

DXC Technology Scandihealth A/S
Company Registration No 25 46 93 64
Dusager 25
8200 Aarhus N.

Annual Report 2022/23
(1 April 2022 – 31 March 2023)

The annual report is presented and adopted on the Annual General Meeting on 21 September 2023

Chairman of the Annual General Meeting

Nikolay V Ivanov

DXC Technology Scandihealth A/S

Contents

	Page
Company detail	1
Management's statement	2
Independent auditor's report	3
Management report	6
Accounting policies	8
Income statement for the financial year 1 April 2022 – 31 March 2023	13
Balance sheet as at 31 March 2023	14
Statement of changes in equity for 1 April 2022 – 31 March 2023	16
Notes	17

DXC Technology Scandihealth A/S

Company details

Company

DXC Technology Scandihealth A/S

Company Registration No: 25 46 93 64

Municipality of domicile: Aarhus

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Board of Directors

Robbert Wentink, Chairman

Birgitte Qualmann Svejstrup Eriksen

Felora Mofidi

Executive Board

Birgitte Qualmann Svejstrup Eriksen

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

DXC Technology Scandihealth A/S Management's Statement

The Board of Directors and the Executive Board have today considered and approved the annual report of DXC Technology Scandihealth A/S for the financial year 1 April 2022 to 31 March 2023.

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

In our opinion the financial statements give a true and fair view of the Company's financial position at 31 March 2023 and of its financial performance for the financial year 1 April 2022 – 31 March 2023.

We believe that the management report contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 21 September 2023

Executive Board

Birgitte Qualmann Svejstrup Eriksen
Managing Director

Board of Directors

Robbert Wentink
Chairman

Birgitte Qualmann Svejstrup Eriksen

Felora Mofidi

DXC Technology Scandihealth A/S

Independent auditor's report

To the shareholder of DXC Technology Scandihealth A/S

Opinion

We have audited the financial statements of DXC Technology Scandihealth A/S for the financial year 1 April 2022 – 31 March 2023 which comprise a summary of significant accounting policies, the income statement, balance sheet, statement of changes in equity and notes. 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 Entity's financial position at 31 March 2023 and of the results of its operations for the financial year 1 April 2022 – 31 March 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 these financial statements.

DXC Technology Scandihealth A/S

Independent auditor's report (continued)

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.
- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

DXC Technology Scandihealth A/S Independent auditor's report (continued)

Statement on the management commentary

Management is responsible for the management commentary.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 21 September 2023

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Eskild Nørregaard Jakobsen
State-Authorised
Public Accountant
MNE no: 11681

DXC Technology Scandihealth A/S

Management report

Financial highlights

Key figures

	2022/23	2021/22	2020/21	2019/20	2018/19
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Revenue	24,604	36,276	237,499	170,551	257,664
Earnings/(loss) from operating activities	(2,326)	11,732	(8,265)	(420,859)	(166,346)
Net financials	716	986	(299)	(5,165)	(4,022)
Profit/(loss) for the year	(1,602)	2,370	(8,564)	(422,569)	(164,411)
Equity	69,352	70,954	68,584	77,148	(283)
Balance sheet total	258,365	259,748	104,476	197,765	494,122
Investment in property, plant & equipment and intangible asset	-	-	373	789	1,946
Average operating assets**	259,056	182,112	148,820	345,944	498,762
Ratios*					
Operating margin (%)	(9.4)	32.3	(3.5)	(246.8)	(64.6)
Return on operating assets (%)	(0.9)	6.4	(5.6)	(121.7)	(33.4)
Return on equity (%)	(2.3)	0.0	(0.1)	(11.0)	(2.0)
Equity share (%)	26.8	27.3	68.7	39.0	(0.1)

*Key ratios are calculated in accordance with the current version of “The Danish Society of Financial Analysts recommendations & Financial Ratios”

DXC Technology Scandihealth A/S Management report (continued)

Core business activity

DXC Technology Scandihealth A/S's core business is the development and sales of IT solutions for the health and social sector.

Result for the year

The result includes decrease in revenue by 32% compared to last year. Revenue came in at 24.6 DKKm with a Loss after tax of (1.6) DKKm.

