Tax is our business

Driven by our people and technology

KPMG Acor Tax P/S Annual Report

1 January - 31 December 2021

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

Company details

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KPMG Acor Tax P/S
Tuboug Havnevej 18, 5th floor
DK-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
10th financial year

Board of Directors

Ria Falk Due (Chair)
Ole Steen Schmidt
Lars Olle Fredrik Lundgren

Executive Board

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

General Partner

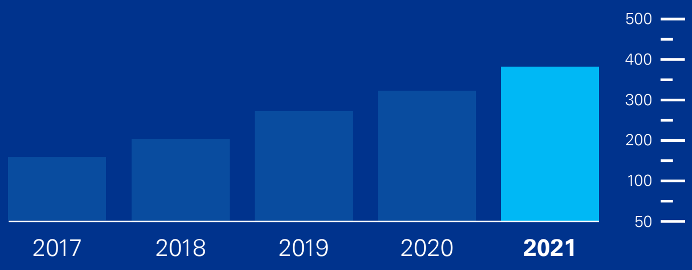
KPMG Acor Tax Komplementar ApS

Auditors

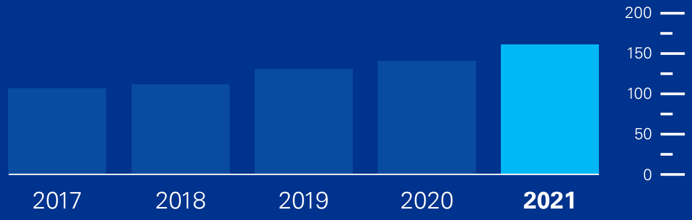
Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Allé 42
DK-2100 Copenhagen Ø

Financial highlights

Revenue



Number of employees and partners



DKK'000	2021	2020	2019	2018	2017
Profit and loss account					
Revenue	388,867	326,625	269,543	202,136	163,817
Gross profit	226,426	196,641	162,317	135,612	131,399
Results from operating activities	1,593	1,117	1,095	2,085	1,994
Net financials	-1,593	-1,117	-1,095	-985	-908
Profit for the year	0	0	0	1,100	1,086
Balance sheet					
Balance sheet sum	264,378	231,585	189,664	157,992	116,836
Tangible assets investments	1,758	2,325	1,377	520	918
Equity	49,100	45,500	38,040	31,100	1,626
Cash flow					
Operating activities	-23,421	9,951	2,694	651	16,277
Investing activities	-2,298	-5,221	-2,901	-691	-948
Financing activities	1,260	2,611	2,429	-1,086	-1,037
Cash flow in total	-24,459	7,341	2,222	-1,126	14,291
Employees					
Average number of full time employees	159	143	127	112	105
Key figures (%)					
Gross margin	58.2	60.2	60.2	67.1	80.2
Profit margin	0.4	0.3	0.4	1.0	1.2
Acid test ratio	118.3	119.3	121.0	120.8	96.6
Solvency ratio	18.6	19.6	20.1	19.7	1.4
Return on equity	-	-	-	6.7	67.8

Calculations of key figures and ratios follow the recommendations of the Danish Finance Society.

About KPMG

KPMG Acor Tax

KPMG Acor Tax's principal activities are professional tax advisory services. Our team of more than 200 dedicated and highly skilled partners and employees possess both market-leading professional expertise and a deep understanding of our clients' specific commercial needs. This combination enables us to convert complex rules into simple, operative solutions through a commercial understanding of tax matters and through the expertise, technology and global network required to provide tailored advice to each client.

202
Employees and partners

19.1%
Revenue growth rate

17
Different nationalities

51/49
Female/male ratio in %

Our global network

KPMG is a global network of professional services firms providing audit, advisory and tax services. We operate in 144 countries and have 236,000+ 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.

144
Countries where we operate

10%
Revenue growth rate

32
Combined revenue USD billion

236,000+
Number of employees

We are passionate about tax

Leadership introduction

2021 was another year marked by change where we learned how to work and live differently. KPMG Acor Tax responded to this with genuine agility, both in the way we worked with our clients and how we collaborated internally.

This is backed up by the fact that we had a substantial inflow of new clients last year, while at the same time strengthening the partnership with our existing clients. Our employee engagement rate also remained high despite a COVID-19 fatigue that was a reality for all of us with lockdowns and all that followed.

As the world around us changed, our clients continued to place trust in our expertise and services – for which we are very thankful. We recorded another solid revenue for 2021 of DKK 389 mill.

Towards the end of last year, our Aarhus colleagues moved into new premises in Aarhus city centre with modern facilities, providing the best conditions for further growth in the region as well.

