

# Designit A/S

Bygmestervej 61, 2400 København NV

CVR no. 35 39 89 10

## Annual report 2021/22

Approved at the Company's annual general meeting on

Chair of the meeting:

.....

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Consolidated financial statements and parent company financial statements 1 April 2021 - 31 March 2022	11
Income statement	11
Balance sheet	12
Statement of changes in equity	14
Cash flow statement	15
Notes to the financial statements	16

## 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 2021 - 31 March 2022.

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 2022 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 2021 - 31 March 2022.

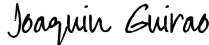
Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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


Copenhagen, 25 May 2022  
Executive Board:

DocuSigned by:  
  
.....59865F6DEF83462.....  
Nicolas Gregory Antony  
Parmaksizian  
Managing director

DocuSigned by:  
  
.....F954116EA6B74B4.....  
Kjersti Krokmoen Lund  
Director

DocuSigned by:  
  
.....E56B040F6BBA410.....  
Joaquin Enrique Guirao  
Sagi-Vela  
Director

Board of Directors:

DocuSigned by:  
  
.....3468508EA04E4EE.....  
Rajan Kohli  
Chair

DocuSigned by:  
  
.....D902CFE2031248C.....  
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 2021 - 31 March 2022, 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 2022, 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 2021 - 31 March 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### 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, 25 May 2022

