

# Designit A/S

Bygmestervej 61, 2400 København NV

CVR no. 35 39 89 10

## Annual report 2022/23

Approved at the Company's annual general meeting on 4 July 2023

Chair of the meeting:

.....  
Nicolas Gregory Antony Parmaksizian

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Designit A/S for the financial year 1 April 2022 - 31 March 2023.

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 2023 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 2022 - 31 March 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 22 May 2023  
Executive Board:

.....  
Nicolas Gregory Antony  
Parmaksizian  
Managing director

.....  
Martin Delfer  
Director

.....  
James John Pickett  
Director

Board of Directors:

.....  
Satyaki Banerjee  
Chairman

.....  
Nicolas Gregory Antony  
Parmaksizian

.....  
Rishabh Khemka

## 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 2022 - 31 March 2023, 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 2023, 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 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 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, 22 May 2023

Ernst & Young  
CVR no. 30 70 02 28

Claus Hammer-Pedersen  
State Authorised Public Accountant  
mne21334

Simon M. Laursen  
State Authorised Public Accountant  
mne45894

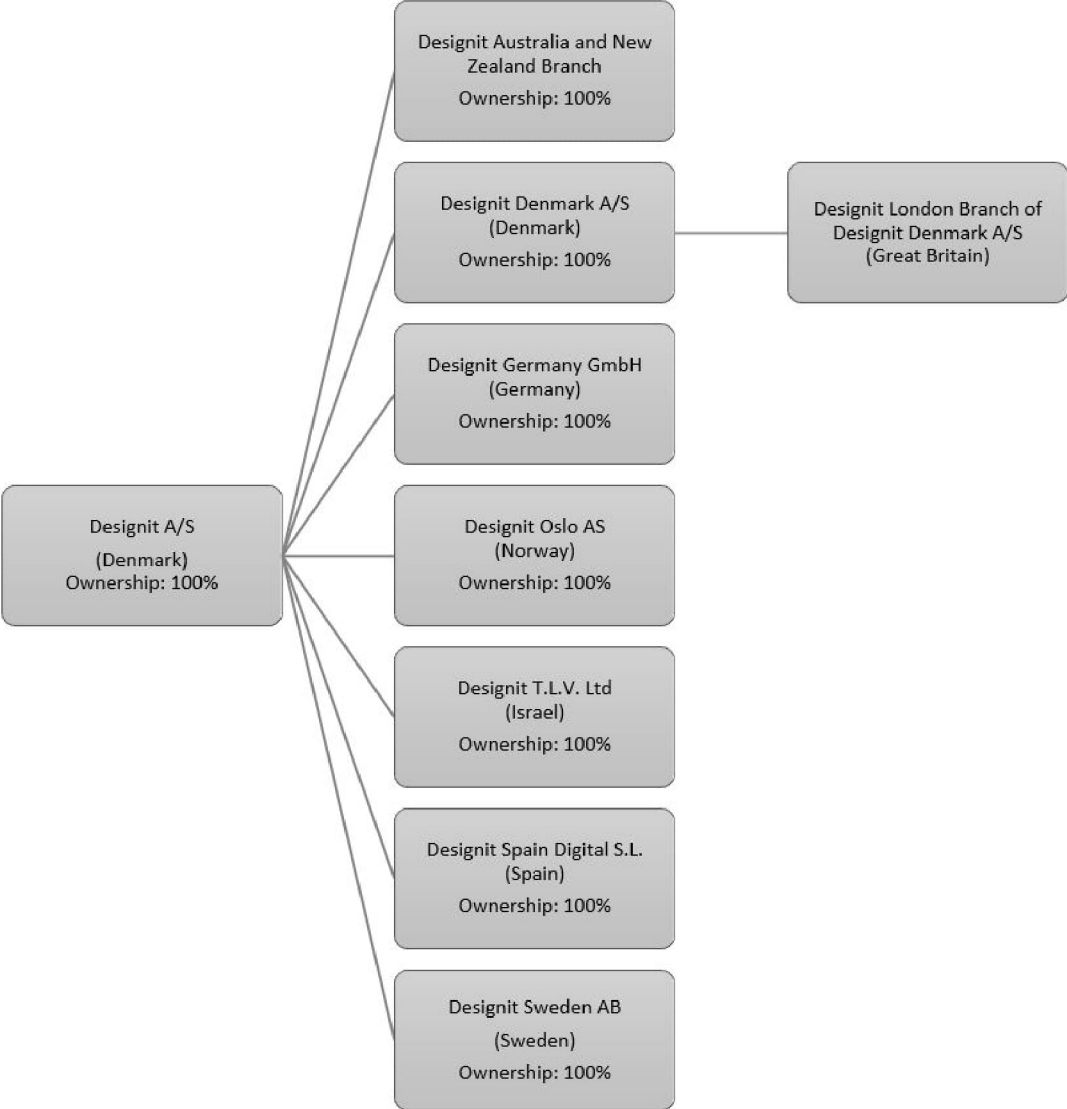
## Management's review

### 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 2022 - 31 March 2023
Website	<a href="http://www.designit.com">www.designit.com</a>
Board of Directors	Satyaki Banerjee, Chairman Nicolas Gregory Antony Parmaksizian Rishabh Khemka
Executive Board	Nicolas Gregory Antony Parmaksizian, Managing director Martin Delfer, Director James John Pickett, 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	2022/23	2021/22	2020/21	2019/20	2018/19
<b>Key figures</b>					
Revenue	195,026	200,384	186,441	267,271	325,089
Gross profit	126,580	165,898	139,365	179,475	285,534
Operating profit/loss	-143,528	-78,517	-169,239	-117,989	-35,467
Net financials	-7,704	-5,853	-1,158	-5,592	1,634
Profit/loss for the year	-136,153	-60,025	-176,724	-121,429	28,168
<b>Total assets</b>					
Total assets	219,925	176,000	188,750	379,133	180,067
Investments in property, plant and equipment	0	0	-1,407	-8,991	-14,273
Equity	73,142	84,090	19,711	178,506	74,701
<b>Cash flows</b>					
Cash flows from operating activities	-76,913	-9,849	-37,013	-71,596	92,982
Net cash flows from investing activities	-2,345	-1,384	-878	-10,390	-16,422
Total cash flows	114,943	4,810	6,676	-11,274	12,388
<b>Financial ratios</b>					
Return on assets	-72.5%	-43.1%	-59.6%	-42.2%	-19.7%
Current ratio	154.1%	135.6%	52.9%	86.0%	146.4%
