

**Designit T.L.V. Ltd.**

**Financial Statements**

**As at March 31, 2025**

**Financial Statements at March 31, 2025**

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**Auditor's Report to the Shareholders of**  
**Designit T.L.V. Ltd.**

I have audited the accompanying balance sheets of **Designit T.L.V. Ltd.** (hereinafter – “the Company”) as at March 31, 2025 and 2024, and the Company's statements of operations and the statements of changes in shareholders' equity for the years ended on those dates. These financial statements are the responsibility of the Company's Board of Directors and its Management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance), 1973. Those standards require that I plan and perform the audits to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles applied and significant estimates made by the Company's Board of Directors and its Management, as well as evaluating the overall financial-statement presentation. I believe that my audits provide an appropriate basis for my opinion.

In my opinion, the above-mentioned financial statements present fairly, in accordance with generally accepted accounting principles, in all material respects, the financial position of the Company at March 31, 2025 and 2024

8, and the results of its operations and the changes in its shareholders' equity for each of the years ended on those dates – based on the historical cost convention in nominal historical values.

As stated in Note 2, the above-mentioned financial statements are presented in reported amounts, in accordance with accounting standards of the Israeli Accounting Standards Board.

  
Nativ Ben-Zeev  
Certified Public Accountant (Isr.)

May 26, 2024

## Balance Sheets

	note	31.03.25	31.03.24		note	31.03.25	31.03.24
		<u>New Israeli Shekels</u>				<u>New Israeli Shekels</u>	
<b>ASSETS</b>				<b>LIABILITIES AND EQUITY</b>			
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash		1,060,908	968,830	Loan from Designit A/S	8	-	-
Trade receivables	3	2,329,669	2,503,445	Trade payables		316,393	345,159
Other receivables	4	<u>1,493,234</u>	<u>1,529,215</u>	Other payables and credit balances	6	<u>5,031,171</u>	<u>4,086,819</u>
		<u>4,883,811</u>	<u>5,001,490</u>			<u>5,347,564</u>	<u>4,431,978</u>
<b>Non – Current Assets</b>				<b>Non – Currents Liabilities</b>			
Net Fixed assets	2,5	7,279	134,392				
Use right assets (IFRS 16)	10	-	1,304,810				
Establishment expenses		<u>2,880</u>	<u>2,880</u>	Liability for lease (IFRS 16)	10	<u>-</u>	<u>1,170,862</u>
		<u>10,159</u>	<u>1,442,082</u>				
				<b>Shareholders' Equity</b>			
					7-9	<u>(453,594)</u>	<u>840,732</u>
		<u>4,893,970</u>	<u>6,443,572</u>			<u>4,893,970</u>	<u>6,443,572</u>

*keri dawson*

keri dawson (May 23, 2025 14:50 PDT)

Manager

*Mehul Patwari*

Mehul Patwari (May 24, 2025 17:13 GMT+5.5)

*Christine Ledge*

The notes to the financial statements are an integral part thereof.

**Statements of Operations**

	<b>Note</b>	<b>Year Ended 31.03.25</b>	<b>Year Ended 31.03.24</b>
		<b>New Israeli Shekels</b>	
Revenues		9,067,361	11,507,056
Cost of work performed (List A)		<u>(7,675,638)</u>	<u>(9,538,995)</u>
<b>Gross profit</b>		<b>1,391,723</b>	<b>1,968,061</b>
Administrative and general expenses (List B)		<u>(6,408,028)</u>	<u>(7,759,289)</u>
<b>Income (loss) before financing expenses</b>		<b>(5,016,305)</b>	<b>(5,791,228)</b>
Financing income/(expenses)		<u>(52,864)</u>	<u>(134,108)</u>
<b>Income (loss) after financing income</b>		<b>(5,069,169)</b>	<b>(5,925,336)</b>
Other income	5	<u>(7,834)</u>	<u>22,425</u>
<b>Income (loss) before taxes on income</b>		<b>(5,077,003)</b>	<b>(5,902,911)</b>
Taxes on income		<u>-</u>	<u>-</u>
<b>Net income (loss) for the period</b>		<b><u>(5,077,003)</u></b>	<b><u>(5,902,911)</u></b>

The notes to the financial statements are an integral part thereof.