Ernst & Young  
CVR no. 30 70 02 28

Claus Hammer-Pedersen  
State Authorised Public Accountant  
mne21334

Simon M. Laursen  
State Authorised Public Accountant  
mne45894

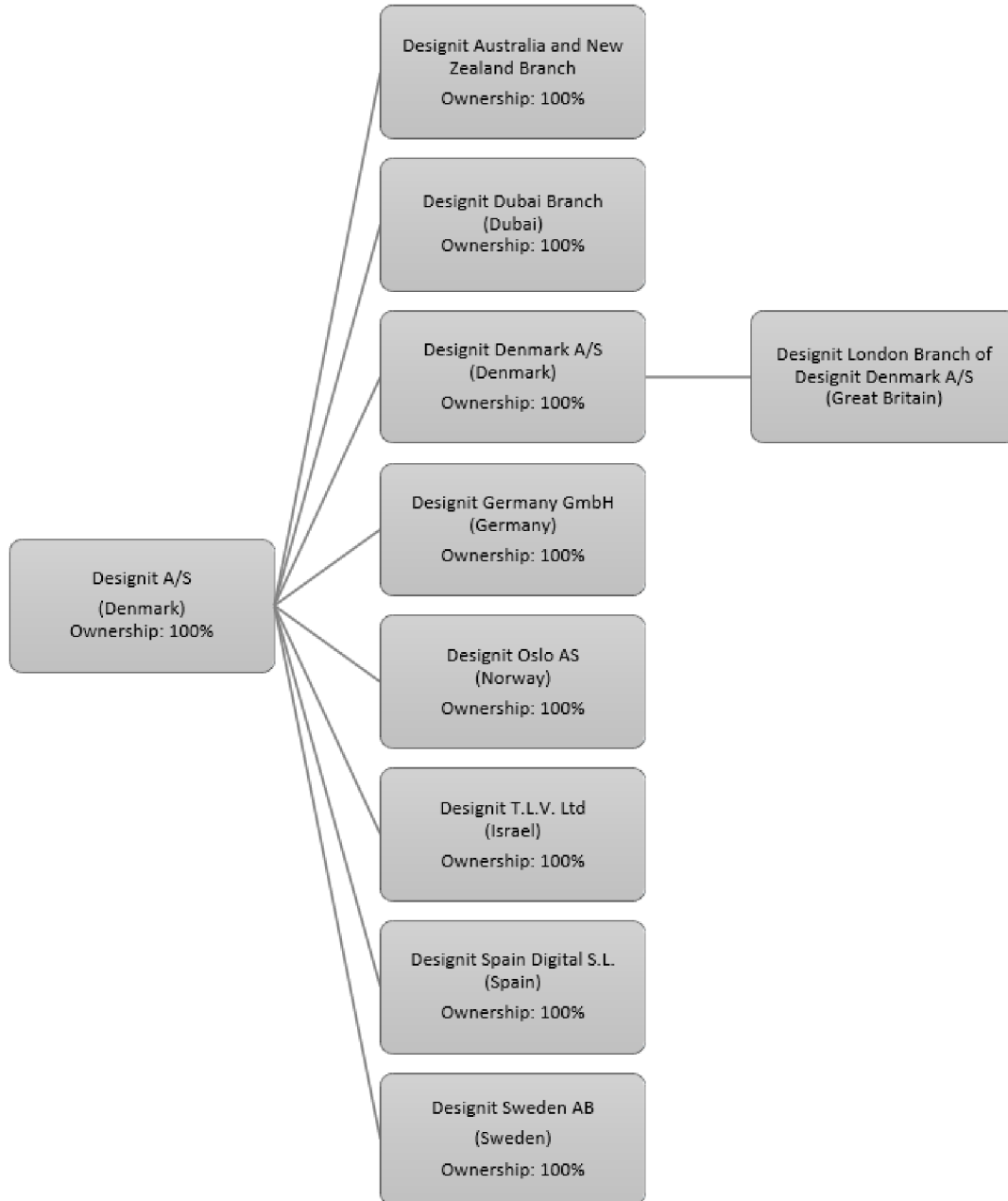
## Management's review

### 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 2021 - 31 March 2022
Website	<a href="http://www.designit.com">www.designit.com</a>
Board of Directors	Rajan Kohli, Chair Satyaki Banerjee Kjersti Krokmogen Lund
Executive Board	Nicolas Gregory Antony Parmaksizian, Managing director Kjersti Krokmogen Lund, Director Joaquin Enrique Guirao Sagi-Vela, Director
Auditors	Ernst & Young 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	2021/22	2020/21	2019/20	2018/19
<b>Key figures</b>				
Revenue	200,384	186,441	267,271	325,089
Gross profit	165,898	139,365	179,475	285,534
Operating profit/loss	-78,517	-169,239	-117,989	-35,467
Net financials	-5,853	-1,158	-5,592	1,634
Profit/loss for the year	-60,025	-176,724	-121,429	28,168
<b>Total assets</b>				
Equity	176,000	188,751	379,133	180,067
	84,091	19,711	178,506	74,701
<b>Cash flows</b>				
Cash flows from operating activities	-9,850	-37,013	-71,596	92,982
Net cash flows from investing activities	-1,384	-878	-10,390	-16,422
Total cash flows	4,809	6,676	-11,274	12,388
<b>Financial ratios</b>				
Return on assets	-43.1%	-59.6%	-42.2%	-19.7%
Current ratio	135.6%	52.9%	86.0%	146.4%
Equity ratio	47.8%	10.4%	47.1%	41.5%
Return on equity	-115.7%	-178.3%	-95.9%	37.7%
<b>Average number of full-time employees</b>				
	275	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 result came from an unexpected slowdown of the activity in Q2 of FY22, but it was rapidly recovered in the second half of the year, with solid results in Q3 and Q4.

### 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, cf. §99b

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.

### Data ethics

Designit A/S does not currently have a data ethics policy, but is working to prepare and implement such a policy, which will form the basis of our policies on data protection and data ethics.

We will ensure compliance with applicable data protection laws and have a strong focus on the principles of self-determination, human dignity, responsibility, equality and justice, progressiveness and diversity in general. We always keep people in focus, and when developing new products and services, we focus on privacy by design and standard.

We aim to develop and implement a data ethics policy in the coming year.

### 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

The company expects to consolidate the more solid trajectory of the second half of last year, and deliver a positive outcome in FY23, from our investments in the different markets, with a result around break-even.

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## Income statement

Note	DKK	Group		Parent company	
		2021/22	2020/21	2021/22	2020/21
2	Revenue	200,384,457	186,441,203	50,083,067	39,540,090
3	Other operating income	24,084,364	0	0	0
	Other external expenses	-58,570,660	-47,076,398	-25,251,511	-20,685,761
	Gross profit	165,898,161	139,364,805	24,831,556	18,854,329
4	Staff costs	-186,458,418	-180,538,432	-51,646,368	-32,854,028
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-33,872,422	-128,065,331	-1,605,714	-1,693,161
	Other operating expenses	-116,812	-627,060	0	-3,082,965
	Profit/loss before net financials	-54,549,491	-169,866,018	-28,420,526	-18,775,825
	Income from investments in group enterprises	0	0	-28,848,374	-155,475,189
5	Financial income	7,019,539	11,118,483	5,744,046	6,186,968
6	Financial expenses	-12,872,607	-12,276,698	-8,987,909	-8,399,568
	Profit/loss before tax	-60,402,559	-171,024,233	-60,512,763	-176,463,614
7	Tax for the year	377,280	-5,699,940	487,484	-260,559
	Profit/loss for the year	-60,025,279	-176,724,173	-60,025,279	-176,724,173

