

Shaping the future of tax consultancy

Driven by our people and technology

KPMG Acor Tax P/S
Annual Report
1 January - 31 December 2019

KPMG Acor Tax P/S
Tuborg Havnevej 18, 5
2900 Hellerup
Denmark
CVR no. 34082200

The annual report was presented
and adopted at the Company's
annual general meeting.



Contents

04	Management's Review
05	Financial highlights
06	Our global network
07	About KPMG Acor Tax
08	Shaping the future of tax consultancy
10	Creating value for our clients through our 360 approach
14	Transforming tax processes through technology
16	We believe that a team always beats the sum of individuals
18	Our social engagement
20	Outlook
22	Our Manifest
25	Principal activities and financial position
27	Financial statements KPMG Acor Tax P/S

Management's Review

Company details

KPMG Acor Tax P/S
Tuborg Havnevej 18, 5
2900 Hellerup

Telephone: +45 3945 1700
Website: www.kpmgacor.dk
CVR no.: 34 08 22 00

Founded: December 12, 2011
Financial year: 1 January - 31 December

Board of Directors

Ria Falk Due (Chair)
Ole Steen Schmidt
Flemming Nørgaard Mortensen

Leadership Team

Claus Bohn Jespersen (Managing Partner)
Henrik Lund
Søren Dalby Madsen
Pia Konnerup

General Partner

KPMG Acor Tax Komplementar A/S

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Alle 42
2100 København Ø



Financial highlights

DKK'000	2019	2018	2017	2016	2015
Profit and loss account					
Net turnover	269,543	202,136	163,817	116,688	94,508
Gross profit	162,317	135,612	131,399	104,133	86,919
Results from operating activities	1,095	2,085	1,994	2,044	1,629
Net financials	-1,095	-985	-908	-1,006	-730
Results for the year	0	1,100	1,086	1,037	899
Balance sheet					
Balance sheet sum	189,664	157,992	116,836	89,573	96,701
Tangible assets investments	1,377	520	918	1,497	1,273
Equity	38,040	31,100	1,626	1,578	1,399
Cash flow					
Operating activities	2,694	651	16,277	-11,410	8,313
Investing activities	-2,901	-691	-948	-1,659	-2,276
Financing activities	2,429	-1,086	-1,037	-858	-1,001
Cash flow in total	2,222	-1,126	14,291	-13,927	5,037
Employees					
Average number of full time employees	127	112	105	70	46
Key figures (%)					
Gross margin	60.2	67.1	80.2	89.2	92.0
Profit margin	0.4	1.0	1.2	1.8	1.7
Acid test ratio	121.0	120.8	96.6	97.6	97.7
Solvency ratio	20.1	19.7	1.4	1.8	1.4
Return on equity	-	6.7	67.8	69.7	62.0

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Our global network

KPMG is a global network of professional services firms providing audit, advisory and tax services. We operate in 147 countries and have 200,000+ people working in member firms around the world. We work closely with a broad range of clients, such

as business corporations, governments and public sector agencies and not-for-profit organisations. We support them in mitigating risks and exploiting business opportunities.

147

Countries
where we
operate

6.2%

Revenue
growth rate

30

Combined
revenue
USD billion

219,000

Number
of employees

About KPMG Acor Tax

KPMG Acor Tax is a full-service tax consultancy firm. With our strong international network of experts, we combine profound in-depth experience with local and

global perspectives to pursue impactful business results for our clients.

155

Employees
and partners

33.3%

Revenue
growth rate

12

Different
nationalities

52/48

Male/female
ratio in %

Shaping the future of tax consultancy

2019 was a year of accelerated growth for KPMG Acor Tax, where we achieved a total revenue growth of 33.3% and thereby increased our market share. We are very grateful for, and proud of the trust that our clients continuously place in us. Our solid results reflect our team's ability to collaborate seamlessly across services, bringing the best of KPMG both nationally and globally to our clients in each interaction.