Equity ratio	33.3%	47.8%	10.4%	47.1%	41.5%
Return on equity	-173.2%	-115.7%	-178.3%	-95.9%	37.7%
<b>Average number of full-time employees</b>					
Average number of full-time employees	278	275	278	464	493

For terms and definitions, please see the accounting policies.

## 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 outlook last year was a result around break even. The negative operating result is worse than expected and came from a combination of stable revenue, increased cost and goodwill impairment. The increased cost was mainly driven by a restructuring of the business to improve go to market capabilities and support future revenue growth.

### 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 has not prepared a CSR report, as the Wipro Group has done so for the entire Group according to §99a. The report is rendered in Wipro's Integrated report and may be downloaded from the site

<https://www.wipro.com/content/dam/nexus/en/investor/annual-reports/2022-2023/integrated-annual-report-2022-23.pdf>

## Management's review

### Account of the gender composition of Management

Designit A/S top management consists of three persons all of which are male. When there is a change in top management, the Designit Group always evaluates the competencies of the applicants regardless of gender. The expected gender composition will include one female on the board by 2026-27. In 2022-23 the target was not met as there were no relevant candidates of the underrepresented gender for the Board

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, which includes the executive board, consists of 100 % men. However, it is Designit's policy to promote gender equality in the management team and the current composition reflects recent management changes. The company pursues this policy 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

A Privacy and Data Protection Policy has been in place since 2018. This policy outlines how personal data is protected and ensures that employees understand the rules governing their use of personal data that they have access to through their work. This policy supports compliance with applicable data protection laws including GDPR. We always keep people in focus, and when developing new products and services, we focus on privacy by design and standard.

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

### Outlook

Demand for Designit A/S services is stable. The business has been strengthened at a regional level to support the approach to market and the company is expected to grow revenues by 3% - 10% and improve operating margins (EBITDA) by 2% - 4% . The key risk to the outlook is the ongoing economic uncertainty in the company's keymarkets.