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## Balance sheet

Note	DKK	Group		Parent company	
		2021/22	2020/21	2021/22	2020/21
		<b>ASSETS</b>			
		Fixed assets			
8	Intangible assets				
	Goodwill	54,238,389	76,681,860	0	0
		<u>54,238,389</u>	<u>76,681,860</u>	<u>0</u>	<u>0</u>
9	Property, plant and equipment				
	Land and buildings	31,966,396	26,554,652	2,836,144	3,767,063
	Fixtures and fittings, other plant and equipment	3,355,267	3,020,364	135,736	355,646
	Leasehold improvements	4,274,064	6,117,051	139,862	188,355
		<u>39,595,727</u>	<u>35,692,067</u>	<u>3,111,742</u>	<u>4,311,064</u>
10	Investments				
	Investments in group enterprises	0	0	139,854,966	162,516,691
	Other receivables	1,400,029	3,600,382	0	0
		<u>1,400,029</u>	<u>3,600,382</u>	<u>139,854,966</u>	<u>162,516,691</u>
	Total fixed assets	<u>95,234,145</u>	<u>115,974,309</u>	<u>142,966,708</u>	<u>166,827,755</u>
	Non-fixed assets				
	Receivables				
	Trade receivables	19,509,522	19,335,582	0	85,981
11	Contract assets	7,446,354	14,143,580	0	0
	Receivables from group enterprises	22,318,340	13,051,579	15,638,407	11,746,216
14	Deferred tax assets	855,792	765,983	0	0
	Other receivables	6,065	353,871	0	497,621
12	Prepayments	5,817,588	5,123,364	22,316	3,577,001
		<u>55,953,661</u>	<u>52,773,959</u>	<u>15,660,723</u>	<u>15,906,819</u>
	Cash	<u>24,811,850</u>	<u>20,002,385</u>	<u>2,749,323</u>	<u>3,614,604</u>
	Total non-fixed assets	<u>80,765,511</u>	<u>72,776,344</u>	<u>18,410,046</u>	<u>19,521,423</u>
	<b>TOTAL ASSETS</b>	<u><u>175,999,656</u></u>	<u><u>188,750,653</u></u>	<u><u>161,376,754</u></u>	<u><u>186,349,178</u></u>

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## Balance sheet

Note	DKK	Group		Parent company	
		2021/22	2020/21	2021/22	2020/21
		EQUITY AND LIABILITIES			
		Equity			
13	Share capital	10,000,400	10,000,300	10,000,400	10,000,300
	Retained earnings	74,090,114	9,710,380	74,090,114	9,710,380
	Total equity	<u>84,090,514</u>	<u>19,710,680</u>	<u>84,090,514</u>	<u>19,710,680</u>
	Liabilities other than provisions				
15	Non-current liabilities other than provisions				
	Lease liabilities	32,329,318	28,500,162	3,222,171	4,263,398
	Other payables	0	2,870,630	0	969,619
		<u>32,329,318</u>	<u>31,370,792</u>	<u>3,222,171</u>	<u>5,233,017</u>
	Current liabilities other than provisions				
11	Contract liabilities	380,704	2,057,947	0	0
	Trade payables	9,370,966	5,254,333	3,128,158	2,132,841
	Payables to group enterprises	16,701,063	102,753,508	64,319,413	155,624,570
	Other payables	33,127,091	27,603,393	6,616,498	3,648,070
		<u>59,579,824</u>	<u>137,669,181</u>	<u>74,064,069</u>	<u>161,405,481</u>
	Total liabilities other than provisions	<u>91,909,142</u>	<u>169,039,973</u>	<u>77,286,240</u>	<u>166,638,498</u>
	TOTAL EQUITY AND LIABILITIES	<u>175,999,656</u>	<u>188,750,653</u>	<u>161,376,754</u>	<u>186,349,178</u>

- 1 Accounting policies
- 16 Contractual obligations and contingencies, etc.
- 17 Collateral
- 18 Related parties
- 19 Fee to the auditors appointed by the Company in general meeting
- 20 Appropriation of profit/loss