In the year behind us, we continued to service more than half of the top-listed companies in Denmark, and the majority of the largest Danish and foreign-based multinationals with operations in Denmark. Our advice focuses on tax consultancy relating to establishing business in Denmark and abroad, restructuring, M&A (including tax due diligence and structuring transactions), double taxation, transfer pricing, tax controversy, expatriate services, incen-

tive programmes, VAT and duties – all of those supported, connected and driven by the latest technology solutions.

In 2019, we also celebrated our Company's fifth birthday. Going from few to 150+ people in five years has been an amazing journey, characterised by an immense passion for tax, entrepreneurial spirit and strong commitment to create value for our clients - all driven by a unique team spirit. Our accomplishments and experience over the past five years have set a precedent for our future ambitions.



Creating value for our clients through our 360 approach

At KPMG Acor Tax, our 360 approach and mindset is fundamental to how we go to market and cooperate internally. This holistic approach fosters sustainable solutions and loyal clients who feel we hold their hands through any challenge they may face. Our cross-functional collaboration and deep understanding of clients' specific demands are fundamental preconditions of our success.

Financial services – strong Nordic collaboration

During 2019, we delivered services to the majority of the large financial institutions in Denmark. We embrace a multi-disciplinary approach, calling on KPMG professionals in complementary areas such as technical accounting and regulatory and risk management, both in Denmark, the Nordics and globally. In October 2019, we hosted the annual KPMG Nordic Financial Services Tax Conference, which took place in Denmark. Together with 100+ participants, we discussed and explored how technology is changing

the world of tax, and how the financial industry can stay ahead of this development, leverage on the opportunities it brings and have a responsible approach to tax.

Automotive industry – leading towards the green transmission

Our Automotive team continues to be the preferred provider of services for the automotive industry. Providing a broad number of services to the Automotive industry – from an online calculation tool calculating vehicle registration tax to an online platform sharing information about taxes and more in the Automotive industry, the team has emerged from providing guidance regarding vehicle registration tax to also providing tax advice regarding VAT, corporate income tax, contract law and more. The team is part of the global KPMG Automotive and Mobility steering group aiming at, among other things, promoting the transition of the automotive industry to low-carbon emission vehicles.



Resolving tax disputes

Our tax dispute resolution and controversy services are recognised as market-leading in Denmark according to the tax publisher International Tax Review. Whether the Danish Tax Agency (Skattestyrelsen) or a foreign tax authority raises a claim against one of our clients, our tax dispute resolution and controversy leaders assist our clients to protect against, prepare for and resolve disputes with tax authorities. We help our clients take control of the dispute resolution process to get effective results both locally and globally.

In first quarter of 2019, the Supreme Court in Denmark ruled in favour of the taxpayer in the first landmark transfer pricing case in Denmark. The case before the Supreme Court involved whether the taxpayer (the Danish company of a US-based multinational corporate group) had received an arm's length remuneration for the sales and marketing activities it performed. Our team of tax experts assisted the client in the proceedings over the past ten years.

The case demonstrates KPMG Acor Tax – and our transfer pricing experts – as true challengers with the highest professional standards.

Our tax controversy leaders have established a tax dispute resolution and controversy network that brings together tax dispute resolution and controversy specialists from large Danish multinationals to share their best practices and discuss current hot topics within tax controversy. The network meets quarterly with the frequent participation of tax controversy experts from our global KPMG network.

Mobility beyond borders

Workforces today are mobile, and managing a globally mobile workforce is a significant challenge. Our Global Mobility team helps companies manage the demands of a growing global workforce. During the year, the team has assisted a large number of clients in dealing with complex domestic and international issues. All of our services are delivered through both utilising our core KPMG suite of technology as well

as through customised and innovative solutions. These solutions are developed especially to meet the needs for tracking and visibility in fields such as assignee management, case management and compensation processing. 2019 was a very successful year for our Global Mobility team, where it increased its market share, and this area of our business is expected to further contribute to our growth.

