

Designit A/S

Bygmestervej 61, DK-2400 København NV

CVR no. 35 39 89 10

Annual report 2017/18

Approved at the Company's annual general meeting on 25 May 2018

Chairman:

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Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 April 2017 - 31 March 2018	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

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 2017 - 31 March 2018.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2018 and of the results of the Company's operations for the financial year 1 April 2017 - 31 March 2018.

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, 25 May 2018
Executive Board:

Sd/-
Kjersti Krokrogen Lund

Sd/-
Humberto Rodriguez Matas

Sd/-
Joaquin Enrique Guirao
Sagi-Vela

Board of Directors:

Sd/-
Rajan Kohli
Chairman

Sd/-
Mikal Christian Hallstrup

Sd/-
Kjersti Krokrogen Lund

Sd/-
Santosh Kumar Karagada
Jayaramu



Independent auditor's report

To the shareholder of Designit A/S

Opinion

We have audited the financial statements of Designit A/S for the financial year 1 April 2017 - 31 March 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2018 and of the results of the Company's operations for the financial year 1 April 2017 - 31 March 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aarhus,
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Claus Hammer-Pedersen
State Authorised Public Accountant
MNE no.: mne21334



Management's review

Company details

Name	Designit A/S
Address, Postal code, City	Bygmestervej 61, DK-2400 København NV
CVR no.	35 39 89 10
Established	31 May 2013
Registered office	København (Copenhagen)
Financial year	1 April 2017 - 31 March 2018
Website	www.designit.com
Telephone	+45 70 27 77 00
Board of Directors	Rajan Kohli, Chairman Mikal Christian Hallstrup Kjersti Krokrogen Lund Santosh Kumar Karagada Jayaramu
Executive Board	Kjersti Krokrogen Lund Humberto Rodriguez Matas Joaquin Enrique Guirao Sagi-Vela
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark



Management's review

Business review

Designit 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 reported loss of -79.484.998 DKK is impacted by the continued investment in our London and New York offices and investments in expanding the customerbase. We find the financial result disappointing, but believe that the investments made will result in improved growth and profitability in the future.

Outlook

The services offered by Designit are in high demand in all markets. Based on this demand, Designit expects growth and improved profitability from its future operations.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



Financial statements 1 April 2017 - 31 March 2018

Income statement

Note	DKK	2017/18	2016/17
	Gross margin	12,875,386	20,790,521
2	Staff costs	-26,202,426	-30,257,259
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-302,112	-113,861
	Profit/loss before net financials	-13,629,152	-9,580,599
	Income from investments in group enterprises	-63,732,430	-35,983,948
3	Financial income	4,911,858	1,381,847
4	Financial expenses	-3,177,759	-676,760
	Profit/loss before tax	-75,627,483	-44,859,460
5	Tax for the year	-3,857,515	1,929,447
	Profit/loss for the year	-79,484,998	-42,930,013
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-79,484,998	-42,930,013
		-79,484,998	-42,930,013



Financial statements 1 April 2017 - 31 March 2018

Balance sheet

Note	DKK	<u>2017/18</u>	<u>2016/17</u>
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	<u>230,787</u>	<u>165,125</u>
		<u>230,787</u>	<u>165,125</u>
7	Investments		
	Investments in group enterprises	<u>64,584,338</u>	<u>34,979,688</u>
		<u>64,584,338</u>	<u>34,979,688</u>
	Total fixed assets	<u>64,815,125</u>	<u>35,144,813</u>
	Non-fixed assets		
	Receivables		
	Work in progress	0	791
	Receivables from group enterprises	43,283,888	44,903,770
	Deferred tax assets	0	3,721,900
	Other receivables	138,487	409,522
8	Prepayments	<u>3,800,622</u>	<u>517,872</u>
		<u>47,222,997</u>	<u>49,553,855</u>
	Cash	<u>3,167,397</u>	<u>234,227</u>
	Total non-fixed assets	<u>50,390,394</u>	<u>49,788,082</u>
	TOTAL ASSETS	<u>115,205,519</u>	<u>84,932,895</u>



Financial statements 1 April 2017 - 31 March 2018

Balance sheet

Note	DKK	2017/18	2016/17
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	10,000,100	10,000,000
	Retained earnings	18,517,142	11,163,704
	Total equity	28,517,242	21,163,704
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	2,963,948	1,366,352
	Payables to group enterprises	79,485,861	55,615,603
	Other payables	4,238,468	6,787,236
		86,688,277	63,769,191
	Total liabilities other than provisions	86,688,277	63,769,191
	TOTAL EQUITY AND LIABILITIES	115,205,519	84,932,895

- 1 Accounting policies
- 10 Contractual obligations and contingencies, etc.
- 11 Related parties



Financial statements 1 April 2017 - 31 March 2018

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 April 2017	10,000,000	11,163,704	21,163,704
Capital increase	100	81,999,900	82,000,000
Transfer through appropriation of loss	0	-79,484,998	-79,484,998
Adjustment of investments through foreign exchange adjustments	0	4,838,536	4,838,536
Equity at 31 March 2018	<u>10,000,100</u>	<u>18,517,142</u>	<u>28,517,242</u>

Financial statements 1 April 2017 - 31 March 2018

Notes to the financial statements

1 Accounting policies

The annual report of Designit A/S for 2017/18 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

There has been a few reclassifications in note 2 staff costs. The comparative figures have been changed.

