

# Epam Systems ApS

C/O Grant Thornton, Stockholmsgade 45, 2100 Copenhagen

Company reg. no. 25 39 44 02

## Annual report

**1 January - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 7 July 2023.



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Benjamin Lundström

Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the Board of Directors and the Executive Board have approved the annual report of Epam Systems ApS for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and 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, 7 July 2023

### **Executive board**



Jason Peterson



Boel Anna-Sofia Zeeberg

### **Board of directors**



Arkadiy Dobkin

Chairman



Jason Peterson

## **Independent auditor's report**

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### **To the Shareholders of Epam Systems ApS**

#### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of EPAM Systems ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies ("financial statements").

#### **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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

## **Independent auditor's report**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## **Independent auditor's report**

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- 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 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.

Copenhagen, 7 July 2023

### **PricewaterhouseCoopers**

State Authorised Public Accountants

Company reg. no. 33 77 12 31

**Mads Blichfeldt Fjord**

State Authorised Public Accountant

mne46065

## Company information

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### **The company**

Epam Systems ApS  
C/O Grant Thornton  
Stockholmsgade 45  
2100 Copenhagen

Company reg. no. 25 39 44 02  
Financial year: 1 January 2022 - 31 December 2022

### **Board of directors**

Arkadiy Dobkin, Chairman  
Jason Peterson

### **Executive board**

Jason Peterson  
Boel Anna-Sofia Zeeberg

### **Auditors**

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## **Management's review**

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### **Description of key activities of the company**

EPAM Systems ApS is a software company, providing development services for Enterprise Software Solutions with an emphasis on web services. EPAM Systems has established a software development business that provides significantly higher value for money for European and US clients. The immediate tactical goal is to enhance the service level and profitability by matching EPAM's global resources more closely to the needs of its clients.

### **Uncertainties connected with recognition or measurement**

The recognition and measurement of items in the annual report is not associated with any significant uncertainty.

### **Unusual matters**

The company's financial position at 31 December 2022 and the results of its operations for the financial year ended 31 December 2022 are not affected by any unusual matters.

### **Development in activities and financial matters**

The gross profit for the year totals EUR 299.742 against EUR 1.689.366 last year. Income or loss from ordinary activities after tax totals EUR -84.532 against EUR 1.924.995 last year. at 31 december 2022 the balance sheet of the Company shows equity of EUR 3.377.143.

Management considers company's financial performance in the year satisfactory and in the following year pursues new projects, and opportunities on the market.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## Income statement 1 January - 31 December

All amounts in EUR.

| <u>Note</u>  | <u>2022</u>           | <u>2021</u>             |
|--|-----------------------|-------------------------|
| <b>Gross profit</b>  | <b>299.742</b>        | <b>1.689.366</b>        |
| 1 Staff costs  | -531.706              | -12.217                 |
| Depreciation and impairment of property, land, and equipment | <u>-1.348</u>         | <u>-196</u>             |
| <b>Profit/loss before net financials</b>                     | <b>-233.312</b>       | <b>1.676.953</b>        |
| Other financial income                                       | 532.058               | 2.195.831               |
| Other financial expenses                                     | <u>-383.278</u>       | <u>-1.403.970</u>       |
| <b>Profit/loss before tax</b>                                | <b>-84.532</b>        | <b>2.468.814</b>        |
| 2 Tax on net profit or loss for the year                     | <u>0</u>              | <u>-543.819</u>         |
| <b>Net profit or loss for the year</b>                       | <b><u>-84.532</u></b> | <b><u>1.924.995</u></b> |
| <b>Proposed distribution of net profit:</b>                  |                       |                         |
| Transferred to retained earnings                             | 0                     | 1.924.995               |
| Allocated from retained earnings                             | <u>-84.532</u>        | <u>0</u>                |
| <b>Total allocations and transfers</b>                       | <b><u>-84.532</u></b> | <b><u>1.924.995</u></b> |

## Balance sheet at 31 December

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All amounts in EUR.