Reimagining the future of tax

Global compliance and transformation is a strategic focus area in KPMG globally and a rapidly growing business in Denmark as well. Our practice helps our clients transform and increase the efficiency and effectiveness of their tax and accounting functions through developing and executing a strategy for the management of compliance. Global compliance and transformation engagements are provided from more than 150 member firms around the world. Our team within this business area has positioned itself as the leading compliance provider in Denmark over the past year by winning four large outsourcing projects for large Danish multinational companies. On the back of the outsourcing projects, KPMG Acor Tax is expanding its services within the wider compliance agenda and has secured a number of projects aimed at designing and implementing tax control frameworks (an internal framework aimed at managing tax risks).

Driving the responsible tax agenda and conversation

In line with KPMG's Global Responsible Tax Project, we have maintained our focus on participating in the public debate around responsible tax during the past 12 months. The purpose of the project is to

create the space for all stakeholders to have an open, honest and robust debate around responsible tax. In 2019, we hosted specific events for institutional investors and we contributed with articles within the responsible tax area. We fully recognise the need for a sustained, inclusive and coherent discussion about the key issues that are affecting and shaping globalisation and taxation and we will continue to contribute actively to the Global Responsible Tax Project.

Navigating the complexities of the Mergers and Acquisitions (M&A) environment

The pace of today's M&A activity demands that decision-makers make the right moves confidently and swiftly to avoid missing opportunities. This requires clarity and an in-depth understanding of the deal – both of which can be difficult to achieve, as the deal-making environment becomes more complex. Our cross-functional M&A Tax team offers highly skilled and specialised market-leading advisory within all aspects of mergers and acquisitions and assisted during 2019 a large number of clients with transactions of high complexity. We cooperate closely with the global KPMG network of M&A tax experts, and we mobilise tax teams tailored specifically for our clients' distinct transactions on a daily basis.



Transforming tax processes through technology

The digital era is bringing many technological advances that are changing the way we work. During 2019, we intensified our focus on tax technology in all our services and deliverables that challenge the norm and enable the future. We have invested heavily in developing our tax technology area to secure our leading position, which has resulted in the development of new and innovative tax technology tools. Among others, we created the first fully paperless personal tax preparation software in existence in Denmark, completely transforming the way we prepare personal tax returns. In addition, our services include data analysis tools that allow us to perform a wide variety of fact-based analyses of VAT, transfer pricing and customs. Furthermore, we have embraced RPA technology, with robots making up 2% of all our employees, and we have pioneered in incorporating artificial intelligence and machine learning within internal controls and VAT analysis.

Technology in everything we do

At KPMG Acor Tax, we strive to integrate technology in and across all areas of our business and thereby support our 360 approach to clients with focus on holistic and sustainable solutions. Technology has already shown great potential in transforming the way we manage tax matters, and we recognise that the training we provide our people, needs to match the constant advance in technology. Over the past

year, we have intensified the number and selection of technology learning and skill development sessions for our people, while our Technology team has worked closely with the rest of our business to realise their tech ambitions with the greatest potential for our clients. That includes both the optimisation of our internal processes using technology, development of differentiated tech solutions that add value to our clients, and development of technology skills for all our employees.

We are continuously exploring new technology trends to secure that we are relevant, continue our development and, in the end, improve the solutions we deliver to our clients. In that sense, we are prioritising investments in RPA, artificial intelligence and deep learning. We believe these are the technologies with the greatest potential to drive digital transformation and long-term value in the coming years.



We believe that a team always beats the sum of individuals

At KPMG Acor Tax, we are people of all kinds. We are passionate about tax: determined to mastering a field of expertise that we can turn into solutions and value for our clients. We are entrepreneurs as well as advisers, and we know how to cut through complexity. This philosophy is in our DNA. Our people are at the heart of our business, and their combined passion, dedication and challenger mindset is what has shaped KPMG Acor Tax as a company and created a unique culture, making us fit for the future journey ahead of us.

KPMG Acor Tax strives to be employer of choice by creating an environment where our people can fulfil their potential and feel proud and motivated. We aspire to create a culture of learning, collaboration and inclusion, all underpinned by the values and common purpose defined in our Manifest.

