# Designit Denmark A/S

Bygmestervej 61, DK-2400 København NV

CVR no. 14 65 00 91

## Annual report 2020/21

Approved at the Company's annual general meeting on 26 July 2021

Chair of the meeting:

DocuSigned by:

.....................................

F92B0D38B91944A...

Building a better working world

# Contents

## 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 Denmark 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 financial statements give a true and fair view of the financial position of the Company at 31 March 2021 and of the results of the Company's operations 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 Company's operations and financial matters and the results of 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:

DocuSigned by:
Mads Damkjaer
DEF4B543FFA648F...

Mads Flyckt Damkjær
Adm. director

Board of Directors:

| | | |
|---|---|---|
| | DocuSigned by:<br>3918AA33343144E... | DocuSigned by:<br>F954116EA6B74B4... |
| Mohit Bansal<br>Chair | Christian Søgaard | Kjersti Krokmogen Lund |

## 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 Denmark 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 financial statements give a true and fair view of the financial position of the Company at 31 March 2021 and of the results of the Company's operations 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 Company's operations and financial matters and the results of 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:

Mads Flyckt Damkjær
Adm. director

Board of Directors:

| | | |
|---|---|---|
| Mohit Bansal<br>Chair | Christian Søgaard | Kjersti Krokmogen Lund |

# Independent auditor's report

To the shareholder of Designit Denmark A/S

## Opinion

We have audited the financial statements of Designit Denmark 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2021 and of the results of the Company's operations 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

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

## Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

## Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

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

| | |
|---|---|
| Claus Hammer-Pedersen | Simon M. Laursen |
| State Authorised Public Accountant | State Authorised Public Accountant |
| mne21334 | mne45894 |

# Management's review

## Company details

| | |
|---|---|
| Name | Designit Denmark A/S |
| Address, Postal code, City | Bygmestervej 61, DK-2400 København NV |
| CVR no. | 14 65 00 91 |
| Established | 13 September 1990 |
| Registered office | København/Copenhagen |
| Financial year | 1 April 2020 - 31 March 2021 |
| Website | www.designit.com |
| Telephone | +45 70 27 77 00 |
| Board of Directors | Mohit Bansal, Chair<br>Christian Søgaard<br>Kjersti Krokmogen Lund |
| Executive Board | Mads Flyckt Damkjær, Adm. director |
| Auditors | EY Godkendt Revisionspartnerselskab<br>Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark |

# Management's review

## Financial highlights

| DKK'000 | 2020/21 | 2019/20 | 2018/19 | 2017/18 | 2016/17 |
|---|---|---|---|---|---|
| **Key figures** | | | | | |
| Gross profit | 30,796 | 39,855 | 115,025 | 73,370 | 60,232 |
| Operating profit/loss | -9,674 | -24,924 | -21,373 | -33,778 | -43,354 |
| Net financials | 3,761 | 3,266 | 5,655 | -6,449 | 469 |
| Profit/loss for the year | -3,601 | -20,398 | 51,194 | -48,739 | -38,245 |
| Fixed assets | 2,113 | 4,995 | 2,727 | 3,176 | 4,415 |
| Total assets | 79,841 | 193,748 | 157,393 | 114,220 | 49,414 |
| Equity | 66,340 | 70,948 | 91,304 | 40,597 | 2,149 |
| **Financial ratios** | | | | | |
| Return on assets | -7.1% | -14.2% | -15.7% | -41.3% | -103.3% |
| Equity ratio | 83.1% | 36.6% | 58.0% | 35.5% | 4.3% |
| Return on equity | -5.2% | -25.1% | 77.6% | -228.0% | -501.9% |
| Average number of employees | 52 | 75 | 113 | 175 | 163 |

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

# Management's review

## Business review

Designit Denmark A/S is one of Europe's largest and most international strategic design agencies. The primary activities are integrated services within innovation, service design, product design, interactive designs, interaction designs and branding/communication. Designit Denmark A/S is the Danish subsidiary of Designit A/S.

## Financial review

The income statement for 2020/21 shows a loss of DKK 3,601 thousand against a loss of DKK 20,398 thousand last year, and the balance sheet at 31 March 2021 shows equity of DKK 66,340 thousand. Management considers the development in activity unsatisfactory due to challenging market conditions. Actions were taken to concentrate design resources in Copenhagen, with a sales function remaining in Aarhus, leading to reduction in head count of 24.

## Knowledge resources

In order to deliver relevant solutions to the customers, it is material for Designit Denmark A/S to recruit and retain skilled and talented employees. Designit Denmark A/S has a well developed HR policy, which makes the Company able to attract, develop and retain the best design talents in Denmark. This is necessary to ensure access to the latest knowledge and allow fast adaptions to the organisation.

