

To the Annual Shareholders' Meeting of Designit Oslo AS

## INDEPENDENT AUDITOR'S REPORT

### *Opinion*

We have audited the financial statements of Designit Oslo AS, showing a loss of NOK 23 809 909. The financial statements comprise the balance sheet as of March 31<sup>st</sup>, 2023, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as of March 31<sup>st</sup>, 2023, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of the management for the Financial Statements*

The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 insofar as it is not likely that the enterprise will cease operations.

## *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 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Lysaker, May 12<sup>th</sup>, 2023

**NITSCHKE AS**



Håvard Hvideberg Bratlid

State Authorised Public Accountant



# **Annual report pr. 31.03.23**

## **Designit Oslo AS**

**Revenue statement**  
**Balance sheet**  
**Notes to the Accounts**

**Org.no.: 990 679 614**

## Revenue statement

Designit Oslo AS

Operating income and operating expenses	Note	31.03.2023	31.03.2022
Revenue		47 409 321	66 520 323
<b>Total income</b>		<b>47 409 321</b>	<b>66 520 323</b>
Payroll and personnel expenses	1	51 194 950	44 272 797
Depreciation and amortisation expenses	2	789 345	1 206 139
Other operating expenses		18 683 102	19 333 928
<b>Total expenses</b>		<b>70 667 397</b>	<b>64 812 863</b>
<b>Operating profit</b>		<b>-23 258 076</b>	<b>1 707 460</b>
<b>Financial income and expenses</b>			
Other interest income		62 108	169 498
Other financial income		0	1 786
Other interest expenses		59 969	0
Other financial expenses		325 147	947 957
<b>Net financial items</b>		<b>-323 008</b>	<b>-776 673</b>
Net profit before tax		-23 581 084	930 787
Income tax expense	3	228 825	-297 251
<b>Net profit after tax</b>		<b>-23 809 909</b>	<b>1 228 038</b>
<b>Net profit or loss</b>	<b>4</b>	<b>-23 809 909</b>	<b>1 228 038</b>
<b>Allocated as follows</b>			
Transferred to other equity		0	1 228 038
Transferred from other equity		23 809 909	0
<b>Total</b>		<b>-23 809 909</b>	<b>1 228 038</b>

**Balance sheet**

Designit Oslo AS


<b>Assets</b>	<b>Note</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Deferred tax assets	3	1 101 574	1 330 399
<b>Total intangible assets</b>		<b>1 101 574</b>	<b>1 330 399</b>
<b>Tangible assets</b>			
Fixtures and fittings, equipment and office tools	2	1 241 098	1 260 908
<b>Total tangible assets</b>		<b>1 241 098</b>	<b>1 260 908</b>
<b>Total non-current assets</b>		<b>2 342 672</b>	<b>2 591 306</b>
<b>Current assets</b>			
<b>Debtors</b>			
Accounts receivables	5	12 119 006	11 343 905
Other short-term receivables	5	4 384 251	4 553 945
<b>Total receivables</b>		<b>16 503 257</b>	<b>15 897 850</b>
Cash and cash equivalents		2 711 208	11 439 246
<b>Total current assets</b>		<b>19 214 465</b>	<b>27 337 096</b>
<b>Total assets</b>		<b>21 557 137</b>	<b>29 928 403</b>

**Balance sheet**

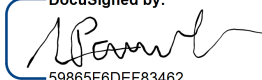
Designit Oslo AS

<b>Equity and liabilities</b>	<b>Note</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital		100 000	100 000
<b>Total paid-up equity</b>		<b>100 000</b>	<b>100 000</b>
<b>Retained earnings</b>			
Other equity		-10 897 800	12 912 109
<b>Total retained earnings</b>		<b>-10 897 800</b>	<b>12 912 109</b>
<b>Total equity</b>	<b>4</b>	<b>-10 797 800</b>	<b>13 012 109</b>
<b>Liabilities</b>			
Non-current liabilities to group companies	6	11 200 000	0
<b>Total non-current liabilities</b>		<b>11 200 000</b>	<b>0</b>
<b>Current liabilities</b>			
Trade payables	5	3 823 563	1 552 012
Tax payable	3	0	1 983 182
Public duties payable		2 493 599	3 755 886
Other current liabilities	5	14 837 775	9 625 213
<b>Total current liabilities</b>		<b>21 154 937</b>	<b>16 916 293</b>
<b>Total liabilities</b>		<b>32 354 937</b>	<b>16 916 293</b>
<b>Total equity and liabilities</b>		<b>21 557 137</b>	<b>29 928 403</b>

Oslo, 12.05.2023  
The board of Designit Oslo AS

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Mohit Bansal  
chairman of the board

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Niklas Skovholt Mortensen  
general Manager

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Nicolas G.A Parmaksizian  
member of the board

**Accounting principles**

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

**Foreign currency**

Monetary foreign currency items are valued at the exchange rate on the balance sheet date.

**Operating revenues**

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred revenue. Delivered services not yet invoiced is recognized as accrued income included in receivables.

**Tax**

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

**Classification and valuation of fixed assets**

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

**Classification and valuation of current assets**

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

**Receivables**

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

**Fiscal year**

The company's fiscal year deviates from the calendar year, and the annual report is for the period 01.04.22 - 31.03.23.