Consolidated financial statements and parent company financial statements 1 April 2022 -  
31 March 2023

Income statement

Note	DKK'000	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
3	Revenue	195,026	200,384	17,399	50,083
	Other operating income	10,556	24,084	0	0
4	Other external expenses	-79,002	-58,570	-2,094	-25,251
	Gross profit	126,580	165,898	15,305	24,832
5	Staff costs	-193,389	-186,458	-10,258	-51,646
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-66,164	-33,872	-1,428	-1,606
	Other operating expenses	0	-117	0	0
	Profit/loss before net financials	-132,973	-54,549	3,619	-28,420
	Income from investments in group enterprises	0	0	-135,337	-28,848
6	Financial income	1,855	7,020	1,780	5,744
7	Financial expenses	-9,559	-12,873	-7,001	-8,988
	Profit/loss before tax	-140,677	-60,402	-136,939	-60,512
8	Tax for the year	4,524	377	786	487
	Profit/loss for the year	-136,153	-60,025	-136,153	-60,025

Consolidated financial statements and parent company financial statements 1 April 2022 -  
31 March 2023

Balance sheet

Note	DKK'000	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		<b>ASSETS</b>			
		Fixed assets			
9	Intangible assets				
	Goodwill	0	54,238	0	0
		<u>0</u>	<u>54,238</u>	<u>0</u>	<u>0</u>
10	Property, plant and equipment				
	Land and buildings	24,708	31,967	1,346	2,836
	Fixtures and fittings, other plant and equipment	3,472	3,355	124	136
	Leasehold improvements	2,969	4,274	107	139
		<u>31,149</u>	<u>39,596</u>	<u>1,577</u>	<u>3,111</u>
11	Investments				
	Investments in group enterprises	0	0	30,919	139,855
	Other receivables	1,386	1,400	0	0
		<u>1,386</u>	<u>1,400</u>	<u>30,919</u>	<u>139,855</u>
	Total fixed assets	<u>32,535</u>	<u>95,234</u>	<u>32,496</u>	<u>142,966</u>
	Non-fixed assets				
	Receivables				
	Trade receivables	17,103	19,510	216	0
12	Contract assets	7,018	7,446	0	0
	Receivables from group enterprises	20,714	22,318	22,091	15,638
15	Deferred tax assets	873	856	0	0
	Other receivables	6	6	0	0
13	Prepayments	1,921	5,818	6	22
		<u>47,635</u>	<u>55,954</u>	<u>22,313</u>	<u>15,660</u>
	Cash	<u>139,755</u>	<u>24,812</u>	<u>126,525</u>	<u>2,749</u>
	Total non-fixed assets	<u>187,390</u>	<u>80,766</u>	<u>148,838</u>	<u>18,409</u>
	<b>TOTAL ASSETS</b>	<u><u>219,925</u></u>	<u><u>176,000</u></u>	<u><u>181,334</u></u>	<u><u>161,375</u></u>

## Consolidated financial statements and parent company financial statements 1 April 2022 - 31 March 2023

### Balance sheet

Note	DKK'000	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		<b>EQUITY AND LIABILITIES</b>			
		<b>Equity</b>			
14	Share capital	10,000	10,000	10,000	10,000
	Retained earnings	63,142	74,090	63,142	74,090
	<b>Total equity</b>	<b>73,142</b>	<b>84,090</b>	<b>73,142</b>	<b>84,090</b>
	<b>Provisions</b>				
11	Provision, investments in group enterprises	0	0	5,356	0
	<b>Total provisions</b>	<b>0</b>	<b>0</b>	<b>5,356</b>	<b>0</b>
	<b>Liabilities other than provisions</b>				
16	Non-current liabilities other than provisions				
	Lease liabilities	25,161	32,329	1,588	3,222
		<b>25,161</b>	<b>32,329</b>	<b>1,588</b>	<b>3,222</b>
	<b>Current liabilities other than provisions</b>				
12	Contract liabilities	1,718	381	0	0
	Trade payables	7,373	9,372	396	3,128
	Payables to group enterprises	90,841	16,701	99,460	64,319
	Other payables	21,690	33,127	1,392	6,616
		<b>121,622</b>	<b>59,581</b>	<b>101,248</b>	<b>74,063</b>
	<b>Total liabilities other than provisions</b>	<b>146,783</b>	<b>91,910</b>	<b>102,836</b>	<b>77,285</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>219,925</b>	<b>176,000</b>	<b>181,334</b>	<b>161,375</b>