Our people have spoken

Our annual People Survey is an important tool that provides our employees the opportunity to raise their voice and give their opinion on a range of topics associated with their experience of working at KPMG Acor Tax. Historically, the employee engagement at KPMG Acor Tax has always been high, but in 2019 it reached new heights. The overall participation rate

was very high with 96% of our employees taking the survey. One of the indicators in the survey is the overall employee engagement rate that shows the extent to which employees feel passionate about their jobs, and their commitment to the organisation. Our score in 2019 was as high as 93%, increased from 89% in 2018. We are extremely proud of those results.

As a forward-looking company, we focus on our people's well-being and offer development and career opportunities that support a strong individual career path. The People Survey demonstrated clearly that our employees see KPMG Acor Tax as a great place to build their career, as seen by the score of 97%, when answering this question. In addition, we strive to offer our people a work environment that foster a flexible work life. In that regard, we were proud to find out that this commitment is reflected in the perception shared by our people and demonstrated by the score of 92% when answering the question of how the firm supports their efforts to balance work and personal life on an everyday basis.

Empowering life-long learning

Beyond attracting new talent, we are committed to providing continuous development opportunities for

93%

Engagement rate

97%

Believe KPMG Acor Tax is a great place to build their career

92%

Believe the firm supports a work-life balance

*KPMG Acor Tax People Survey 2019

all our people. Learning and development at KPMG Acor Tax are therefore a central part of our strategic focus, aiming at integrating learning on an everyday basis for everyone. This takes place through KPMG Acor Tax Academy, which is an internal academy that provides a wide spectrum of courses to all our people ensuring the highest level of personal and professional development opportunities as well as knowledge sharing.

In addition, all our employees have the opportunity to expand their competencies and build new skills through a comprehensive training programme provided by our global KPMG network, and those courses take place in different places around the world. However, the global training programmes not only contribute to our employees' professional and personal development, they also foster a strong cooperation across the KPMG firms for the benefit of our firms and ultimately our clients.

Ensuring a diverse and inclusive work environment

At KPMG Acor Tax, we are committed to building an inclusive future for all. Inclusion and diversity are core elements in both our Manifest and our culture — diversity in relation to people with various

skills, backgrounds, and stage of lives. One of the strengths of our teams lies in the well-balanced gender distribution: the male to female ratio is 52/48. Furthermore, 30% of our partners are women, and 41% of employees who hold senior positions are women. We are proud that our commitment to providing a work environment that is equally attractive to women and men shows in the factual people figures. Adding to the diversity agenda, we can mention that our team consists of twelve different nationalities.

We wish to promote the diversity, and we want to meet the needs of our people at different stages of their life. In 2019, we launched our Baby Onboard programme with the purpose of supporting balance between being a great parent and having a meaningful career. The Baby Onboard programme offers, among other things, individual coaching sessions and facilitated network meetings.

Looking forward, we stay committed to challenging and holding ourselves accountable for building an inclusive and diverse workforce. We will continue to create the best possible work environment to foster an organisational culture that promotes collaboration.

Our social engagement

Globally, corporate social responsibility (CSR) is a major agenda item for KPMG, and it is focused on the 3Es – Environment, Education and Empowerment. At KPMG Acor Tax, we channel our collective experience, skills and energy to help drive positive social change and enable our communities to thrive in line with KPMG's global commitment.

Our focus on CSR initiatives have grown significantly over the years. During 2019, we have arranged ten different CSR initiatives that involved support, engagement and participation from all our employees. Consequently, our ambition is to continue investing in our CSR efforts and to add more sustainable and social initiatives in the future.

Empowering other and contributing to a green future

As a company, we are an integrated part of the society, and we believe in the importance of contributing and having a positive influence. In 2019, we financially supported the Women's Center for minority ethnic women in Nørrebro, which helps women develop competencies and enhance their independence through counseling and activities such as healthy food courses, courses in economics as well as help writing job applications and excursions.

On Mother's Day, we supported the Maternity Foundation, a Danish development organisation working to ensure a safer childbirth for women and newborns in developing countries all over the world.

