

Effective People A/S

Øster Allé 56, 1. th, 2100 København Ø

Company reg. no. 27 13 21 54

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 14 July 2023.

Alex Jeremic
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 DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Effective People A/S 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, 14 July 2023

Managing Director

Mikkel Blumensaat Krogsdal-
Wogensen

Board of directors

Michael Roby Dugan

James Daniel Moran

Adam Henry Stedham

Independent auditor's report

To the Shareholders of Effective People A/S

Opinion

We have audited the financial statements of Effective People A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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 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.

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.

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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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.

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.

Independent auditor's report

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, we conclude that 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 Management's Review.

Copenhagen, 14 July 2023

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Brian Rasmussen

State Authorised Public Accountant
mne30153

Kasper Sone Randrup

State Authorised Public Accountant
mne36175

Company information

The company	Effective People A/S Øster Allé 56, 1. th 2100 København Ø
	Company reg. no. 27 13 21 54 Established: 23 April 2003 Domicile: Copenhagen Financial year: 1 January 2022 - 31 December 2022
Board of directors	Michael Roby Dugan James Daniel Moran Adam Henry Stedham
Managing Director	Mikkel Blumensaat Krogsdal-Wogensen
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	GP Strategies Denmark ApS

Financial highlights

DKK in thousands.	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Income statement:					
Gross profit	41.699	59.894	34.837	32.505	45.297
Profit from operating activities	7.551	29.498	5.573	1.688	16.189
Net financials	1.410	-210	2.675	1.867	-143
Net profit or loss for the year	6.988	22.839	6.433	2.772	12.516
Statement of financial position:					
Balance sheet total	140.693	121.021	102.009	72.934	94.954
Investments in property, plant and equipment	93	903	279	596	428
Equity	22.917	25.929	13.090	6.658	38.885
Employees:					
Average number of full-time employees	32	33	32	32	31
Key figures in %:					
Acid test ratio	132,6	145,9	129,1	119,6	203,6
Solvency ratio	16,3	21,4	12,8	9,1	41,0
Return on equity	28,6	117,1	65,2	12,2	38,4

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio
$$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

Solvency ratio
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Management's review

Description of key activities of the company

Effective People A/S is a provider of human capital management solutions, including sales implementation and support of the full SAP SuccessFactors suite, cloud payroll, product extension development and work force management solutions.

Uncertainties connected with recognition or measurement

Revenue and cost recognition on client contracts requires estimation. If our initial estimates are incorrect, or if unanticipated circumstances arise, we could experience cost overruns, which would result in reduced profits or losses on contracts.

Development in activities and financial matters

The gross profit for the year totals DKK 41.699.000 against DKK 59.894.000 last year. Income or loss from ordinary activities after tax totals DKK 6.988.000 against DKK 22.839.000 last year. Management considers the net profit or loss for the year satisfactory.

In 2022, the company's cash and cash equivalents decreased by DKK 1.188.000, i.e. from DKK 12.862.000 to DKK 11.674.000.

Expected developments

The Company expects to be able to grow revenue and profit modestly in 2023 compared with 2022.

Knowledge resources

Our services are 100% based on services delivered by our employees to our customers, it is key for our business results to keep and extend our talent for future growth.

Financial risks

The company faces the risk of competitive pressure but has built a solid reputation based on providing excellent levels of service. The directors seek to manage this risk by continually improving all areas of its offering and working closely with customers and suppliers to build strong, mutually beneficial trading relationships. Finally the company is exposed to foreign currency risk as it transacts across borders.

Accounting policies

The annual report for Effective People A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Learning Technologies Group plc.

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.

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.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Income statement

Gross profit

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.

Contract work in progress concerning contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

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, operating loss and conflict compensation as well as salary reimbursements received. 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, loss on receivables, and operational leasing costs.

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.

Accounting policies

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.

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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at between 5 and 25 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

Property, plant, and equipment

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.