- 1 Accounting policies
- 2 Special items
- 17 Contractual obligations and contingencies, etc.
- 18 Collateral
- 19 Related parties
- 20 Appropriation of profit/loss

## Consolidated financial statements and parent company financial statements 1 April 2022 - 31 March 2023

### Statement of changes in equity

		Group		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 April 2021	10,000	9,710	19,710
	Capital increase	0	124,100	124,100
	Transfer through appropriation of loss	0	-60,025	-60,025
	Adjustment of investments through foreign exchange adjustments	0	305	305
	Equity at 1 April 2022	10,000	74,090	84,090
	Capital increase	0	122,987	122,987
	Transfer through appropriation of loss	0	-136,153	-136,153
	Adjustment of investments through foreign exchange adjustments	0	2,218	2,218
	Equity at 31 March 2023	10,000	63,142	73,142
		Parent company		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 April 2021	10,000	9,710	19,710
	Capital increase	0	124,100	124,100
20	Transfer, see "Appropriation of profit/loss"	0	-60,025	-60,025
	Adjustment of investments through foreign exchange adjustments	0	305	305
	Equity at 1 April 2022	10,000	74,090	84,090
	Capital increase	0	122,987	122,987
20	Transfer, see "Appropriation of profit/loss"	0	-136,153	-136,153
	Adjustment of investments through foreign exchange adjustments	0	2,218	2,218
	Equity at 31 March 2023	10,000	63,142	73,142

## Consolidated financial statements and parent company financial statements 1 April 2022 - 31 March 2023

### Cash flow statement

Note	DKK'000	Group	
		2022/23	2021/22
	Profit/loss for the year	-136,153	-60,025
21	Adjustments	69,344	40,620
	Cash generated from operations (operating activities)	-66,809	-19,405
22	Changes in working capital	-7,915	14,158
	Cash generated from operations (operating activities)	-74,724	-5,247
	Interest received, etc.	1,855	7,020
	Interest paid, etc.	-8,585	-12,089
	Income taxes paid	4,541	467
	Cash flows from operating activities	-76,913	-9,849
	Additions of property, plant and equipment	-2,359	-3,584
	Other cash flows from investing activities	14	2,200
	Cash flows to investing activities	-2,345	-1,384
	Payment of lease installments	-4,530	-9,867
	Repayments, borrowings from group enterprises	75,744	-95,319
	Other repayments, long-term liabilities	0	-2,871
	Cash capital increase	122,987	124,100
	Cash flows from financing activities	194,201	16,043
	Net cash flow	114,943	4,810
	Cash and cash equivalents at 1 April	24,812	20,002
	Cash and cash equivalents at 31 March	139,755	24,812



## Consolidated financial statements and parent company financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Designit A/S for 2022/23 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.

#### Reporting currency

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

#### 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.

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.

## Consolidated financial statements and parent company financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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

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

###### Amortisation/depreciation and impairment

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

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

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

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

Goodwill	10 years
Other intangible assets	3-9 years
Land and buildings	5-10 years
Fixtures and fittings, other plant and equipment	2-5 years
Leasehold improvements	3-5 years

## Consolidated financial statements and parent company financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other operating expenses

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

##### Profit/loss from investments in subsidiaries

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In subsidiaries, the full elimination of internal profit and loss is carried out without regard to ownership shares., only proportional elimination of profit and loss is carried out, taking into account ownership shares.

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 2022 - 31 March 2023

### 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 2022 - 31 March 2023

### 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 2022 - 31 March 2023

### 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

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

Receivables are measured at amortised cost.

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 2022 - 31 March 2023

### 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

The Company has chosen IAS 39 as interpretation for 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.