## Statements of Changes in Shareholders' Equity

	Share Capital	Premium on Shares	capital note	Capital Reserve	Retained Earnings	Total
	New Israeli Shekels					
<b>Balance at March 31, 2023</b>	<u>85</u>	<u>698,447</u>	<u>-</u>	<u>(77,012)</u>	<u>-486,881</u>	<u>134,643</u>
capital note	-	-	6,609,000	-	-	6,609,000
Income for the period April 2023 –March 2024	-	-	-	-	(5,902,911)	(5,902,911)
<b>Balance at March 31, 2024</b>	<u>85</u>	<u>698,447</u>	<u>6,609,000</u>	<u>(77,012)</u>	<u>(6,389,792)</u>	<u>840,732</u>
capital note	-	-	3,782,677	-	-	3,782,677
Loss for the period April 2024 –March 2025	-	-	-	-	(5,077,003)	(5,077,003)
<b>Balance at March 31, 2025</b>	<u>85</u>	<u>698,447</u>	<u>10,391,677</u>	<u>(77,012)</u>	<u>(11,466,795)</u>	<u>(453,594)</u>

The notes to the financial statements are an integral part thereof.

**Notes to the Financial Statements March 31, 2025****Note 1- General**

- A. The Company was established on March 1, 2005 and commenced its activities on the same date.  
 B. The Company is engaged in provision of services in the area of product design.  
 C. As part of the said issuance, the Company's name was changed from "Nicenel Ltd." to "Designit T.L.V. Ltd." (see also Note 13).

**Note 2- Significant Accounting Policies****A. Effect of Changes in the Purchasing Power of the Israeli Currency and Transition to Reported Amounts**

- (1) These financial statements are prepared on the basis of reported amounts as required by standards of the Israeli Accounting Standards Board.  
 (2) A reported amount for purposes of the accounting standards is the adjusted amount as at the transition date (December 31, 2003) plus amounts in nominal values added after the transition date and less amounts eliminated after this date.

**B. Fixed Assets**

- (1) The fixed assets are presented at cost less accumulated depreciation.  
 (2) In 2018 due to change of fixed assets policy by parent company, Designit TLV has changed the calculation of depreciation according to new policy to the following rates:

	%
Computers	50
Electronic equipment	20
Furniture and equipment	20
Leasehold improvements	20

The parent company decided that items less than 1000 EUR should be fully depreciated in the year in which it was purchased.  
 Depreciation for Tax Authorities is calculated according to Israeli rules.

As of October 2021, a company has changed the rate of reduction of computers to 33% and mobile phones to 50%. Instead of their complete depreciation, comparison numbers have not been corrected.

**C. Statement of Cash Flows**

A statement of cash flows was not prepared since, in the opinion of Company management, it would not add significant information to the financial statements.

**Note 3- Trade Receivables**

	31.03.25	31.03.24
	New Israeli Shekels	
Trade receivables	2,335,402	2,503,445
Less – provision for doubtful debts	(5,733)	-
	<u>2,329,669</u>	<u>2,503,445</u>

**Note 4- Other Receivables**

	31.03.25	31.03.24
	New Israeli Shekels	
Assessing officer	145,188	133,020
Sister companies	-	12,216
Income receivable	1,173,489	1,321,938
Rent deposit	61,250	-
Prepaid expenses	113,307	62,041
	<u>1,493,234</u>	<u>1,529,215</u>

**Note 5- Fixed Assets less Accumulated Depreciation**

	Cost		Accumulated Depreciation		Depreciated Cost	
	31.03.25	31.03.24	31.03.25	31.03.24	31.03.25	31.03.24
	New Israeli Shekels		New Israeli Shekels		New Israeli Shekels	
Computers	209,328	528,318	202,049	475,668	7,279	52,650
Leasehold improvements	-	2,079,805	-	1,998,804	-	81,001
Furniture and equipment	-	212,334	-	211,593	-	741
	<u>209,328</u>	<u>2,820,457</u>	<u>202,049</u>	<u>2,686,065</u>	<u>7,279</u>	<u>134,392</u>

\* In 2023, the company sold fixed assets for which it had a capital gain of NIS 22,425.

In the accounting year, the company abandoned its offices and consequently depreciated the improvements to the leased premises and the furniture, and at the same time disposed of some of the equipment, which created a capital loss of 7,834 new shekels.

**Note 6- Other Payables and Credit Balances**

	31.03.25	31.03.24
	New Israeli Shekels	
Sister company	4,056,817	2,867,418
Provision for bonus	68,308	44,875
Value Added Tax	57,917	42,390
Salary-related agencies, Employees	602,417	788,685
Accrued expenses	68,722	146,114
Provision for recreation	36,715	43,152
Provision for vacation	133,915	141,730
Credit companies	6,360	12,455
	<u>5,031,171</u>	<u>4,086,819</u>



**Note 7- Share Capital**

	Authorized	Issued	Paid Up
	At March 31, 2025		
Ordinary shares of NIS 1 par value	50,000	85	85