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## 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 1 April 2021	10,000,300	9,710,380	19,710,680
	Capital increase	100	124,099,900	124,100,000
	Transfer through appropriation of loss	0	-60,025,279	-60,025,279
	Adjustment of investments through foreign exchange adjustments	0	305,113	305,113
	Equity at 31 March 2022	10,000,400	74,090,114	84,090,514
		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
20	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 1 April 2021	10,000,300	9,710,380	19,710,680
	Capital increase	100	124,099,900	124,100,000
20	Transfer, see "Appropriation of profit/loss"	0	-60,025,279	-60,025,279
	Adjustment of investments through foreign exchange adjustments	0	305,113	305,113
	Equity at 31 March 2022	10,000,400	74,090,114	84,090,514

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## Cash flow statement

Note	DKK	Group	
		2021/22	2020/21
	Profit/loss for the year	-60,025,279	-176,724,173
21	Adjustments	40,620,016	134,822,825
	Cash generated from operations (operating activities)	-19,405,263	-41,901,348
22	Changes in working capital	14,157,776	12,155,937
	Cash generated from operations (operating activities)	-5,247,487	-29,745,411
	Interest received, etc.	7,019,539	6,242,241
	Interest paid, etc.	-12,089,068	-7,400,457
	Income taxes paid	467,089	-6,109,481
	Cash flows from operating activities	-9,849,927	-37,013,108
	Additions of property, plant and equipment	-3,584,273	-1,406,612
	Other cash flows from investing activities	2,200,353	528,475
	Cash flows to investing activities	-1,383,920	-878,137
	Payment of lease installments	-9,866,845	0
	Proceeds of debt, group enterprises	0	38,852,711
	Repayments, debt to credit institutions	0	-16,600,916
	Repayments, borrowings from group enterprises	-95,319,207	0
	Other repayments, long-term liabilities	-2,870,630	0
	Cash capital increase	124,100,000	22,315,500
	Cash flows from financing activities	16,043,318	44,567,295
	Net cash flow	4,809,471	6,676,050
	Cash and cash equivalents at 1 April	20,002,385	13,326,335
	Cash and cash equivalents at 31 March	24,811,856	20,002,385



## Consolidated financial statements and parent company financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Designit A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

#### 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*

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.

## Consolidated financial statements and parent company financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

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 income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains and 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

The item comprises amortisation/depreciation 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.

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

## Consolidated financial statements and parent company financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

Land and buildings	5-10 years
Fixtures and fittings, other plant and equipment	2-5 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 2021 - 31 March 2022

### 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 2021 - 31 March 2022

### 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 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 deducted 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 2021 - 31 March 2022

### 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.

## Consolidated financial statements and parent company financial statements 1 April 2021 - 31 March 2022

### 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.

##### 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.

## Consolidated financial statements and parent company financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

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 2021 -  
31 March 2022

## Notes to the financial statements

	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
DKK				
2 Segment information				
Breakdown of revenue by geographical segment:				
Denmark	18,407,620	27,527,830	37,722,304	39,540,090
Norway	46,416,993	42,918,189	0	0
Germany	19,895,564	15,496,452	0	0
Great Britain	42,885,838	21,867,155	0	0
Spain	23,603,888	21,033,455	0	0
Israel	26,508,168	21,082,913	0	0
Australia and New Zealand	9,814,344	6,965,862	9,864,034	0
Sweden	9,002,457	12,480,984	0	0
Japan	1,352,863	13,777,430	0	0
Other	2,496,722	3,290,933	2,496,729	0
	<u>200,384,457</u>	<u>186,441,203</u>	<u>50,083,067</u>	<u>39,540,090</u>

## 3 Other operating income

In 2022 other operating income relates to sale of activity. In 2021 there is no other operating income.

	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
DKK				
4 Staff costs				
Wages/salaries	161,778,310	152,828,438	49,126,711	30,556,069
Pensions	5,284,545	6,077,263	1,558,952	1,309,667
Other social security costs	13,037,122	15,616,621	37,426	38,058
Other staff costs	6,358,441	6,016,110	923,279	950,234
	<u>186,458,418</u>	<u>180,538,432</u>	<u>51,646,368</u>	<u>32,854,028</u>

	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
Average number of full-time employees	<u>275</u>	<u>278</u>	<u>34</u>	<u>31</u>

## Group

Total remuneration to Management: DKK 4,769,053 (2020/21: DKK 5,419,772).