KPMG Acor Tax cares about the environment and climate change and continuously seeks to reduce its environmental footprint through a number of initiatives. We have initiated a number of social events with environmental focus supporting this area and emphasising the importance of it. As a company we participated in the nationwide cycling campaign 'We Bike to Work', promoting bicycling for commuting and everyday transportation. In addition, we encourage our people to print less, sort garbage and avoid food waste by allowing them to take food from the canteen home free.

Furthermore, we supported the charity organisation nissepakken.dk, which helps children and their parents from economically challenged households during the Christmas time. The concept is to donate Christmas calendar gifts to a number of children. We organised a company-wide initiative, where Christmas calendar gifts were donated to children and families. Those gifts were wrapped by our people at an event at our offices.

We will keep the relentless focus on contributing actively to and having a positive impact on our society.



“We were extremely grateful for the generous contribution from all the employees and the leadership at KPMG Acor Tax. The contribution enabled us to ensure even more women and newborns a safe child-birth in Ethiopia. No woman should die giving life.”

Anna Cecilia Frellsen,
CEO, Maternity Foundation



Outlook

The future of tax holds more complexity, is digital and requires new skills both for our clients and ourselves. Our ambition is to shape the future of tax consultancy driven by our extraordinary people and supported by technology. To ensure we carry on the momentum that we have created up until, and throughout 2019, we recently launched our 2022 strategy that will enhance our ability to adapt and succeed in the rapidly changing world of tax and business environment in which we operate.

The main driving forces on the journey ahead of us will be a continuously strong partnership with our clients characterised by our 360 approach, embedding technology in everything we do and sustaining our unique culture, which is the most important enabler for our future success. With agility as one of our major competitive strengths and our entrepreneurial spirit, combined with our solid platform, we are ready to embark on the future.

In the light of the COVID-19 situation, many companies are likely to be impacted by the COVID-19 coronavirus pandemic, either directly or indirectly, including ourselves, and the increased economic uncertainty and risk may have significant implications that need to be taken into consideration. We stay optimistic in relation to our future growth. We will monitor the development on an ongoing basis in relation to our strategic and financial ambitions and will adjust our priorities when and if needed.

Looking ahead, we stay committed to the values in our Manifest, while shaping the future of tax consultancy together with our people and our clients.



Our Manifest

Our Manifest sums up the core of our company's DNA. It is an expression of who we are, what we believe in and how we cooperate with our clients and internally.

Together, we solve tax matters.



KPMG Acor Tax was born with a rebellious spirit: to be a challenger.

Founded by leading advisers who made a clear choice to work together, we have created an independent advisory firm – and tax is our business. Today, all of us share one simple, unifying idea: we are a team of people who improve other people's business.



We integrate global knowledge in our daily work, since local issues might find their solution far from home. To help solve complex tax matters, we have family ties to the KPMG network. Hence our clients get the best of two worlds: the agile and focused personality of an independent firm and the power of a global one.



We are passionate about tax: determined to mastering a field of expertise that we can turn into solutions and value for our clients. We are entrepreneurs as well as advisers, and we know how to cut through complexity. This philosophy is in our DNA.



We help businesses navigate safely in an ever-changing world of tax.

This is mission impossible without integrity. We care about our clients. We care about their license to operate. But we insist that our tax advice is accountable and sustainable – both short term and in the long run.



We shape the future of tax consultancy together with our clients. We are people of all kinds, and we believe that a team always beats the sum of individuals. Together, we solve tax matters.

Yours. Truly.



Principal activities and financial position

Principal activities of the Company

The Company's principal activities are professional advisory services on VAT and tax matters.

Operational risk

The operational risks facing our business include those we share with other professional services firms. We have implemented quality assurance procedures that are based on KPMG International's Quality Framework and we regularly conduct risk assessments where we identify potential risks and their impact on our business. Based on this, we plan to remediate our actions and check the quality of the work done and whether it complies with the rules we as a consultancy are subject to. We are committed to consistently achieving the highest standard of quality, ethics and integrity in our day-to-day activities as a responsibility we bear to our customers, the authorities and the community.