**Note 8- Acquisition by the Company of its Own Shares**

- A. On December 14, 2022, the company received a loan from the parent company in the amount of 270 thousand euros which bears interest Euro Short-term Rate ("€STR") rate plus 85 basis points.
- B. On March 31, 2024, the company converted the loans in the amount of 6,609 thousand shekels into a non-interest-bearing bond.  
The company presents the capital deed as part of the equity

**Note 9- Issuance of Shares**

During August 2012, an agreement was signed between the Company's shareholders and a foreign company from Denmark (hereinafter – "the Holdit Group"), whereby the Holdit Group acquired 50% of the Company's shares, for a consideration of €695 thousand. In addition, the Holdit Group acquired a further 10% of the Company's shares in exchange for an investment of €139 thousand in the Company's share capital.

After execution of the said transaction, the Holdit Group holds 60% of the Company's shares, while the remaining 40% is held by the prior shareholders.

During 2013, a reorganization process is scheduled to begin within the Group that could also impact the Company.

During 2015, Wipro Limited has purchased 100% of Designit Group.

**Note 10- Leases**

The company chose to implement the standard retrospectively, and presented the cumulative effect of implementing the standard for the first time in coordination with the opening balance of the surplus on the first date of application, ie March 31, 2019.

At the date of first implementation, real estate and group leases that were treated as operating leases were recognized as assets and liabilities in the report on the Group's financial situation as follows:

- Lease commitments were recognized and measured at the date of initial application for the current value of remaining lease payments, be capitalized by using the group's additional interest rate on each lease at the time of first application.
- The right of use has been recognized and measured at the time of application for the first time in the books value as if the standard had been implemented from the date the lease was started, But capitalized on the lessee's additional interest rate at the time of application for the first time.

The cost of the asset is a right of use consists of the first measurement amount of a lease commitment, any lease payments made on or before the start date and initial direct costs.

Subsequently, a right of use is measured at cost less deduction accumulated depreciation and Impairment losses.

Where the Group is committed to the costs of dismantling and removing the base asset, restoring the site where the asset is located or replaced against the cost IAS 37 the underlying asset for a condition that is in accordance with the terms of the lease, the group Recognizes the provision in accordance with Property right of use unless these costs are Incurred to produce inventory.

In the accounting year, the company abandoned the offices and as a result, all assets and liabilities were derecognized in accordance with IFRS 16.

**Notes to the Financial Statements March 31, 2025****Note 11- Option's plan for employees**

During the year 2020, options of the parent company were issued to one of company's employees.  
According to the option plan, in 2021 and 2022 the parent company debited the company for 26,791  
And (81,835), respectively.  
This amount was reflected at these financial statements as a part of option plan expenses.

**Note 12- Related Parties****Balance Sheet Balances:**

Designit A/S  
Designit North America Inc  
Designit Spain Digital S.L.U  
Designit Denmark A/S  
Designit Germany GmbH  
Wipro Technologies GmbH  
Designit Oslo AS  
Designit Denmark A/S Branch in London  
Wipro Limited (UK)  
Wipro Designit Services, Inc.  
Wipro Limited (India)

31.03.25	31.03.24
New Israeli Shekels	
-	-
-	12,216
(229,758)	(636,090)
(1,598,291)	(984,869)
(37,726)	-
(6,925)	(4,400)
(61,420)	(21,166)
(1,262,566)	(784,124)
(98,816)	(98,816)
(81,290)	-
(680,028)	(337,953)
(4,056,820)	(2,855,202)

**Revenues and Expenses****Revenues**

Designit North America Inc  
Designit Spain Digital S.L.U  
Designit Denmark A/S  
Designit Germany GmbH  
Wipro Technologies GmbH  
Designit Oslo AS  
Designit Denmark A/S Branch in London  
Wipro Limited  
Wipro Designit Services, Inc.  
Designit A/S Branch in Australia  
Designit Sweden AB  
Designit A/S

31.03.25	31.03.24
New Israeli Shekels	
-	16,172
1,758	46,884
-	32,067
278,157	-
-	257,385
2,715	37,068
2,238	39,436
-	2,518,521
86,087	-
-	14,867
-	19,838
25,209	42,825
396,164	3,025,063

**Expenses**

Designit North America Inc  
Designit Spain Digital S.L.U  
Designit Germany GmbH  
Wipro Designit Services, Inc.  
Wipro Technologies GmbH  
Designit Oslo AS  
Designit Denmark A/S Branch in London  
Wipro Limited  
Designit A/S

-	4,064
527,383	678,547
267,407	-
166,045	-
2,525	124,779
216,988	172,522
478,950	855,435
313,786	588,893
-	7,677
1,973,084	2,431,917

**List A – Cost of Work Performed**

	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31.03.25</b>	<b>31.03.24</b>
	<b>New Israeli Shekels</b>	
Salaries -Designers	6,020,608	7,272,828
Foreign travel	-	20,506
Subcontractors	1,655,030	2,245,661
	<b>7,675,638</b>	<b>9,538,995</b>

The notes to the financial statements are an integral part thereof.