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## Notes to the financial statements

	Group		Parent company	
	2021/22	2020/21	2021/22	2020/21
DKK				
5 Financial income				
Interest receivable, group entities	176,059	114,327	1,600,854	2,591,792
Other interest income	46,866	700,112	0	31
Exchange gain	6,796,614	10,304,044	4,143,192	3,595,145
	<u>7,019,539</u>	<u>11,118,483</u>	<u>5,744,046</u>	<u>6,186,968</u>
6 Financial expenses				
Interest expenses, group entities	1,309,044	910,662	3,229,008	4,613,169
Other interest expenses	1,575,002	1,682,143	5,179,095	3,424,382
Exchange losses	9,988,561	9,683,893	579,806	362,017
	<u>12,872,607</u>	<u>12,276,698</u>	<u>8,987,909</u>	<u>8,399,568</u>
7 Tax for the year				
Estimated tax charge for the year	0	2,707,331	0	0
Deferred tax adjustments in the year	-89,809	4,569,938	0	0
Tax adjustments, prior years	689,737	0	119,739	611,093
Refund in joint taxation	-977,208	-1,577,329	-607,223	-350,534
	<u>-377,280</u>	<u>5,699,940</u>	<u>-487,484</u>	<u>260,559</u>
8 Intangible assets				
DKK				
				<u>Group</u>
				<u>Goodwill</u>
Cost at 1 April 2021				593,940,975
Cost at 31 March 2022				593,940,975
Impairment losses and amortisation at 1 April 2021				517,259,115
Amortisation for the year				22,443,471
Impairment losses and amortisation at 31 March 2022				539,702,586
Carrying amount at 31 March 2022				<u>54,238,389</u>

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## Notes to the financial statements

## 9 Property, plant and equipment

DKK	Group			
	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 April 2021	42,473,848	12,319,240	18,083,173	72,876,261
Foreign exchange adjustments	1,571,799	0	0	1,571,799
Additions	24,505,761	3,417,014	388,927	28,311,702
Disposals	-20,896,546	-5,257,383	-5,046,996	-31,200,925
Cost at 31 March 2022	47,654,862	10,478,871	13,425,104	71,558,837
Impairment losses and depreciation at 1 April 2021	15,919,196	9,298,876	11,966,122	37,184,194
Foreign exchange adjustments	1,008,998	0	0	1,008,998
Depreciation	8,073,059	2,465,177	2,162,521	12,700,757
Reversal of accumulated depreciation and impairment of assets disposed	-9,312,787	-4,640,449	-4,977,603	-18,930,839
Impairment losses and depreciation at 31 March 2022	15,688,466	7,123,604	9,151,040	31,963,110
Carrying amount at 31 March 2022	31,966,396	3,355,267	4,274,064	39,595,727

The total value of right of use assets amount to DKK 32,411 thousand for the Group and DKK 2,819 thousand for Parent company.

DKK	Parent company			
	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 April 2021	5,921,537	2,031,694	265,532	8,218,763
Foreign exchange adjustments	510,794	-178,151	32,411	365,054
Additions	0	413,413	0	413,413
Disposals	0	-1,854,186	-62,500	-1,916,686
Cost at 31 March 2022	6,432,331	412,770	235,443	7,080,544
Impairment losses and depreciation at 1 April 2021	2,154,474	1,676,048	77,177	3,907,699
Foreign exchange adjustments	218,035	-181,994	3,694	39,735
Depreciation	1,223,678	316,257	66,273	1,606,208
Reversal of accumulated depreciation and impairment of assets disposed	0	-1,533,277	-51,563	-1,584,840
Impairment losses and depreciation at 31 March 2022	3,596,187	277,034	95,581	3,968,802
Carrying amount at 31 March 2022	2,836,144	135,736	139,862	3,111,742

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## Notes to the financial statements

## 10 Investments

	<u>Group</u>
	Other receivables
DKK	
Cost at 1 April 2021	3,600,382
Disposals	-2,200,353
Cost at 31 March 2022	<u>1,400,029</u>
Carrying amount at 31 March 2022	<u>1,400,029</u>
	<u>Parent company</u>
	Investments in group enterprises
DKK	
Cost at 1 April 2021	797,641,633
Additions	36,756,382
Disposals	-624,126
Cost at 31 March 2022	<u>833,773,889</u>
Value adjustments at 1 April 2021	-635,124,942
Foreign exchange adjustments	1,516,372
Profit/loss for the year	-55,755,235
Underbalance transferred to be offset in receivables primo	-50,163,487
Underbalance transferred to be offset in receivables ultimo	21,280,485
Reversal of value adjustments related to disposals	<u>24,327,884</u>
Value adjustments at 31 March 2022	-693,918,923
Carrying amount at 31 March 2022	<u><u>139,854,966</u></u>