Financial risk

We are exposed to credit risk although we do not have any material credit risk on individual debtors.

Events after the balance sheet date

No events have occurred after the balance sheet date that could significantly affect the financial statements.

Financial statements

KPMG Acor Tax P/S

1 January 2019 - 31 December 2019



Contents

29	Statement by the Board of Directors and the Executive Board
30	Independent auditor's report
33	Income statement
34	Balance sheet
36	Statement of changes in equity
37	Cash flow statement
38	Notes to the financial statements



Statement by the Board of Directors and the Executive Board

The Board of Directors and the Leadership Team have today discussed and approved the annual report for KPMG Acor Tax P/S for 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the

results of the Company's operations for the financial-year 1 January 2019 – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the issues dealt with.

We recommend that the annual report be approved at the annual general meeting.

Hellerup, 7 May 2020

Leadership Team



Claus Bohn Jespersen
Managing Partner



Henrik Lund
Partner



Søren Dalby Madsen
Partner



Pia Konnerup
Partner

Board of Directors



Ria Falk Due
Chair



Ole Steen Schmidt
Partner



Flemming Nørgaard Mortensen
Partner

Independent auditor's report

To the shareholders of KPMG Acor Tax P/S

Opinion

We have audited the financial statements of KPMG Acor Tax P/S for the financial year 1 January to 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and accounting policies used. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and beyond requirements that apply in Denmark. Our responsibility according to these standards and requirements is described in more detail in the audit report section "Auditor's responsibility for the audit of the financial statements".

We are independent of the Company in accordance

with International Code of Ethics for Auditors (IES-BAs Code of Ethics) and the additional requirements that apply in Denmark, and as such we have fulfilled our other ethical obligations in accordance with these standards and requirements. In our opinion, the audit evidence 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. Management is also responsible for internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, regardless of whether this is due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue operation; to provide information on continued operations where relevant; as well as preparing the financial statements on the basis of the account-

ing principle for continued operation, unless the Management either intends to liquidate the company, discontinue operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is to obtain reasonable assurance as to 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 including an opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions made by users.

As part of an audit conducted in accordance with international auditing standards and the additional requirements that apply in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by Management and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's preparation of the financial statements being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 in the notes, and whether the financial statements reflect 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 the internal control that we identify during our audit.



Statement on the Management's review

Management is responsible for the Management's review. Our opinion on the financial statements does not cover the Management's review, and we do not express any kind of assurance opinion on the Management's review.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and in that connection consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act. Based on the work we have performed, we believe that the Management's review is in accordance with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not find any material misstatement in the Management's review.

Copenhagen, 7 May 2020

Martinsen

Statsautoriseret Revisionspartnerselskab
CVR no. 32 28 52 01

Leif Tomasson

State Authorised Public Accountant
mne25346

Chris Bjørholm Dyhr

State Authorised Public Accountant
mne34473

Income Statement

1 January 2019 - 31 December 2019

Note	DKK '000	2019	2018
	Revenue	269,543	202,136
	Other operating income	0	23
	Other external expenses	-107,226	-66,546
	Gross Profit	162,317	135,613
2	Staff costs	-159,715	-132,121
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1,507	-1,407
	Operating profit	1,095	2,085
	Financial income	527	427
	Financial expenses	-1,622	-1,412
3	Results for the year	0	1,100

Balance sheet

31 December 2019

Assets

Note	DKK '000	2019	2018
	Fixed assets		
4	Acquired concessions, patents, licenses, trademarks as well as similar rights	1,672	529
	<i>Total intangible assets</i>	<i>1,672</i>	<i>529</i>
5	Other plants, operating assets and fixtures	3,202	2,961
	Leasehold improvements	69	46
	<i>Total tangible assets</i>	<i>3,271</i>	<i>3,007</i>
6	Deposits	1,220	1,232
	<i>Total financial fixed assets</i>	<i>1,220</i>	<i>1,232</i>
	Total fixed assets	6,163	4,768
	Current assets		
	Trade debtors	89,572	81,466
7	Services in progress	31,761	16,768
	Other debtors	379	224
	Claims for payment of contributed capital	24,011	19,500
8	Accrued income and deferred expenses	3,836	3,546
	<i>Debtors in total</i>	<i>149,559</i>	<i>121,504</i>
	Cash at bank and in hand	33,942	31,720
	<i>Total current assets</i>	<i>183,501</i>	<i>153,224</i>
	Total assets	189,664	157,992