## Financial risks and use of financial instruments

The most material operational risk for Designit Denmark A/S concerns the ability to consistently deliver solutions of high quality to the Company's customers. This is necessary to support the values that Designit Denmark A/S markets ifself with towards the Company's customers. It is furthermore essential to ensure that the Company's solutions continue to be leading, when taking into account the 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. Most of the Company's transactions is in Danish Kroner, British Pound, US Dollar or Euro. On an ongoing basis the company's mangement assess whether actions are necessary to lower the risk exposure.

### Interest risks

The Company's net interest-bearing debt (NIBD) is limited compared to the Company's level of activity, and moderate changes in interest rates will not have a significant impact on the Company's results. Due to this, no interest hedging agreements are entered into to safeguard the Company against interest fluctuations.

## Impact on the external environment

Designit Denmark A/S carries out its activities with consideration to the external environment. Management does not assess that Designit Denmark A/S' activities have any significant negative impact on the external environment.

## Foreign branches

The company's foreign branches include:

Designit Denmark A/S - London Branch, London, Great Britain

The primary activities of the branch are the same as Designit Denmark A/S

# Management's review

## Events after the balance sheet date

There are no significant events after the balance sheet date.

## Outlook

Demand for Designit Denmark A/S' services is high both nationally as well as internationally. Based on this demand, the Company expects revenue growth and a result around break-even. But the exact outlook is subject to the uncertainty of COVID-19.

# Financial statements 1 April 2020 - 31 March 2021

## Income statement

| Note | DKK'000 | 2020/21 | 2019/20 |
|---|---|---|---|
| | Gross profit | 30,796 | 39,855 |
| 2 | Staff costs | -37,313 | -60,575 |
| | Amortisation/depreciation and impairment of intangible assets and property, plant and equipment | -2,918 | -4,131 |
| | Profit/loss before net financials | -9,435 | -24,851 |
| 3 | Financial income | 5,902 | 6,243 |
| 4 | Financial expenses | -2,141 | -2,977 |
| | Profit/loss before tax | -5,674 | -21,585 |
| 5 | Tax for the year | 2,073 | 1,187 |
| | Profit/loss for the year | -3,601 | -20,398 |

# Financial statements 1 April 2020 - 31 March 2021

## Balance sheet

| Note | DKK'000 | 2020/21 | 2019/20 |
|---|---|---|---|
| | ASSETS | | |
| | Fixed assets | | |
| 6 | Property, plant and equipment | | |
| | Land and buildings | 138 | 2,165 |
| | Other fixtures and fittings, tools and equipment | 895 | 1,124 |
| | Leasehold improvements | 122 | 245 |
| | | 1,155 | 3,534 |
| | Investments | | |
| | Deposits, investments | 958 | 1,461 |
| | | 958 | 1,461 |
| | Total fixed assets | 2,113 | 4,995 |
| | Non-fixed assets | | |
| | Receivables | | |
| | Trade receivables | 4,156 | 2,334 |
| 7 | Contract assets | 6,444 | 736 |
| | Receivables from group entities | 66,173 | 181,825 |
| | Other receivables | 0 | 201 |
| 8 | Deferred income | 320 | 1,277 |
| | | 77,093 | 186,373 |
| | Cash | 635 | 2,380 |
| | Total non-fixed assets | 77,728 | 188,753 |
| | TOTAL ASSETS | 79,841 | 193,748 |

# Financial statements 1 April 2020 - 31 March 2021

## Balance sheet

| Note | DKK'000 | 2020/21 | 2019/20 |
|---|---|---|---|
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| 9 | Share capital | 1,206 | 1,206 |
| | Retained earnings | 65,134 | 69,742 |
| | Total equity | 66,340 | 70,948 |
| | Liabilities other than provisions | | |
| 10 | Non-current liabilities other than provisions | | |
| | Lease liabilities | 728 | 3,151 |
| | Other payables | 1,901 | 1,888 |
| | | 2,629 | 5,039 |
| | Current liabilities other than provisions | | |
| 7 | Contract liabilities | 501 | 286 |
| | Trade payables | 2,095 | 2,745 |
| | Payables to group entities | 4,039 | 105,047 |
| | Other payables | 4,237 | 9,683 |
| | | 10,872 | 117,761 |
| | | 13,501 | 122,800 |
| | TOTAL EQUITY AND LIABILITIES | 79,841 | 193,748 |

1 Accounting policies
11 Contractual obligations and contingencies, etc.
12 Related parties
13 Appropriation of profit/loss