	<u>Group</u>		<u>Parent company</u>	
DKK	2021/22	2020/21	2021/22	2020/21
11 Contract assets				
Selling price of work performed	14,366,961	28,262,348	0	0
Progress billings	-7,301,311	-16,176,715	0	0
	<u>7,065,650</u>	<u>12,085,633</u>	<u>0</u>	<u>0</u>
recognised as follows:				
Contract assets (assets)	7,446,354	14,143,580	0	0
Contract assets (liabilities)	-380,704	-2,057,947	0	0
	<u>7,065,650</u>	<u>12,085,633</u>	<u>0</u>	<u>0</u>

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## Notes to the financial statements

## 12 Prepayments

## Group

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

## 13 Share capital

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

DKK	2021/22	2020/21	2019/20	2018/19	2017/18
Opening balance	10,000,300	10,000,200	10,000,200	10,000,100	10,000,000
Capital increase	100	100	0	100	100
	<u>10,000,400</u>	<u>10,000,300</u>	<u>10,000,200</u>	<u>10,000,200</u>	<u>10,000,100</u>

	Group		Parent company	
DKK	2021/22	2020/21	2021/22	2020/21
14 Deferred tax				
Deferred tax at 1 April	-765,983	-5,368,947	0	0
Adjustment of deferred tax	-89,809	4,602,964	0	0
Deferred tax at 31 March	<u>-855,792</u>	<u>-765,983</u>	<u>0</u>	<u>0</u>
Analysis of the deferred tax				
Deferred tax assets	-855,792	-765,983	0	0
	<u>-855,792</u>	<u>-765,983</u>	<u>0</u>	<u>0</u>

## 15 Non-current liabilities other than provisions

There are no long-term liabilities that falls due for payment after more than 5 years after the balance sheet date.

## Consolidated financial statements and parent company financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 16 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

##### Group

The group has guarantee commitments of DKK 4,949 thousand at 31 March 2021 (2020/21: DKK 2,912 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.

#### 17 Collateral

##### Group

The group has not provided any security or other collateral in assets at 31 March 2022.

##### Parent company

The parent Company has not provided any security or other collateral in assets at 31 March 2022.

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## Notes to the financial statements

## 18 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	2021/22	2020/21
<b>Group</b>		
Sale of services to affiliated companies	90,127,794	55,525,489
Purchase of service from affiliated companies	5,558,986	7,811,632
Interests, affiliated companies	1,132,985	796,335
Divestments to affiliated companies	10,487,439	0
Receivables from affiliated companies	22,318,340	13,051,578
Payables to affiliated companies	16,701,063	102,753,508
<b>Parent Company</b>		
Sale of services to affiliated companies	42,754,893	35,359,113
Purchase of service from affiliated companies	21,116,704	10,352,684
Interests, affiliated companies	1,628,154	2,021,377
Divestments to affiliated companies	10,487,439	0
Receivables from affiliated companies	15,638,603	11,746,216
Payables to affiliated companies	64,319,721	155,624,570

Consolidated financial statements and parent company financial statements 1 April 2021 -  
31 March 2022

## Notes to the financial statements

	Group	
	2021/22	2020/21
DKK		
19 Fee to the auditors appointed by the Company in general meeting		
Total fees to EY	739,438	683,599
Statutory audit	518,275	469,967
Tax assistance	122,388	71,350
Other assistance	98,775	142,282
	739,438	683,599

Audit fees for the Parent company 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	
	2021/22	2020/21
DKK		
20 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-60,025,279	-176,724,173
	-60,025,279	-176,724,173
21 Adjustments		
Amortisation/depreciation and impairment losses	33,872,422	128,065,331
Gain/loss on the sale of non-current assets	1,271,806	0
Financial income	-7,019,539	-6,242,241
Financial expenses	12,872,607	7,400,457
Tax for the year	-377,280	5,699,937
Other adjustments	0	-100,659
	40,620,016	134,822,825
22 Changes in working capital		
Change in receivables	4,499,624	23,341,337
Change in trade and other payables	9,658,152	-11,185,400
	14,157,776	12,155,937