

GP Strategies Denmark ApS

Lersø Parkallé 107, 2100 København Ø

Company reg. no. 34 70 41 12

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 Executive Board has approved the annual report of GP Strategies Denmark 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, 14 July 2023

Executive board

James Daniel Moran

Adam Henry Stedham

Independent auditor's report

To the Shareholders of GP Strategies Denmark ApS

Opinion

We have audited the financial statements of GP Strategies Denmark ApS 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

Kasper Sone Randrup

State Authorised Public Accountant
mne36175

Company information

The company	GP Strategies Denmark ApS Lersø Parkallé 107 2100 København Ø
	Web site www.gpstrategies.com
	Company reg. no. 34 70 41 12
	Established: 17 September 2012
	Domicile: Copenhagen
	Financial year: 1 January 2022 - 31 December 2022
Executive board	James Daniel Moran Adam Henry Stedham
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	GP Strategies Holdings Limited
Subsidiary	Effective People A/S, København

Management's review

Description of key activities of the company

The purpose of the company is to operate business activities that include trade, production, and consulting, as well as other related operations.

Development in activities and financial matters

The gross loss for the year totals DKK -243.000 against DKK 25.569.000 last year. Income or loss from ordinary activities after tax totals DKK 6.230.000 against DKK 22.997.000 last year. Management considers the net profit or loss for the year satisfactory.

Financial risks and the use of financial instruments

Foreign currency risks

The activities are affected by exchange rate fluctuations, as revenue is primarily generated in foreign currency, while costs, including salaries, are held in Danish kroner. Debt to group companies is primarily in USD and is affected by exchange rate fluctuations.

Accounting policies

The annual report for GP Strategies Denmark 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.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of GP Strategies Denmark ApS and its group enterprises are included in the consolidated financial statements for Learning Technologies Group plc, London, reg. no. 07176993.

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.

Accounting policies

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

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, work performed for own account and 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. Recognition of revenue is 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.

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.

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

Results from investment in group enterprise

Dividend from investment in group enterprise is recognised in the financial year in which the dividend is declared.

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 company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

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

Investments

Investments in group enterprise

Investments in group enterprise is recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

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.

Accounting policies

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 and on hand.

Income tax and deferred tax

As administration company, GP Strategies Denmark ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

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"

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	-243.072	25.568.685
1 Staff costs	0	-2.784.315
Depreciation and impairment of property, land, and equipment	0	-18.687
Operating profit	-243.072	22.765.683
Income from investment in group enterprise	10.000.000	10.000.000
Other financial income	62.195	5.679
2 Other financial expenses	-4.613.893	-10.987.494
Pre-tax net profit or loss	5.205.230	21.783.868
3 Tax on net profit or loss for the year	1.025.057	1.213.036
Net profit or loss for the year	6.230.287	22.996.904
Proposed distribution of net profit:		
Transferred to retained earnings	6.230.287	22.996.904
Total allocations and transfers	6.230.287	22.996.904

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
5 Investment in group enterprise	82.482.693	82.482.693
Total investments	<u>82.482.693</u>	<u>82.482.693</u>
Total non-current assets	<u>82.482.693</u>	<u>82.482.693</u>
Current assets		
Receivables from group enterprises	9.856.093	9.932.562
Deferred tax assets	1.750.482	725.425
Tax receivables from group enterprises	0	3.767.632
Other receivables	55.773	5.672.625
Total receivables	<u>11.662.348</u>	<u>20.098.244</u>
Cash and cash equivalents	<u>3.333.889</u>	<u>301.120</u>
Total current assets	<u>14.996.237</u>	<u>20.399.364</u>
Total assets	<u>97.478.930</u>	<u>102.882.057</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities	<u>2022</u>	<u>2021</u>
<u>Note</u>		
Equity		
Contributed capital	80.000	80.000
Retained earnings	<u>30.732.881</u>	<u>24.502.594</u>
Total equity	<u>30.812.881</u>	<u>24.582.594</u>
Liabilities other than provisions		
Other payables	<u>415.227</u>	<u>359.721</u>
7 Total long term liabilities other than provisions	<u>415.227</u>	<u>359.721</u>
Trade payables	273.698	467.126
Payables to group enterprises	65.977.124	68.637.874
Income tax payable	0	3.143.347
Other payables	<u>0</u>	<u>5.691.395</u>
Total short term liabilities other than provisions	<u>66.250.822</u>	<u>77.939.742</u>
Total liabilities other than provisions	<u>66.666.049</u>	<u>78.299.463</u>
Total equity and liabilities	<u>97.478.930</u>	<u>102.882.057</u>
8 Contingencies		
9 Related parties		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	80.000	1.505.690	1.585.690
Retained earnings for the year	<u>0</u>	<u>22.996.904</u>	<u>22.996.904</u>
Equity 1 January 2022	80.000	24.502.594	24.582.594
Retained earnings for the year	<u>0</u>	<u>6.230.287</u>	<u>6.230.287</u>
	<u>80.000</u>	<u>30.732.881</u>	<u>30.812.881</u>

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	0	2.682.222
Pension costs	0	95.274
Other costs for social security	0	6.819
	<u>0</u>	<u>2.784.315</u>
 Average number of employees	 <u>0</u>	 <u>3</u>
2. Other financial expenses		
Financial costs, group enterprises	4.133.909	4.300.636
Other financial costs	479.984	6.686.858
	<u>4.613.893</u>	<u>10.987.494</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	0	-422.284
Adjustment of deferred tax for the year	-1.025.057	-725.425
Adjustment of tax for previous years	0	-65.327
	<u>-1.025.057</u>	<u>-1.213.036</u>
4. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	0	811.955
Disposals during the year	0	-811.955
Cost 31 December 2022	<u>0</u>	<u>0</u>
 Depreciation and write-down 1 January 2022	 0	 -792.789
Amortisation and depreciation for the year	0	-19.166
Depreciation, amortisation and impairment loss for the year, assets disposed of	0	811.955
Depreciation and write-down 31 December 2022	<u>0</u>	<u>0</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
5. Investment in group enterprise		
Cost 1 January 2022	82.482.693	82.482.693
Carrying amount, 31 December 2022	<u>82.482.693</u>	<u>82.482.693</u>

Financial highlights for the enterprise according to the latest approved annual report

	Equity interest	Equity	Results for the year	Carrying amount, GP Strategies Denmark ApS
Effective People A/S, København	100 %	22.917.089	6.988.300	82.482.693
			<u>31/12 2022</u>	<u>31/12 2021</u>
6. Deposits				
Cost 1 January 2022			0	162.453
Disposals during the year			<u>0</u>	<u>-162.453</u>
Cost 31 December 2022			<u>0</u>	<u>0</u>
Carrying amount, 31 December 2022			<u>0</u>	<u>0</u>
7. Long term liabilities other than provisions				
	Total payables 31 Dec 2022	Current portion of long term payables	Long term payables 31 Dec 2022	Outstanding payables after 5 years
Other payables	<u>415.227</u>	<u>0</u>	<u>415.227</u>	<u>415.227</u>
	<u>415.227</u>	<u>0</u>	<u>415.227</u>	<u>415.227</u>

Notes

All amounts in DKK.

8. Contingencies

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay 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.

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

9. 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

Transactions

All transactions are made on market terms.

Consolidated financial statements

The ultimate parent company is Learning Technologies Group plc, in which GP Strategies Denmark ApS 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