Balance sheet

31 December 2019

Equity and liabilities

Note	DKK '000	2019	2018
	Equity		
	Contributed capital	36,940	30,000
	Reserve for unpaid contributed capital	24,011	19,500
	Retained earnings	-22,911	-18,400
	Total equity	38,040	31,100
	Liabilities		
7	Services in progress	9,445	7,102
	Trade creditor	7,675	9,640
	Other debts	134,504	110,150
	<i>Total short-term liabilities</i>	<i>151,624</i>	<i>126,892</i>
	Total liabilities	151,624	126,892
	Total equity and liabilities	189,664	157,992
9	Mortgage and securities		
10	Contingencies		
11	Related parties		

Statement of changes in equity

DKK '000	Contributed capital	Reserve for unpaid contributed capital	Retained earnings	Proposed dividend for financial year	Total
Equity 1 January 2018	541	0	0	1,086	1,626
Capital increase	29,459	0	0	0	29,459
Distributed dividend	0	0	0	-1,086	-1,086
Results for the year	0	0	1,100	0	1,100
Unpaid contributed capital for the year	0	19,500	-19,500	0	0
Equity 1 January 2019	30,000	19,500	-18,400	0	31,100
Capital increase	6,940	0	0	0	6,940
Unpaid contributed capital for the year	0	4,511	-4,511	0	0
Equity 31 December 2019	36,940	24,011	-22,911	0	38,040

Cash flow statement

1 January 2019 - 31 December 2019

Note	DKK '000	2019	2018
	Profit for the year	0	1,100
12	Adjustments	2,601	2,488
13	Changes in working capital	387	-2,681
	Cash flow from operating activities before net financials	2,988	907
	Interest received and similar amounts	4	5
	Interest paid and similar amounts	-298	-260
	Cash flow from operating activities	2,694	652
	Acquisition of intangible fixed assets	-1,537	-136
	Acquisition of tangible assets	-1,377	-520
	Sale of tangible assets	0	23
	Acquisition of financial fixed assets	-23	-58
	Sale of financial fixed assets	36	0
	Cash flow from investing activities	-2,901	-691
	Cash capital increase	2,429	0
	Paid dividends	0	-1,086
	Cash flow from financing activities	2,429	-1,086
	Changes in cash flow	2,222	-1,125
	Cash and cash equivalent at 1 January 2019	31,720	32,904
	Exchange rate adjustments	0	-59
	Cash and cash equivalents at 31 December 2019	33,942	31,720

Notes to the financial statements

1. Accounting policies

The Annual Report for KPMG Acor Tax P/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for a medium-sized Class C company.

Changes in accounting policies

The classification of the item "staff costs" has been changed so that certain types of costs, which has so far been recognised under personnel costs, in the future are recognised under the item "other external costs".

The change in classification has no effect on the profit for the year or the balance sheet for neither the current nor the previous financial year. Comparative figures are adjusted to the changed classification.

Apart from the above, the financial statements have been prepared in accordance with the same accounting policies as last year.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future financial

benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration which may appear before the Annual Report is presented and which concerns matters existing on the balance sheet date.

Income Statement

Revenue

Revenue from the sale of services is recognised in the income statement as provided. Consequently, revenue corresponds to the selling price excluding VAT of the work performed under the percentage of completion method and includes outlays on clients. Measurement at selling price presupposes that total income and costs as well as the stage of completion at the balance sheet date can be determined reliably and that it is probable that payment will be received.

Other operating income

Other operating income comprises accounting items of secondary nature in proportion to the principal activities of the Company, including gains on disposal of intangible and tangible fixed assets.

Other external expenses

Other external costs include costs of distribution, sales, advertising, administration, premises, losses on debtors.