**List B – Administrative and General Expenses**

	Year Ended 31.03.25	Year Ended 31.03.24
	New Israeli Shekels	
Salaries and salary related expenses, Administration	2,158,139	2,491,104
Commissions to banks and credit companies	20,447	20,664
Messengers and deliveries	4,718	626
Maintenance and cleaning	113,058	64,248
Communications	28,094	31,626
PC requirements	86,456	82,293
Entertainment	1,156	1,614
Insurance	47,150	72,127
Office expense	7,141	12,711
Professional services	86,800	115,396
Reimbursement of expenses to Holding Company	2,553,765	3,488,271
Fees and impositions	1,306	1,779
Advertising	18,126	97,831
Office Insurance	7,668	17,494
Office rent	476,849	164,567
Electricity	15,974	18,974
Vehicle maintenance (including depreciation)	3,238	5,469
Doubtful debts	5,733	-
Professional literature and professional education	20,354	35,144
Municipal taxes	196,383	199,492
Legal fees	15,019	11,701
Domestic travel	4,655	2,579
Foreign travel	9,837	8,620
Option's plan for employees (see Note 11)	-	-
Refreshments and gifts	123,503	129,094
Depreciation of use right (see Note 10)	293,196	558,561
Depreciation	109,263	127,304
	<u>6,408,028</u>	<u>7,759,289</u>

The notes to the financial statements are an integral part thereof.

**Designit T.L.V. Ltd.**  
**Compliance report for tax purposes**  
**01.04.2024-31.03.2025**

	NIS	NIS
Loss according to profit and loss statement		(5,077,003)
<b>Add:</b>		
Depreciation of books (see note 2(b))	103,780	
Depreciation according to IFRS 16 (see note 10)	336,744	
Financing expenses according to IFRS 16 (see note 10)	17,028	
Increase in the provision for the bonus	23,433	
Increase in the provision for doubtful debts	5,733	
Capital loss	7,834	
Excess expenses	43,649	
Income tax interest	392	
		<u>538,593</u>
<b>Reduce:</b>		
Income tax depreciation (see note 2(b))	44,418	
Gain on contract cancellation IFRS 16	73548	
A decrease Provision for recreation	6,437	
A decrease Provision for vacation rental expenses	7,815	
	<u>303,247</u>	
		<u>(435,465)</u>
loss of the year		(4,973,875)
Loss carried forward from previous years		<u>(12,711,089)</u>
Loss to carry forward to future years		<u><u>(17,684,964)</u></u>

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keri dawson (May 23, 2025 14:50 PDT)

*Mehul Patwari*  
Mehul Patwari (May 24, 2025 17:13 GMT+5,5)

*Christine Leitgeb*

**Manager**

Hadera, 13/05/2025

I checked the adjustment of Designite TLV Ltd. for the tax year 2023 adjusting the company's loss according to a report of profit and loss for the carried forward loss declared by it for income tax purposes for the tax year that ended on March 31, 2024.

Checking the expenses specified in the regulations regarding "conditions for deducting certain expenses", the necessary calculations according to Section 3(j) of the Income Tax Ordinance and the fulfillment of the conditions specified in Section 32A of the Ordinance were made to the extent agreed upon between the Income Tax Commission and the Chamber of Certified Public Accountants, for all that is implied, and as reflected in the reconciliation report.

In my opinion, subject to what was stated in the previous paragraph, the above adjustment was made in accordance with the provisions of the Income Tax Ordinance and the law Income tax (adjustments due to inflation), 1985.

Nativ Ben Zeev  
Certified Public Accountant (Isr.)

**Designit T.L.V. Ltd.**  
**Tax calculation**  
**for the 2024 tax year**

	<u>NIS</u>	<u>NIS</u>
Taxable income according to the adjustment report for tax purposes		(17,684,964)
The income tax		
minus:		
advances paid		-
Advances for excesses	<u>144,590</u>	
Refundable tax balance		<u>-</u>
Advances due to excesses paid in 2020		27,000
Advances due to excesses paid in 2021		27,000
Advances due to excesses paid in 2022		51,440
Advances due to excesses paid in 2023		27,000
Advances due to excesses paid in 2024		<u>12,150</u>
Advances paid and not offset		<u>144,590</u>