With reference to section 112,1 in the Danish Financial Statements Act the consolidated Financial Statements have not been disclosed. The Financial Statements of the Company and subsidiaries are included in the Consolidated Financial Statements of Wipro Digital ApS

Reporting currency

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

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.

Income statement

Gross margin

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

Other external expenses

Other external costs comprise costs of sale, advertising, administration, premises, bad debt losses, operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.



Financial statements 1 April 2017 - 31 March 2018

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

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	5 years
Fixtures and fittings, other plant and equipment	3-5 years

Income from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

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.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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.

Financial statements 1 April 2017 - 31 March 2018

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries and associates are measured under the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost.

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 deduced 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.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made based on an individual assessment.

Work in progress

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.



Financial statements 1 April 2017 - 31 March 2018

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.



Financial statements 1 April 2017 - 31 March 2018

Notes to the financial statements

DKK	2017/18	2016/17
2 Staff costs		
Wages/salaries	24,897,791	27,469,114
Pensions	583,806	580,503
Other social security costs	194,872	138,694
Other staff costs	525,957	2,068,948
	<u>26,202,426</u>	<u>30,257,259</u>
Average number of full-time employees	<u>29</u>	<u>26</u>
3 Financial income		
Interest receivable, group entities	2,562,362	1,381,847
Exchange gain	2,349,496	0
	<u>4,911,858</u>	<u>1,381,847</u>
4 Financial expenses		
Interest expenses, group entities	2,001,355	0
Other interest expenses	19,091	191,490
Exchange losses	1,157,313	485,270
	<u>3,177,759</u>	<u>676,760</u>
5 Tax for the year		
Deferred tax adjustments in the year	3,721,900	-2,028,887
Tax adjustments, prior years	135,615	99,440
	<u>3,857,515</u>	<u>-1,929,447</u>

Financial statements 1 April 2017 - 31 March 2018

Notes to the financial statements

6 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment
Cost at 1 April 2017	206,705
Additions	367,774
Cost at 31 March 2018	574,479
Impairment losses and depreciation at 1 April 2017	41,580
Depreciation	302,112
Impairment losses and depreciation at 31 March 2018	343,692
Carrying amount at 31 March 2018	230,787

7 Investments

DKK	Investments in group enterprises
Cost at 1 April 2017	78,018,469
Additions	84,284,751
Cost at 31 March 2018	162,303,220
Value adjustments at 1 April 2017	-43,038,781
Foreign exchange adjustments	4,838,536
Profit/loss for the year	-60,408,519
Amortisation of goodwill	-3,323,911
Underbalance transferred to be offset in receivables primo	-16,847,913
Underbalance transferred to be offset in receivables ultimo	21,061,706
Value adjustments at 31 March 2018	-97,718,882
Carrying amount at 31 March 2018	64,584,338

Name	Legal form	Domicile	Interest
Subsidiaries			
Designit Denmark A/S	Company	Copenhagen, Denmark	100.00%
Designit Oslo AS	Company	Oslo, Norway	100.00%
Designit München GmbH	Company	Munich, Germany	100.00%
Designit T.L.V Ltd.	Company	Tel Aviv, Israel	100.00%
Designit Spain Digital S.L.	Company	Madrid, Spain	100.00%
Designit Sweden AB	Company	Stockholm, Sweden	100.00%
Designit Tokyo	Company	Tokyo, Japan	100.00%

Financial statements 1 April 2017 - 31 March 2018

Notes to the financial statements

8 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including expenses relating to software and hardware.

9 Share capital

Analysis of changes in the share capital over the past 4 years:

DKK	2017/18	2016/17	2015/16	2014
Opening balance	10,000,000	10,000,000	10,000,000	10,000,000
Capital increase	100	0	0	0
	<u>10,000,100</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

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

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

Other financial obligations

Rent and lease liabilities vis-à-vis the parent company and its other subsidiaries:

DKK	2017/18	2016/17
Rent and lease liabilities	<u>73,320</u>	<u>76,800</u>

11 Related parties

Designit A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Wipro Digital ApS	Bygmestervej 61, DK-2400 København NV	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Wipro Limited	India	Available on company website

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Wipro Digital ApS	Bygmestervej 61, DK-2400 København NV