## Consolidated financial statements and parent company financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

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

#### 2 Special items

DKK'000	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Expenses				
Impairment loss on goodwill	54,238	0	54,238	0
	<u>54,238</u>	<u>0</u>	<u>54,238</u>	<u>0</u>
Special items are recognised in the below items of the financial statements				
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	54,238	0	54,238	0
Net profit on special items	<u>54,238</u>	<u>0</u>	<u>54,238</u>	<u>0</u>

#### 3 Segment information

Breakdown of revenue by geographical segment:

Denmark	17,814	18,408	8,086	37,722
Norway	31,861	46,417	0	0
Germany	21,646	19,896	0	0
Great Britain	38,896	42,886	0	0
Spain	35,621	23,604	0	0
Israel	24,785	26,508	0	0
Australia and New Zealand	8,489	9,814	9,313	9,864
Sweden	15,914	9,002	0	0
Japan	0	1,353	0	0
Other	0	2,496	0	2,497
	<u>195,026</u>	<u>200,384</u>	<u>17,399</u>	<u>50,083</u>



Consolidated financial statements and parent company financial statements 1 April 2022 -  
31 March 2023

Notes to the financial statements

DKK'000	Group	
	2022/23	2021/22
4 Fee to the auditors appointed in general meeting		
Total fees to EY	839	739
Statutory audit	533	518
Tax assistance	232	122
Other assistance	74	99
	839	739

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.

DKK'000	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
5 Staff costs				
Wages/salaries	169,058	161,778	9,317	49,127
Pensions	4,142	5,285	802	1,559
Other social security costs	13,289	13,037	0	37
Other staff costs	6,900	6,358	139	923
	193,389	186,458	10,258	51,646

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Average number of full-time employees	278	275	12	34

Group

Total remuneration to management: DKK 8,231,494 (2021/22: DKK 4,769,053).

Consolidated financial statements and parent company financial statements 1 April 2022 -  
31 March 2023

Notes to the financial statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
DKK'000				
6 Financial income				
Interest receivable, group entities	24	176	1,142	1,601
Other interest income	172	47	17	0
Exchange gain	1,659	6,797	621	4,143
	<u>1,855</u>	<u>7,020</u>	<u>1,780</u>	<u>5,744</u>
7 Financial expenses				
Interest expenses, group entities	507	1,309	1,775	3,229
Other interest expenses	1,658	1,575	4,737	5,179
Exchange losses	7,394	9,989	489	580
	<u>9,559</u>	<u>12,873</u>	<u>7,001</u>	<u>8,988</u>
8 Tax for the year				
Deferred tax adjustments in the year	-139	-90	0	0
Tax adjustments, prior years	0	690	0	120
Refund in joint taxation	-4,385	-977	-786	-607
	<u>-4,524</u>	<u>-377</u>	<u>-786</u>	<u>-487</u>
9 Intangible assets				
DKK'000			Group	
			Goodwill	
Cost at 1 April 2022			593,941	
Cost at 31 March 2023			593,941	
Impairment losses and amortisation at 1 April 2022			539,703	
Impairment losses for the year			54,238	
Impairment losses and amortisation at 31 March 2023			593,941	
Carrying amount at 31 March 2023			<u>0</u>	

## Consolidated financial statements and parent company financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 10 Property, plant and equipment

DKK'000	Group			Total
	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	
Cost at 1 April 2022	47,655	10,479	13,425	71,559
Foreign exchange adjustments	-3,865	23	0	-3,842
Additions	6,269	2,346	13	8,628
Disposals	-6,277	-2,018	-1,511	-9,806
Cost at 31 March 2023	43,782	10,830	11,927	66,539
Impairment losses and depreciation at 1 April 2022	15,688	7,124	9,151	31,963
Foreign exchange adjustments	-1,132	1	0	-1,131
Depreciation	8,075	2,134	1,318	11,527
Depreciation and impairment of disposals	-3,557	-1,901	-1,511	-6,969
Impairment losses and depreciation at 31 March 2023	19,074	7,358	8,958	35,390
Carrying amount at 31 March 2023	24,708	3,472	2,969	31,149

The total value of right of use assets amount to DKK 25,149 thousand for the Group and DKK 1,355 thousand for Parent company.

