0	0
	<u>12,085,633</u>	<u>10,755,458</u>	<u>0</u>	<u>53,696</u>



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

11 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including expenses relating to software subscriptions, licenses and rent.

12 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK	2020/21	2019/20	2018/19	2017/18	2016/17
Opening balance	10,000,200	10,000,200	10,000,100	10,000,000	10,000,000
Capital increase	100	0	100	100	0
	<u>10,000,300</u>	<u>10,000,200</u>	<u>10,000,200</u>	<u>10,000,100</u>	<u>10,000,000</u>

	Group		Parent company	
DKK	2020/21	2019/20	2020/21	2019/20
13 Deferred tax				
Deferred tax at 1 April	-5,368,947	0	0	0
Adjustment of deferred tax	4,602,964	-5,368,947	0	0
Deferred tax at 31 March	<u>-765,983</u>	<u>-5,368,947</u>	<u>0</u>	<u>0</u>
Analysis of the deferred tax				
Deferred tax assets	-765,983	-5,381,876	0	0
Deferred tax liabilities	0	12,929	0	0
	<u>-765,983</u>	<u>-5,368,947</u>	<u>0</u>	<u>0</u>

14 Non-current liabilities other than provisions

Of the long-term liabilities, t.DKK 2,871 falls due for payment after more than 5 years after the balance sheet date.



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

15 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

The group has guarantee commitments of DKK 2,912 thousand at 31 March 2021 (2019/20: DKK 2,075 thousand).

Parent company

The Parent Company is jointly taxed with its Danish subsidiary. As management company, the Company has joint and several unlimited liability, together with the subsidiary, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the group of jointly taxed entities. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc. could entail an increase in the entities' tax liability. The Group as a whole is not liable vis-à-vis any third parties.

The Group's Danish entities are jointly and severally liable for joint VAT registration.

The parent company has provided guarantee to provide financial assistance for subsidiaries.

16 Collateral

Group

The group has not provided any security or other collateral in assets at 31 March 2021.

Parent company

The parent Company has not provided any security or other collateral in assets at 31 March 2021.


 Consolidated financial statements and parent company financial statements 1 April 2020 -
 31 March 2021

Notes to the financial statements

17 Related parties

Group

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Wipro Limited	India	Available on company website

Related party transactions

DKK	2020/21	2019/20
Group		
Sale of services to affiliated companies	55,525,489	105,692,688
Purchase of service from affiliated companies	7,811,632	4,047,657
Interests, affiliated companies	828,105	1,721,974
Receivables from affiliated companies	13,051,578	58,261,393
Payables to affiliated companies	102,753,508	109,110,610
Parent Company		
Sale of services to affiliated companies	35,359,113	43,199,312
Purchase of service from affiliated companies	10,352,684	16,464,937
Interests, affiliated companies	2,021,377	1,006,898
Receivables from affiliated companies	11,746,216	37,088,135
Payables to affiliated companies	155,624,570	136,757,648



Consolidated financial statements and parent company financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

	Group	
	2020/21	2019/20
DKK		
18 Fee to the auditors appointed by the Company in general meeting		
Total fees to EY	683,599	758,770
Statutory audit	469,967	442,251
Tax assistance	71,350	82,869
Other assistance	142,282	233,650
	683,599	758,770

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act, as audit fees are disclosed for the group as such in the consolidated financial statements for Designit A/S.

	Parent company	
	2020/21	2019/20
DKK		
19 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-176,724,173	-121,428,884
	-176,724,173	-121,428,884
20 Adjustments		
Amortisation/depreciation and impairment losses	128,065,331	62,758,440
Financial income	-6,242,241	-4,705,300
Financial expenses	7,400,457	10,296,855
Tax for the year	5,699,937	-2,382,392
Other adjustments	-100,659	0
	134,822,825	65,967,603
21 Changes in working capital		
Change in receivables	23,341,337	2,468,215
Change in trade and other payables	-11,185,400	-7,105,535
Other changes in working capital	0	-5,167,403
	12,155,937	-9,804,723