As of 31 March 2023, the Company's equity position was 69 DKKm, resulting in the equity share ratio has decreased to 26.8 (in 2022/23) from 27.3 (in 2021/22).

The ultimate parent company has issued a letter of support to ensure that the Company will have sufficient capital resources.

Events after the balance sheet day

Management intends to merge the Company with the parent company DXC Technology Danmark A/S in the financial year 2023/24.

DXC Technology Scandihealth A/S

Accounting policies

This annual report for DXC Technology Scandihealth A/S for the financial year 2022/23 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable that – as a result of a prior event – future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Financial assets and liabilities are measured on the basis of amortized cost – within which a fixed interest rate is used. Amortized cost is calculated as the purchase price inclusive of any accumulated amortized additions/deductions of the difference between the cost price and the nominal value.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income hereunder valuation adjustments of financial assets and liabilities measured at fair value or amortized cost is recognized in the income statement when earned. Costs that have been incurred in order to generate earnings are recognized in the income statement hereunder depreciation, write downs, provisions.

Foreign currency translation

On initial recognition, foreign currency transactions are converted by applying the exchange rate as at the transaction date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are converted using the exchange rate at the balance sheet date. The difference between the spot exchange rate and the date when the receivable or liability is realized, is recognized in the income statement under financial income and expenses.

Property, plant and equipment, intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

DXC Technology Scandihealth A/S

Accounting policies (continued)

Income statement

Revenue

Revenue from the sale of services is recognized in the income statement when services has been rendered, risk has transferred to the buyer, if the revenue can be calculated reliably and it is expected that payment is received. Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the fixed consideration net of VAT and duties charged on behalf of a third party.

Other operating income

Other operating income includes income of a secondary nature compared to DXC Technology Scandihealth A/S's core business activities.

Other external expenses

Other external expenses include expenses for sale, marketing, administration, premises, loss on bad debts etc.

Other external expenses also include research costs and costs of development projects that do not meet the criteria for recognition in the balance sheet. In addition, provisions for loss on contract work in progress are recognized.

Personnel expenses

Personnel expenses include salaries and wages as well as social insurance contributions, pension contributions etc. for the company's employees.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Financial income and expenses

These items include interest income and expenses, realized and unrealized capital gains and losses on payables and transactions in foreign currencies etc. as well as tax surcharge and tax relief under the Danish Tax Prepayment scheme.

Income tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intangible assets

Intangible assets are comprised of in-progress and completed development projects with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilization, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognized as intangible assets, if the cost price can be reliably measured and there is sufficient security that the future earnings are greater than other external expenses as well as development costs. Other development costs are recognized as costs in the income statement as incurred.

DXC Technology Scandihealth A/S

Accounting policies (continued)

Intangible assets (continued)

The cost of development projects includes salaries that are directly and indirectly attributable to the company's development activities.

Completed development projects recognized in the balance sheet are measured at cost less accumulated amortization and impairment losses.

Completed development projects are amortized on a straight-line basis using the estimated useful lives of the assets. The amortization period is usually seven years.

The lifetime for newly developed products is evaluated in conjunction with the start-up of a new development project. When existing products are developed further by adding new modules and functionalities, a reevaluation of the entire products expected useful lifetime is performed, including the existing product, at the end of the fiscal year.

Acquired intellectual property rights in the form of licenses are measured at cost less accumulated amortization and impairment losses. Licenses are amortized over the term of the agreement.

Profits and losses from the sale of development projects and licenses are calculated as the difference between selling price less selling costs and the carrying amount at the time of sale. Profits and losses are recognized in the income statement as an adjustment to amortisation and impairment losses, or under other income.

Property, plant and equipment

Plant and machinery, other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Costs include the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	5-7 years
Other fixtures and fittings, tools etc.	5-10 years
Leasehold	1-5 years

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and carrying amount at the time of sale. Profits or losses are recognized in the income statement as adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

Devaluation of fixed assets

The accounting value of intangible and fixed assets is evaluated yearly for indications of a decrease in value over and above that caused by depreciation and amortization.

If it becomes apparent that assets devalue, an impairment test is made of each and every asset or asset class. Assets are written down to the recoverable amount and carrying amount.