DKK'000	Parent company			Total
	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	
Cost at 1 April 2022	6,432	413	235	7,080
Foreign exchange adjustments	-594	0	0	-594
Additions	0	73	0	73
Cost at 31 March 2023	5,838	486	235	6,559
Impairment losses and depreciation at 1 April 2022	3,596	277	96	3,969
Foreign exchange adjustments	-221	0	0	-221
Depreciation	1,117	85	32	1,234
Impairment losses and depreciation at 31 March 2023	4,492	362	128	4,982
Carrying amount at 31 March 2023	1,346	124	107	1,577

## Consolidated financial statements and parent company financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 11 Investments

	<u>Group</u>
DKK'000	Other receivables
Cost at 1 April 2022	1,400
Disposals	-14
Cost at 31 March 2023	<u>1,386</u>
Carrying amount at 31 March 2023	<u>1,386</u>
	<u>Parent company</u>
	Investments in group enterprises
DKK'000	
Cost at 1 April 2022	833,774
Additions	11,989
Cost at 31 March 2023	<u>845,763</u>
Value adjustments at 1 April 2022	-693,919
Foreign exchange adjustments	-228
Profit/loss for the year	-135,337
Underbalance transferred to be offset in receivables primo	-21,280
Transferred to receivables and provisions, ultimo	35,920
Value adjustments at 31 March 2023	<u>-814,844</u>
Carrying amount at 31 March 2023	<u>30,919</u>

	<u>Group</u>		<u>Parent company</u>	
DKK'000	2022/23	2021/22	2022/23	2021/22
12 Contract assets				
Selling price of work performed	13,556	14,366	0	0
Progress billings	-8,256	-7,301	0	0
	<u>5,300</u>	<u>7,065</u>	<u>0</u>	<u>0</u>
recognised as follows:				
Contract assets (assets)	7,018	7,446	0	0
Contract assets (liabilities)	-1,718	-381	0	0
	<u>5,300</u>	<u>7,065</u>	<u>0</u>	<u>0</u>

## Consolidated financial statements and parent company financial statements 1 April 2022 - 31 March 2023

### Notes to the financial statements

#### 13 Prepayments

##### Group

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

#### 14 Share capital

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

DKK'000	2022/23	2021/22	2020/21	2019/20	2018/19
Opening balance	10,000	10,000	10,000	10,000	10,000
	10,000	10,000	10,000	10,000	10,000

	Group		Parent company	
DKK'000	2022/23	2021/22	2022/23	2021/22
15 Deferred tax				
Deferred tax at 1 April	-856	-766	0	0
Adjustment of deferred tax	-17	-90	0	0
Deferred tax at 31 March	-873	-856	0	0
Analysis of the deferred tax				
Deferred tax assets	-873	-856	0	0
	-873	-856	0	0

#### 16 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 2022 - 31 March 2023

### Notes to the financial statements

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

##### Other contingent liabilities

##### Group

The group has guarantee commitments of DKK 4,358 thousand at 31 March 2023 (2021/22: DKK 4,949 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.

#### 18 Collateral

##### Group

The group has not provided any security or other collateral in assets at 31 March 2023.

##### Parent company

The parent Company has not provided any security or other collateral in assets at 31 March 2023.

Consolidated financial statements and parent company financial statements 1 April 2022 -  
31 March 2023

Notes to the financial statements

19 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'000	2022/23	2021/22
<b>Group</b>		
Sale of services to affiliated companies	94,365	90,128
Purchase of service from affiliated companies	9,516	5,559
Interests, affiliated companies	220	1,133
Receivables from affiliated companies	20,714	22,318
Payables to affiliated companies	90,841	16,701
<b>Parent Company</b>		
Sale of services to affiliated companies	15,895	42,755
Purchase of service from affiliated companies	2,015	21,117
Interests, affiliated companies	634	1,628
Receivables from affiliated companies	22,091	15,639
Payables to affiliated companies	99,460	64,320
	<u>Parent company</u>	
DKK'000	2022/23	2021/22
<b>20 Appropriation of profit/loss</b>		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-136,153	-60,025
	<u>-136,153</u>	<u>-60,025</u>
<b>21 Adjustments</b>		
Amortisation/depreciation and impairment losses	66,164	33,872
Gain/loss on the sale of non-current assets	0	1,272
Financial income	-1,855	-7,020
Financial expenses	9,559	12,873
Tax for the year	-4,524	-377
	<u>69,344</u>	<u>40,620</u>
<b>22 Changes in working capital</b>		
Change in receivables	8,069	4,500
Change in trade and other payables	-15,984	9,658
	<u>-7,915</u>	<u>14,158</u>