Accounting policies

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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

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.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Deposits

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

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Accounting policies

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

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.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Accounting policies

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Effective People A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

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, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	41.698.706	59.894.368
1 Staff costs	-33.686.042	-29.934.626
Depreciation and impairment of property, land, and equipment	-462.154	-461.983
Operating profit	7.550.510	29.497.759
Other financial income from group enterprises	3.304.170	2.175.396
Other financial expenses	-1.894.064	-2.385.502
Pre-tax net profit or loss	8.960.616	29.287.653
2 Tax on net profit or loss for the year	-1.972.316	-6.449.040
3 Net profit or loss for the year	6.988.300	22.838.613

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Non-current assets			
4	Goodwill	<u>0</u>	<u>0</u>
	Total intangible assets	<u>0</u>	<u>0</u>
5	Other fixtures, fittings, tools and equipment	<u>586.435</u>	<u>922.739</u>
	Total property, plant, and equipment	<u>586.435</u>	<u>922.739</u>
6	Deposits	<u>442.623</u>	<u>115.373</u>
	Total investments	<u>442.623</u>	<u>115.373</u>
	Total non-current assets	<u>1.029.058</u>	<u>1.038.112</u>
Current assets			
	Trade receivables	76.815.575	63.762.813
7	Contract work in progress	16.375.630	7.491.948
	Receivables from group enterprises	33.801.107	35.441.320
	Other receivables	526.065	77.769
8	Prepayments	<u>472.352</u>	<u>347.617</u>
	Total receivables	<u>127.990.729</u>	<u>107.121.467</u>
	Cash and cash equivalents	<u>11.673.650</u>	<u>12.861.662</u>
	Total current assets	<u>139.664.379</u>	<u>119.983.129</u>
	Total assets	<u>140.693.437</u>	<u>121.021.241</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	1.300.000	1.300.000
Retained earnings	21.617.089	4.628.789
Proposed dividend for the financial year	0	20.000.000
Total equity	<u>22.917.089</u>	<u>25.928.789</u>
Provisions		
9 Provisions for deferred tax	<u>12.409.734</u>	<u>10.437.418</u>
Total provisions	<u>12.409.734</u>	<u>10.437.418</u>
Liabilities other than provisions		
10 Other payables	<u>0</u>	<u>2.425.822</u>
Total long term liabilities other than provisions	<u>0</u>	<u>2.425.822</u>
7 Prepayments received from customers for contract work in progress	12.529.896	14.581.361
Trade payables	33.205.084	19.982.717
Payables to group enterprises	49.980.906	35.182.900
Income tax payable	0	3.767.632
Other payables	<u>9.650.728</u>	<u>8.714.602</u>
Total short term liabilities other than provisions	<u>105.366.614</u>	<u>82.229.212</u>
Total liabilities other than provisions	<u>105.366.614</u>	<u>84.655.034</u>
Total equity and liabilities	<u>140.693.437</u>	<u>121.021.241</u>
11 Contingencies		
12 Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2021	1.300.000	1.790.176	10.000.000	13.090.176
Distributed dividend	0	0	-10.000.000	-10.000.000
Retained earnings for the year	0	2.838.613	20.000.000	22.838.613
Equity 1 January 2022	1.300.000	4.628.789	20.000.000	25.928.789
Adjustment of proposed dividend	0	10.000.000	-10.000.000	0
Distributed dividend	0	0	-10.000.000	-10.000.000
Retained earnings for the year	0	6.988.300	0	6.988.300
	1.300.000	21.617.089	0	22.917.089