DXC Technology Scandihealth A/S

Accounting policies (continued)

Receivables

Receivables are measured at amortized cost, usually equaling nominal value.

A write down to counter to receivables will be performed if there are objective indications that the receivable or portfolio of receivables have devalued. If a single receivable is deemed to have devalued, then the write down will be undertaken on an individual receivable.

Write downs are calculated as the difference between the accounting value of receivables and the present value of the expected cash flows, hereunder the realized value of any received collateral. The discount rate used is the effective rate for each specific receivable or portfolio.

Prepayments

Prepayments disclosed as current assets include incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Costs for conclusion of outsourcing contracts are recognized in prepayments and amortized over the contract period.

Tax payable and deferred tax

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year taxable income, adjusted for prepaid tax.

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the value of the carried forward taxable losses, are recognized in the balance sheet at their estimated realisable value, either to off-set future taxable income or deferred tax liabilities within the same legal entity or jurisdiction.

The company has entered into a joint taxation agreement. The actual Danish corporate tax is divided between the jointly taxed companies in proportion to their taxable income (distribution with reimbursement on losses).

DXC Technology Scandihealth A/S

Accounting policies (continued)

Provisions

Provisions are recognized when the Company has a present obligation, either legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision should be reversed.

Other liabilities

Financial liabilities which include trade payables and liabilities to other group entities are measured at amortized cost which usually corresponds to nominal value.

Financial highlights

The definition of key ratios is in accordance with current version of "The Danish Society of Financial Analysts Recommendations & Financial Ratios"

$$\text{Operating margin (\%)} = \frac{\text{Earnings from operating act. x}}{100} \text{ Revenue}$$

$$\text{Return on operating assets (\%)} = \frac{\text{Earnings from operating act. x}}{100} \text{ Average operating assets}$$

$$\text{Return on equity (\%)} = \frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$$

$$\text{Equity share (\%)} = \frac{\text{Equity x 100}}{\text{Total assets}}$$

Operating assets = Operating assets are total assets less Cash.

DXC Technology Scandihealth A/S
Income statement for the financial year 1 April 2022 - 31 March 2023

	Note	<u>2022/23</u> <u>DKK'000</u>	<u>2021/22</u> <u>DKK'000</u>
Revenue		24,604	36,276
Other external expenses		(38,710)	(42,172)
Other operating income	1	<u>11,869</u>	<u>17,943</u>
Gross profit		(2,237)	12,048
Personnel expenses	2	15	(90)
Depreciation, amortization and impairment	5-6	<u>(104)</u>	<u>(226)</u>
Result from operating activity		(2,326)	11,732
Financial income		1,072	1,060
Financial expenses		<u>(346)</u>	<u>(74)</u>
Result before income tax		(1,602)	12,718
Income tax	3	<u>0</u>	<u>(10,348)</u>
Result for the year		(1,602)	2,370
Proposed distribution of result	4		

DXC Technology Scandihealth A/S
Balance sheet as at 31 March 2023

Assets	Note	2023 DKK'000	2022 DKK'000
Acquired licenses		0	3
Intangible assets	5	0	3
Plant and machinery		93	194
Property, plant and equipment	6	93	194
Other receivables		1,600	1,600
Financial assets	7	1,600	1,600
Non-current assets		1,693	1,797
Trade receivables		7,050	5,116
Other receivables		13,488	1,552
Prepayments		79	74
Group entity receivables	10	236,055	251,209
Receivables		256,672	257,951
Current assets		256,672	257,951
Assets		258,365	259,748

DXC Technology Scandihealth A/S
Balance sheet as at 31 March 2023 (continued)

Liabilities	Note	2023 DKK'000	2022 DKK'000
Share capital	8	25,000	25,000
Retained earnings		44,352	45,954
Equity		69,352	70,954
Other payables		7,369	7,399
Non-current liabilities		7,369	7,399
Trade payables		1,852	2,881
Corporate tax		-	10,348
Group entity payables		179,637	165,960
Other payables		155	2,206
Current liabilities		181,644	181,395
Total Liabilities		189,013	188,794
Equity and liabilities		258,365	259,748