# Financial statements 1 April 2020 - 31 March 2021

## Statement of changes in equity

| Note | DKK'000 | Share capital | Retained earnings | Total |
|---|---|---|---|---|
| | Equity at 1 April 2019 | 1,206 | 90,098 | 91,304 |
| 13 | Transfer, see "Appropriation of profit/loss" | 0 | -20,398 | -20,398 |
| | Exchange adjustment | 0 | 526 | 526 |
| | Changes in accounting policies | 0 | -484 | -484 |
| | Equity at 1 April 2020 | 1,206 | 69,742 | 70,948 |
| 13 | Transfer, see "Appropriation of profit/loss" | 0 | -3,601 | -3,601 |
| | Exchange adjustment | 0 | -1,007 | -1,007 |
| | Equity at 31 March 2021 | 1,206 | 65,134 | 66,340 |

# Financial statements 1 April 2020 - 31 March 2021

## Notes to the financial statements

1 Accounting policies

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

The accounting policies applied by the Company are consistent with those of last year.

### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement of the parent company Designit A/S.

### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

## Income statement

### Revenue

The Company has chosen IFRS15 as interpretation for revenue recognition.

Income from work in progress for third parties where the purchaser has significantly influenced the asset is recognised as revenue as the production activities are carried on, implying that revenue corresponds to the market value of the work performed (production method). This method is used where the total income and expenses and the degree of completion of the contract can be made up reliably.

Where the income from a work in progress for third parties 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.

### Gross profit

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

### Other operating income

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

# Financial statements 1 April 2020 - 31 March 2021

## Notes to the financial statements

1 Accounting policies (continued)

### Depreciation

The item comprises depreciation of property, plant and equipment.

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

| | |
|---|---|
| Land and buildings | 5-10 years |
| Other fixtures and fittings, tools and equipment | 3-5 years |
| Leasehold improvements | 3-5 years |

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

### Tax

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

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

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

## Balance sheet

### Property, plant and equipment

Items of 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.

Where individual components of an item of property, plant and equipment have differet useful lives, they are accounted for as separate items, which are depreciated separately.

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.

# Financial statements 1 April 2020 - 31 March 2021

## Notes to the financial statements

1 Accounting policies (continued)

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.

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 chosen to present leased assets and lease commitments as separate line items in the balance sheet.

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.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Write-downs are made for bad debts on the basis of objective evidence that a receivable or a portfolio are impaired. If there is an objective indication that an induvidual receivable has been impaired, a write-down is made on an individual basis.

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

# Financial statements 1 April 2020 - 31 March 2021

## Notes to the financial statements

### 1 Accounting policies (continued)

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

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

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

#### Contract assets

Work in progress for third parties is measured at the selling price of the work performed less progress billings and anticipated losses. Work in progress for third parties entails a significant degree of design customisation of services. Moreover, before the work is commenced, a binding agreement must have been entered into to the effect that penalties covering at least costs incurred will be enforced if the contract is subsequently terminated.

The market value is calculated on the basis of the percentage of completion at the balance sheet date and the total expected income from the relevant contract. The percentage of completion is determined on the basis of an assesment of the work performed, which is usually measured as the proportion of contract costs incurred for work performed to date relative to total estimated contract costs.

Where the outcome of work in progress for third parties cannot be made up reliably, the market value is measured at the costs incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress for third parties 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 each contract in progress less prepayments is classified as assets when the market value exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments from customers are recognised under liabilities.

Selling costs and costs incurred in securing contracts are recognised in profit or loss as incurred.

# Financial statements 1 April 2020 - 31 March 2021

## Notes to the financial statements

### 1 Accounting policies (continued)

#### Prepayments

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

#### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

#### Equity

*Proposed dividends*

Dividends proposed for the financial year are presented as a separate item under ‘Equity'. Dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date).

#### 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.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively. Deferred tax assets, if any, are measured at net realisable value.

Deferred tax is measured according to the taxation rules and taxation 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 value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

#### Other payables

Other payables 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.