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	31.347.140	27.702.420
Pension costs	2.092.226	2.156.154
Other costs for social security	<u>246.676</u>	<u>76.052</u>
	<u>33.686.042</u>	<u>29.934.626</u>
Average number of employees	<u>32</u>	<u>33</u>
<p>The Board of Directors receive no remuneration, and there is only one director, information is omitted, cf. ÅRL §98 b.3.</p>		
2. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	0	3.767.632
Adjustment of deferred tax for the year	<u>1.972.316</u>	<u>2.681.408</u>
	<u>1.972.316</u>	<u>6.449.040</u>
3. Proposed distribution of net profit		
Dividend for the financial year	0	20.000.000
Transferred to retained earnings	<u>6.988.300</u>	<u>2.838.613</u>
Total allocations and transfers	<u>6.988.300</u>	<u>22.838.613</u>
4. Goodwill		
Cost 1 January 2022	<u>1.000.000</u>	<u>1.000.000</u>
Cost 31 December 2022	<u>1.000.000</u>	<u>1.000.000</u>
Amortisation and write-down 1 January 2022	<u>-1.000.000</u>	<u>-1.000.000</u>
Amortisation and write-down 31 December 2022	<u>-1.000.000</u>	<u>-1.000.000</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
5. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	2.432.468	1.437.668
Additions during the year	93.174	903.156
Disposals during the year	-514.134	0
Transfers	0	91.644
Cost 31 December 2022	<u>2.011.508</u>	<u>2.432.468</u>
Depreciation and write-down 1 January 2022	-1.509.729	-956.102
Amortisation and depreciation for the year	-462.154	-461.983
Reversal of depreciation, amortisation and impairment loss, assets disposed of	546.810	0
Transfers	0	-91.644
Depreciation and write-down 31 December 2022	<u>-1.425.073</u>	<u>-1.509.729</u>
Carrying amount, 31 December 2022	<u>586.435</u>	<u>922.739</u>
6. Deposits		
Cost 1 January 2022	115.373	88.650
Additions during the year	327.250	26.723
Cost 31 December 2022	<u>442.623</u>	<u>115.373</u>
Carrying amount, 31 December 2022	<u>442.623</u>	<u>115.373</u>
7. Contract work in progress		
Selling price of the production for the period	130.148.597	99.018.698
Progress billings	-126.302.863	-106.108.111
Contract work in progress, net	<u>3.845.734</u>	<u>-7.089.413</u>
The following is recognised:		
Contract work in progress (current assets)	16.375.630	7.491.948
Contract work in progress (prepayments received on account)	-12.529.896	-14.581.361
	<u>3.845.734</u>	<u>-7.089.413</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
8. Prepayments		
Accrued income and deferred expenses consists of prepaid expenses.		
9. Provisions for deferred tax		
Provisions for deferred tax 1 January 2022	10.437.418	7.756.010
Deferred tax relating to the net profit or loss for the year	<u>1.972.316</u>	<u>2.681.408</u>
	<u>12.409.734</u>	<u>10.437.418</u>
10. Other payables		
Total other payables	<u>0</u>	<u>2.425.822</u>
Share of liabilities due after 5 years	<u>0</u>	<u>2.425.822</u>
11. Contingencies		
Contingent liabilities		DKK in thousands
Lease liabilities		<u>2.778</u>
Total contingent liabilities		<u>2.778</u>

Joint taxation

With GP Strategies Denmark ApS, company reg. no 34704112 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Notes

All amounts in DKK.

12. Related parties

Controlling interest

Learning Technologies Group plc, 15 Fetter Lane, London EC4A 1BW, United Kingdom	Majority shareholder
GP Strategies Corporation, 1209 Orange Street, Wilmington, Delaware 09801, United States	Majority shareholder
GP Strategies Holdings Ltd., 3rd Floor, 1 Ashley Road Altrincham, Cheshire, WA14 2DT United Kingdom	Majority shareholder
GP Strategies Denmark ApS, Lersø Parkallé 107, 2100 København Ø, Danmark	Majority shareholder

Transactions

All transactions are made on market terms.

Consolidated financial statements

The ultimate parent company is Learning Technologies Group plc, in which Effective People A/S is included in the consolidated annual accounts. The consolidated annual accounts for Learning Technologies Group plc, can be obtained on https://ltgplc.com/wp-content/uploads/2023/04/LTG_Annual_Report_2022_digital.pdf