Staff costs

Staff costs include wages and salaries, including holiday allowance and pensions, as well as other costs for social security, etc. to the Company's employees. In staff costs, deductions are received allowances from public authorities.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown include the year's depreciation and writedown of intangible and tangible fixed assets, respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Tax on the results of the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Balance sheet

Intangible fixed assets

Development projects, patents and licenses

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues. When the depreciation period or residual value changes, the effect on depreciation is recognized in the future as a change in accounting estimate.

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

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

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets and fixtures	Useful life 3-5 years
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Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

Financial fixed assets

Deposits

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

Debtors

Debtors are measured at amortised cost, which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Services in progress

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual contract.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Cash at bank and in hand

Available funds comprise cash at bank and in hand.

Equity

Reserve for unpaid contributed capital

Unpaid contributed capital is recognised by means of the gross method, after which the unpaid contributed capital is recognised and treated as a receivable in the balance sheet, called "Claims on contributed

capital". An amount corresponding to the unpaid contributed capital is reclassified from "Results brought forward" to "Reserves for unpaid contributed capital".

Liabilities

Other liabilities are measured at amortised cost, which usually corresponds to the nominal value.

Cash flow statement

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year, respectively.

Cash flow from operating activities

Cash flow from operating activities is calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investing activities

Cash flows from investing activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interest-bearing debt, and payment of dividend to the shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash funds and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

DKK '000	2019	2018
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2. Staff costs

Salaries and wages	158,848	131,336
Other social security costs	867	785
	159,715	132,121

The Board of Directors and the Executive Board do not receive separate remunerations for the performance of duties in the Leadership Team or Executive Board.

Average number of employees, including partners	127	112
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3. Proposed distribution of profit

Retained earnings	0	1,100
Total distribution	0	1,100

4. Intangible assets

	Acquired con- cessions, pat- ents, licenses, trademarks and similar rights
Cost at 1 January 2019	1,435
Additions	1,537
Cost at 31 December 2019	2,972
Amortisation and impairment losses at 1 January 2019	906
Amortisation for the year	394
Amortisation and impairment losses at 31 December 2019	1,300
Carrying amount at 31 December 2019	1,672

DKK '000	Other plants, operating assets and fixtures	Leasehold improvements
5. Tangible assets		
Cost at 1 January 2019	7,256	76
Additions	1,345	32
Cost at 31 December 2019	8,601	108
Depreciation and impairment losses at 1 January 2019	4,295	30
Depreciation for the year	1,104	9
Depreciation and impairment losses at 31 December 2019	5,399	39
Carrying amount at 31 December 2019	3,202	69
	2019	2018
6. Deposits		
Cost at 1 January 2019	1,232	1,174
Additions	23	58
Disposals	-35	0
Cost at 31 December 2019	1,220	1,232
Carrying amount at 31 December 2019	1,220	1,232
7. Services in progress		
Selling price of work performed	31,761	16,768
Progress billings	-9,445	-7,102
Service in progress	22,316	9,666
Recognised as follows:		
Contract work in progress (assets)	31,761	16,768
Contract work in progress (liabilities)	-9,445	-7,102
	22,316	9,666
8. Accrued income and deferred expenses		
Prepaid expenses	3,836	3,546
	3,836	3,546

9. Mortgages and securities

The Company has no mortgages or securities at 31 December 2019.

10. Contingencies

Contingent liabilities

Remaining rental obligation at the balance sheet date amounts to DKK 4,811 thousand within one year.

11. Related parties

During the financial year, The Company has had balances and remuneration with partner shareholders. Balances and remuneration are subject to market interest rates.

DKK '000	2019	2018
12. Adjustments		
Depreciation and amortisation	1,507	1,407
Profit from sale of fixed assets	0	-23
Other financial income	-527	-428
Other financial costs	1,622	1,412
Other adjustments	0	119
	2,601	2,488

13. Changes in working capital

Change in debtors	-22,642	-23,652
Change in trade and other liabilities	23,029	20,971
	387	-2,681