#### Deferred income

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

#### Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

# Financial statements 1 April 2020 - 31 March 2021

## Notes to the financial statements

1 Accounting policies (continued)

| DKK'000 | 2020/21 | 2019/20 |
|---|---|---|
| 2 Staff costs | | |
| Wages/salaries | 33,458 | 55,629 |
| Pensions | 1,431 | 2,057 |
| Other social security costs | 1,572 | 1,876 |
| Other staff costs | 852 | 1,013 |
| | 37,313 | 60,575 |
| Average number of full-time employees | 52 | 75 |

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration of Management is not disclosed.

| DKK'000 | 2020/21 | 2019/20 |
|---|---|---|
| 3 Financial income | | |
| Interest receivable, group entities | 4,465 | 4,842 |
| Exchange adjustments | 1,434 | 1,401 |
| Other financial income | 3 | 0 |
| | 5,902 | 6,243 |
| 4 Financial expenses | | |
| Interest expenses, group entities | 792 | 557 |
| Other interest expenses | 393 | 617 |
| Exchange adjustments | 956 | 1,803 |
| | 2,141 | 2,977 |

# Financial statements 1 April 2020 - 31 March 2021

## Notes to the financial statements

| | DKK'000 | 2020/21 | 2019/20 |
|---|---|---|---|
| 5 | Tax for the year | | |
| | Refund in joint taxation | -2,073 | -1,187 |
| | | -2,073 | -1,187 |

6 Property, plant and equipment

| DKK'000 | Land and buildings | Other fixtures and fittings, tools and equipment | Leasehold improvements | Total |
|---|---|---|---|---|
| Cost at 1 April 2020 | 6,762 | 15,183 | 4,002 | 25,947 |
| Correction of opening balance | 0 | -12,067 | -2,052 | -14,119 |
| Adjusted cost at 1 April 2020 | 6,762 | 3,116 | 1,950 | 11,828 |
| Additions in the year | 0 | 731 | 20 | 751 |
| Disposals in the year | -2,410 | -951 | -1,289 | -4,650 |
| Cost at 31 March 2021 | 4,352 | 2,896 | 681 | 7,929 |
| Impairment losses and depreciation at 1 April 2020 | 4,597 | 14,059 | 3,756 | 22,412 |
| Correction of opening balance | 0 | -12,067 | -2,051 | -14,118 |
| Adjusted impairment losses and depreciation at 1 April 2020 | 4,597 | 1,992 | 1,705 | 8,294 |
| Amortisation/depreciation in the year | 1,704 | 455 | 59 | 2,218 |
| Amortisation/depreciation and impairment of disposals in the year | -2,087 | -446 | -1,205 | -3,738 |
| Impairment losses and depreciation at 31 March 2021 | 4,214 | 2,001 | 559 | 6,774 |
| Carrying amount at 31 March 2021 | 138 | 895 | 122 | 1,155 |

The total value of right of use assets amount to DKK 710 thousand.

| | DKK'000 | 2020/21 | 2019/20 |
|---|---|---|---|
| 7 | Contract assets | | |
| | Selling price of work performed | 9,831 | 2,270 |
| | Progress billings | -3,888 | -1,820 |
| | | 5,943 | 450 |
| | recognised as follows: | | |
| | Contract assets (assets) | 6,444 | 736 |
| | Contract assets (liabilities) | -501 | -286 |
| | | 5,943 | 450 |

8 Deferred income

Prepayments include accrual of expenses relating to subsequent financial years.

# Financial statements 1 April 2020 - 31 March 2021

## Notes to the financial statements

### 9 Share capital

The share capital consists of 12,065 shares of DKK 100 each.

The Company's share capital has remained DKK 1,206 thousand over the past 5 years.

### 10 Non-current liabilities other than provisions

Of the long-term liabilities, t.DKK 1.901 falls due for payment after more than 5 years after the balance sheet date.

### 11 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Designit A/S, which acts as management company, and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

The Group's Danish companies are jointly and severally liable for group VAT registration.

### 12 Related parties

Information about consolidated financial statements

| Parent | Domicile | Requisitioning of the parent company's consolidated financial statements |
|---|---|---|
| Wipro Limited | Sarjapur Road, Bangalore, Karnataka 560035, India | The consolidated financial statements of Wipro Limited are available at the company's website. |
| Designit A/S | Bygmestervej 61, DK-2400 Løbenhavn NV | |

Related party transactions

Designit Denmark A/S was engaged in the below related party transactions:

| DKK'000 | 2020/21 | 2019/20 |
|---|---|---|
| Sale of services to affiliated companies | 21,197 | 3,037 |
| Purchase of services from affiliated companies | 13,344 | 7,472 |
| Interest, affiliated companies | 3,673 | 4,284 |
| | | |
| Receivables from affiliated companies | 66,173 | 181,836 |
| Payables to affiliated companies | 4,039 | 105,083 |

### 13 Appropriation of profit/loss

| | | |
|---|---|---|
| Recommended appropriation of profit/loss | | |
| Retained earnings/accumulated loss | -3,601 | -20,398 |
| | -3,601 | -20,398 |