Contingencies and commitments etc.	9
Loans and collateral	10
Related parties	11
Financial resources	12
Subsequent events	13

DXC Technology Scandihealth A/S
Statement of changes in equity for 1 April 2022 – 31 March 2023

	Share capital	Retained earnings	Total
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
Equity as at 1 April 2022	25,000	45,954	70,954
Result for the year	-	(1,602)	(1.602)
Equity as at 31 March 2023	<u>25,000</u>	<u>44,352</u>	<u>69,352</u>

DXC Technology Scandihealth A/S

Notes

1. Other operating income

	2022/23	2021/22
	DKK'000	DKK'000
Profit from sale of business	0	17.943
Income from litigation agreement	11.869	0
	11.869	17.943

2. Personnel expenses

	2022/23	2021/22
	DKK'000	DKK'000
Salaries and services	(15)	(29)
Pension costs	0	72
Other social insurance contributions	0	47
	(15)	90
Total compensation and remuneration to the Managing director and Board of directors	90	60
Average number of employees	0	0

Management is employed in and remunerated by other entities within the DXC Group. The amount disclosed above is an allocation based on an estimate of management's time consumption.

In accordance with provision 98 b, 3 of the Danish Financial Statements Act the remuneration of the Managing Director and Board of Directors is disclosed as a combined amount.

3. Income tax

	2022/23	2021/22
	DKK'000	DKK'000
Current tax		10,348
Change in deferred tax last year	0	0
Change in deferred tax		(7,549)
Not recognized part of tax asset		7,549
	0	10,348

4. Proposed distribution of profit/loss

	2022/23	2021/22
	DKK'000	DKK'000
Result for the year	(1,602)	2,370
	(1,602)	2,370

DXC Technology Scandihealth A/S
Notes (continued)

5. Intangible assets	Acquired licenses DKK'000
	<u> </u>
Cost as at 01 April 2022	717
Disposal	-
Cost as at 31 March 2023	<u>717</u>
Amortisation and impairment losses 01 April 2022	(714)
Amortisation for the year	(3)
Reversal of depreciation	-
Amortisation and impairment losses 31 March 2023	<u>(717)</u>
Carrying amount as at 31 March 2023	<u>0</u>
6. Property, plant & equipment	Plant and machinery DKK'000
	<u> </u>
Cost as at 01 April 2022	1,262
Disposal	(4)
Cost as at 31 March 2023	<u>1,258</u>
Depreciation and impairment losses as at 01 April 2022	(1,068)
Depreciation for the year	(102)
Depreciation reversals	4
Depreciation and impairment losses as at 31 March 2023	<u>(1,166)</u>
Carrying amount as at 31 March 2023	<u>93</u>
7. Financial assets	Other receivables DKK'000
	<u> </u>
Cost as at 1 April 2022	1,600
Additions	-
Disposals	-
Cost as at 31 March 2023	<u>1,600</u>
Depreciation and impairment losses as at 1 April 2022	-
Depreciation for the year	-
Carrying amount as at 31 March 2023	<u>1,600</u>

DXC Technology Scandihealth A/S

Notes (continued)

8. Share capital

Share capital is made up of 25,000 shares at DKK 1,000 nominal value. The ordinary shares are not divided into classes.

9. Contingencies and commitments etc.

The Company participates in a Danish joint taxation arrangement in which DXC Technology Danmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Cash pool

The Company's financial resources are comprised of cash and cash equivalents and unutilized credit facilities. Cash pools have been established in the relevant currencies (DKK, SEK, NOK & EUR).

10. Loans and collaterals

The Company's cash is part of a joint Nordic Cash Pool and used as collateral for the debt to the banks in other Nordic companies.

11. Related parties

Group ownership

DXC Technology Scandihealth A/S is included in the consolidated financial statements of DXC Technology Company, Tysons, Virginia, USA. The consolidated financial statements for DXC technology Company is available at <https://investors.dxc.com/financials/annual-reports/default.aspx>

12. Financial resources

The ultimate parent company has issued a letter of support to ensure that the Company will have sufficient capital resources.

13. Subsequent events

Management intends to merge the company with the parent company DXC Technology Danmark A/S in the financial year 2023/24.