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Devoteam Creative Tech ApS

Kampmannsgade 2, 1604 København V

Company reg. no. 29 32 39 76

Annual report

1 January - 31 December 2022

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

DocuSigned by:

Marianne Tholin

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Marianne Tholin
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 Devoteam Creative Tech 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.

København V, 14 July 2023


Managing Director

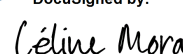
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Marianne Tholin
CEO

Board of directors

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Thierry François

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Sébastien Raymond Jean Chevrel
Chairman

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Céline Mora

Independent auditor's report

To the Shareholders of Devoteam Creative Tech ApS

Opinion

We have audited the financial statements of Devoteam Creative Tech 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, 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.

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:

Independent auditor's report

- 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.

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.

Independent auditor's report

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

DocuSigned by:

Peter Birk Stokholm

Peter Birk Stokholm

State Authorised Public Accountant
mne48468

Company information

The company

Devoteam Creative Tech ApS
Kampmannsgade 2
1604 København V

Company reg. no. 29 32 39 76

Financial year: 1 January - 31 December

Board of directors

Thierry François
Sébastien Raymond Jean Chevrel, Chairman
Céline Anne Mora

Managing Director

Marianne Tholin, CEO

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmegade 45
2100 København Ø

Parent company

Devoteam Holding AB

Management's review

Description of key activities of the company

Like previous years, the activities are...

Development in activities and financial matters

The gross profit for the year totals DKK 12.243.000 against DKK 20.384.000 last year. Income or loss from ordinary activities after tax totals DKK -11.313.000 against DKK 734.000 last year. Management considers the net profit or loss for the year as being unsatisfied.

The company has lost more than 50% of the contributed capital and is thus subject to the Companies Act's rules for capital loss. The management expects to re-establish the company capital through future capital increases during 2023 or the merger of subsidiaries within the Devoteam Group.

The company's owners have indicated in writing that they want to provide the necessary liquidity so that the company can meet its obligations as they fall due. The commitment is irrevocable and expires on 31 December 2023. Based on this, the annual accounts have been prepared on the assumption of going concern.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact in the financial position of the company.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	12.242.773	20.383.631
2 Staff costs	-26.334.488	-18.971.976
Depreciation and writedown relating to fixed assets	-250.635	-219.093
Operating profit	-14.342.350	1.192.562
Other financial income	36	36
Other financial expenses	-138.072	-249.011
Pre-tax net profit or loss	-14.480.386	943.587
Tax on ordinary results	3.167.274	-209.595
Net profit or loss for the year	-11.313.112	733.992
Proposed distribution of net profit:		
Transferred to retained earnings	0	733.992
Allocated from retained earnings	-11.313.112	0
Total allocations and transfers	-11.313.112	733.992

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
3 Other fixtures, fittings, tools and equipment	166.841	460.946
Total property, plant, and equipment	166.841	460.946
4 Other receivables	613.863	567.931
Total investments	613.863	567.931
Total non-current assets	780.704	1.028.877
Current assets		
Trade receivables	3.475.293	5.216.430
Receivables from group enterprises	0	300.756
Deferred tax assets	48.859	48.858
Tax receivables from group enterprises	3.167.274	0
Other receivables	287.500	61.390
Prepayments	0	67.936
Total receivables	6.978.926	5.695.370
Cash and cash equivalents	3.965.716	7.331.149
Total current assets	10.944.642	13.026.519
Total assets	11.725.346	14.055.396

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	125.000	125.000
Results brought forward	<u>-7.599.385</u>	<u>3.713.727</u>
Total equity	<u>-7.474.385</u>	<u>3.838.727</u>
Liabilities other than provisions		
Prepayments received from customers	0	159.278
Trade creditors	122.293	280.385
Payables to group enterprises	11.684.457	5.082.034
Income tax payable to group enterprises	0	205.392
Other debts	<u>7.392.981</u>	<u>4.489.580</u>
Total short term liabilities other than provisions	<u>19.199.731</u>	<u>10.216.669</u>
Total liabilities other than provisions	<u>19.199.731</u>	<u>10.216.669</u>
Total equity and liabilities	<u>11.725.346</u>	<u>14.055.396</u>

1 Uncertainties relating to going concern**5** Contingencies**6** Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	125.000	3.713.727	3.838.727
Profit or loss for the year brought forward	0	-11.313.112	-11.313.112
	125.000	-7.599.385	-7.474.385

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

The company has lost more than 50% of the contributed capital and is thus subject to the Companies Act's rules for capital loss. The management expects to re-establish the company capital through future capital increases during 2023 or the merger of subsidiaries within the Devoteam Group.

The company's owners have indicated in writing that they want to provide the necessary liquidity so that the company can meet its obligations as they fall due. The commitment is irrevocable and expires on 31 December 2023. Based on this, the annual accounts have been prepared on the assumption of going concern.

	<u>2022</u>	<u>2021</u>
2. Staff costs		
Salaries and wages	24.453.616	17.035.125
Pension costs	1.865.254	1.669.044
Other costs for social security	<u>15.618</u>	<u>267.807</u>
	<u>26.334.488</u>	<u>18.971.976</u>
Average number of employees	<u>31</u>	<u>29</u>
	 <u>31/12 2022</u>	 <u>31/12 2021</u>
3. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	1.825.820	1.506.240
Additions during the year	0	415.300
Disposals during the year	<u>-1.312.086</u>	<u>-95.720</u>
Cost 31 December 2022	<u>513.734</u>	<u>1.825.820</u>
Amortisation and write-down 1 January 2022	-1.364.874	-1.217.607
Depreciation for the year	-252.974	-219.091
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>1.270.955</u>	<u>71.824</u>
Amortisation and write-down 31 December 2022	<u>-346.893</u>	<u>-1.364.874</u>
Carrying amount, 31 December 2022	<u>166.841</u>	<u>460.946</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
4. Other receivables		
Cost 1 January 2022	567.931	567.931
Additions during the year	<u>45.932</u>	<u>0</u>
Cost 31 December 2022	<u>613.863</u>	<u>567.931</u>
Carrying amount, 31 December 2022	<u>613.863</u>	<u>567.931</u>
Der specificeres således:		
Deposits	<u>613.863</u>	<u>567.931</u>
	<u>613.863</u>	<u>567.931</u>

5. Contingencies

Joint taxation

With Devoteam A/S, company reg. no 78068213 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

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

6. Related parties

Controlling interest

Devoteam Holding AB, Hans Michelsensgaten 9, 211 20 Malmø Sverige

Majority shareholder

Accounting policies

The annual report for Devoteam Creative Tech 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 last year, and the annual report is presented in DKK.

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.

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 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

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.

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

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

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.

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

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.

Accounting policies

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.

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.

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.

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 and on hand.

Accounting policies

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, Devoteam Creative Tech ApS is proportionally 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.

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.