**Note 1 Salary costs, number of employees****Payroll and personnel expenses**

	<b>31.03.2023</b>	<b>31.03.2022</b>
Salaries	40 810 266	34 011 863
Employment tax	5 801 974	5 282 039
Pension costs	1 870 446	2 002 541
Other benefits and personnel expenses	2 712 264	2 976 354
<b>Total</b>	<b>51 194 950</b>	<b>44 272 797</b>
The average number of employees	64	59

**Note 2 Tangible assets**

	Leasehold improvements	Furniture, fixture and fittings	Computers and office equipment	Total
Acquisition cost 01.04.2022	2 035 917	855 529	2 358 408	5 249 854
Inflow of purchased tangible assets	0	0	810 192	810 192
Disposal of tangible assets	-1 566 297	0	-316 155	-1 882 452
<b>Acquisition cost 31.03.2023</b>	<b>469 620</b>	<b>855 529</b>	<b>2 852 445</b>	<b>4 177 594</b>
Accumulated depreciations 31.03	-185 891	-795 023	-1 955 580	-2 936 494
<b>Book value 31.03.2023</b>	<b>283 729</b>	<b>60 506</b>	<b>896 865</b>	<b>1 241 100</b>
This year's depreciation	157 030	52 787	579 528	789 345
Economic lifetime	10 years	3-5 years	2-3 years	
Decreciation plan	Linear	Linear	Linear	

**Note 3 Tax**

<b>This year's tax expense</b>	<b>31.03.23</b>	<b>31.03.22</b>	
Change in deferred tax	228 825	-297 251	
<b>Total tax charge</b>	<b>228 825</b>	<b>-297 251</b>	
<b>Calculation of the tax base for the year</b>	<b>31.03.23</b>	<b>31.03.22</b>	
Result before tax	-23 581 084	930 787	
Permanent differences	4 501	-2 281 926	
Changes in temporary differences	-211 514	522 273	
<b>The year's tax base</b>	<b>-23 788 097</b>	<b>-828 867</b>	
<b>Payable tax in the balance:</b>	<b>31.03.23</b>	<b>31.03.22</b>	
Owing assessed tax from previous years	0	1 953 354	
<b>Total payable tax in the balance</b>	<b>0</b>	<b>1 953 354</b>	
<b>Overview of temporary differences:</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>Difference</b>
Tangible assets	-4 601 885	-4 872 982	-271 097
Receivables	-345 000	-265 417	79 583
Provision in accordance with good accounting practice	-60 000	-80 000	-20 000
<b>Total</b>	<b>-5 006 885</b>	<b>-5 218 399</b>	<b>-211 514</b>
Accumulated loss to be carried forward	-24 616 964	-828 867	23 788 097
Not included in the deferred tax calculation*	24 616 694	0	-24 616 694
<b>Total</b>	<b>-5 007 155</b>	<b>-6 047 266</b>	<b>-1 040 111</b>
<b>Deferred tax assets (22 %)</b>	<b>-1 101 574</b>	<b>-1 330 399</b>	<b>-228 824</b>

\*In accordance with the general precautionary principles in Norwegian accounting practice, the majority of the companies accumulated deferred tax asset has not been recognized as an asset in the balance sheet pr. 31.03.23.



**Note 4 Equity**

	Share capital	Other equity	Total equity
Pr. 01.04.2022	100 000	12 912 109	13 012 109
Result of the year		-23 809 909	-23 809 909
<b>Pr 31.03.2023</b>	<b>100 000</b>	<b>-10 897 800</b>	<b>-10 797 800</b>

**Note 5 Group, associated companies etc.****Consolidation**

Designit Oslo AS is the subsidiary of Designit A/S. The Designit Group is wholly owned by Wipro Ltd. with a registered office in Doddakannelli, Sarjapur Road, Bengaluru, India.

Wipro Ltd. prepares consolidated financial statement where Designit Oslo AS is part of the consolidation.

Per fiscal year end, the following inter-company items are included in the amounts presented as loans, customer receivables, trade payables and other current liabilities (all amounts presented in NOK):

	31.03.2023	31.03.2022
<b>Receivables</b>		
Loans to companies in the same group	2 036 637	2 918 288
Customer receivables within the group	1 722 700	1 433 928
<b>Total</b>	<b>3 759 337</b>	<b>4 352 216</b>
<b>Liabilities</b>		
Loans from companies in the same group	11 200 000	0
Debt to suppliers within the group	1 542 807	693 909
Other short-term liabilities within the group	6 259 975	2 731 986
<b>Total</b>	<b>19 002 782</b>	<b>3 425 896</b>

**Note 6 Subordinated loans**

The company has entered into subordinated loan agreements with group companies pr. 31.03.23. The loan amounts are in Norwegian Kroner (NOK) and the total loan amount NOK 11 200 000 is per the loan agreements to be considered subordinated all other present and future obligations of the debtor. See note 7 for further information regarding going concern.

**Note 7 Going concern**

As per note 4, the company has a negative equity, in the amount of NOK -10 797 800 surpassing the share capital per. 31.03.23.

The board and management have implemented measures to secure the company's financing and liquidity. The company has, cf. note 6, received loans from group companies which are to be considered subordinated loans in respect to all other creditors. Subordinated loans, which amount to a total of NOK 11 200 000 exceeds the sum negative equity per 31.03.23.

In addition, the company has implemented measures to cut costs and to secure new revenue-generating contracts, both on the external market and internally within the group. The parent company Designit A/S has also issued a letter of comfort and shall provide the company with financing and liquidity in the period ahead so that the company will be able to fulfill all their current and future liabilities with related and third parties, at least until June 30th 2024.

The annual accounts are issued on the basis of going concern and the management and board of Designit Oslo AS confirms that there are no known events or conditions per today that may cast significant doubt about this assumption.