| <u>Note</u>                                   | <u>2022</u>      | <u>2021</u>      |
|---|------------------|------------------|
| <b>Assets</b>                                 |                  |                  |
| <b>Non-current assets</b>                     |                  |                  |
| Other fixtures, fittings, tools and equipment | 3.995            | 1.519            |
| Total property, plant, and equipment          | 3.995            | 1.519            |
| Deposits                                      | 0                | 3.046            |
| Total investments                             | 0                | 3.046            |
| <b>Total non-current assets</b>               | <b>3.995</b>     | <b>4.565</b>     |
| <b>Current assets</b>                         |                  |                  |
| Trade receivables                             | 47.010           | 0                |
| Receivables from group enterprises            | 53.203           | 0                |
| Income tax receivables                        | 165.575          | 0                |
| Other receivables                             | 39.863           | 852              |
| Total receivables                             | 305.651          | 852              |
| Cash and cash equivalents                     | 3.302.350        | 3.922.206        |
| <b>Total current assets</b>                   | <b>3.608.001</b> | <b>3.923.058</b> |
| <b>Total assets</b>                           | <b>3.611.996</b> | <b>3.927.623</b> |

## Balance sheet at 31 December

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All amounts in EUR.

| <b>Equity and liabilities</b>                      | <u>2022</u>             | <u>2021</u>             |
|--|-------------------------|-------------------------|
| <u>Note</u>  |                         |                         |
| <b>Equity</b>                                      |                         |                         |
| Contributed capital                                | 192.994                 | 192.994                 |
| Retained earnings                                  | <u>3.184.149</u>        | <u>3.268.681</u>        |
| <b>Total equity</b>                                | <b><u>3.377.143</u></b> | <b><u>3.461.675</u></b> |
| <br>   |                         |                         |
| <b>Liabilities other than provisions</b>           |                         |                         |
| Trade payables                                     | 0                       | 23.667                  |
| Payables to group enterprises                      | 64.085                  | 0                       |
| Income tax payable                                 | 0                       | 392.754                 |
| Other payables                                     | <u>170.768</u>          | <u>49.527</u>           |
| Total short term liabilities other than provisions | <u>234.853</u>          | <u>465.948</u>          |
| <br>   |                         |                         |
| <b>Total liabilities other than provisions</b>     | <b><u>234.853</u></b>   | <b><u>465.948</u></b>   |
| <br>   |                         |                         |
| <b>Total equity and liabilities</b>                | <b><u>3.611.996</u></b> | <b><u>3.927.623</u></b> |

### 3 Related parties

## Statement of changes in equity

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All amounts in EUR.

|                                | <u>Contributed capital</u> | <u>Retained earnings</u> | <u>Total</u>            |
|--------------------------------|----------------------------|--------------------------|-------------------------|
| Equity 1 January 2022          | 192.994                    | 3.268.681                | 3.461.675               |
| Retained earnings for the year | <u>0</u>                   | <u>-84.532</u>           | <u>-84.532</u>          |
|                                | <b><u>192.994</u></b>      | <b><u>3.184.149</u></b>  | <b><u>3.377.143</u></b> |

## Notes

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All amounts in EUR.

|  | <u>2022</u>           | <u>2021</u>           |
|--|-----------------------|-----------------------|
| <b>1. Staff costs</b>                            |                       |                       |
| Salaries and wages                               | 492.171               | 12.096                |
| Pension costs                                    | 32.824                | 0                     |
| Other costs for social security                  | <u>6.711</u>          | <u>121</u>            |
|  | <b><u>531.706</u></b> | <b><u>12.217</u></b>  |
| <br>   |                       |                       |
| Average number of employees                      | <u>3</u>              | <u>1</u>              |
| <br>   |                       |                       |
| <b>2. Tax on net profit or loss for the year</b> |                       |                       |
| Tax on net profit or loss for the year           | 0                     | 543.906               |
| Adjustment of tax for previous years             | <u>0</u>              | <u>-87</u>            |
|  | <b><u>0</u></b>       | <b><u>543.819</u></b> |

### 3. Related parties

#### Consolidated financial statements

The company is included in the consolidated financial statements of EPAM System, Inc

The consolidated financial statement may be obtained at the following address:

41 University Drive  
Suite 202  
Newtown  
Pennsylvania 18940  
USA

## Accounting policies

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The annual report for Epam Systems ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## **Accounting policies**

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### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets as well as operating loss and conflict compensation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises and loss on receivables.

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### **Depreciation, amortisation, and write-down for impairment**

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

## Accounting policies

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### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

### Balance sheet

#### Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

|  | Useful life | Residual value |
|--|-------------|----------------|
| Other fixtures and fittings, tools and equipment | 3-5 years   | 0-20 %         |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

#### Fixed assets investments

##### Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.



## **Accounting policies**

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### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, payable to group entities and other payables are measured at amortised cost which usually corresponds to the nominal value.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

## Mads Blichfeldt Henriksen

Statsautoriseret revisor

På vegne af: PricewaterhouseCoopers Statsautoriseret...

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