Leading in an evolving tax and business landscape

During the course of the past year, we continued to build on our core strengths: our people, our client-centricity and our unique culture.

As individual tax professionals and as a tax advisory firm, we embrace the discussion and debate surrounding the need for responsible tax, transparency and the future of taxation in an increasingly digitalised world. Together with our innovative technology, this approach has made us the 'go-to' adviser for the majority of the largest Danish and foreign based multinationals with operations in Denmark. We have the market-leading tax dispute and controversy team, and as the compliance is changing the fabric of the tax function, we are continuing our efforts to become a market leader in compliance technology, processes and advisory services. We expect further growth in this area.

Every year, the International Tax Review ranks leading tax firms and tax experts around the world. Also in 2021, KPMG Acor Tax were honoured to receive six individual recognitions within the following areas of expertise: tax leaders – women in tax, transfer pricing, tax controversy and indirect taxes. Furthermore, we were ranked Tier 1 in International Tax Review as a leading firm within both tax (World Tax) and transfer pricing (World Transfer Pricing).

We would like to thank our clients, business partners and people for their ongoing trust in our firm.

Yours. Truly.

"2021 was another great year at KPMG Acor Tax, where we reached many milestones as a team, one of them being the milestone of becoming a team of 200 people. This incredible journey over the past eight years is a testament to the capabilities and entrepreneurial spirit of all the people at KPMG Acor Tax. During 2021, we intensified our sharp focus on further development of our strong platform, our people and technology where we continued to shape the future of tax consultancy together with our clients, delivering resilient results. We are very thankful for the trust our clients have put in us – both last year but also over the years."

Claus Bohn Jespersen

Managing Partner

Sustaining a unique culture

2021 was another year where ambition, motivation, and energy were up for a test for teams and individuals. So, how do you tackle clients and employees while sustaining the organisational culture during a pandemic? And how do you ensure learning and development while navigating drastic changes not only nationally but globally? At KPMG Acor Tax the answer is simple, even though the task was not easy at times. People in the centre of everything we do.

Every year all partners and employees are encouraged to participate in our Global People Survey. The survey provides valuable insight on employee engagement and motivation. We are very proud of the great results that came out in 2021 despite the pandemic. And we attribute those results to a resilient culture that we have created together – the sum of all the individuals and their contribution. We are thankful and honoured to have that. However, we have also learned a lot from the year behind us and gathered lots of input and insights from our people that we are converting into actions and initiatives - all with the purpose to ensure that we continuously provide best preconditions for our people to flourish personally and professionally.

We stay committed to sustaining and further developing a caring, inclusive, purpose-led and value-driven culture for our people, where everyone feels safe and valued.

95%

would recommend KPMG Acor Tax as a great place to work

88%

responded that their job provides them with a sense of personal accomplishment

96%

trust the leadership of the company

***KPMG Acor Tax People Survey 2021**

"The new ways of working have underlined how huge a role the flexibility of my job plays, in order to balance my work and studies at university. I feel lucky to be part of a great team that gives me opportunities to grow and develop by involving me in fun and challenging tasks every day. Despite the new ways of working, I have faced more responsibility and new exciting projects in 2021, which allows me to be even more ambitious going forward."

Maria Juul Randers
Student Assistant, Transfer Pricing
KPMG Acor Tax

Shifting to a new gear

Despite the fact that pandemic remained a part of our life in 2021, it also gave us a focused priority, that is, to help our clients safely navigate the complex tax landscape to an even larger extent than ever before. And we did so. This also meant that we were all individually forced to look at our own priorities, focus, life balance and time management and thereby lead ourselves as never before. We basically needed to rethink how to adapt to the new working life, and we have all gained some valuable experiences and learnings from this.

Looking beyond the individual, we also managed to keep the team spirit high during past year – which is also supported by numbers in our Global People Survey. This was done in different forums both within service lines and at corporate level by inspiring each other through sharing stories, experiences and best practice that kept us motivated and moving forward together. The calendar said 2021, even though it at times still felt like 2020 with partial lockdowns. Despite that, we still managed to utilise the windows of opportunity that arose to meet and socialise with each other, when the restrictions allowed us to do so.

In this connection, we would like to give a special shout out to our Student Assistants, who have demonstrated an extraordinary level of adaptability, persistence and high spirits during the whole pandemic, while balancing studies and work life. We have been thrilled to see that also Student Assistants echoed the same behaviour and mindset as the rest of the organisation. For us, this is a testament that our unique culture attracts people with specific character traits: courageous, persistent, ambitious and compassionate team players – and we are proud of that.

Successful parents and professionals

At KPMG Acor Tax, we want to ensure that our people are empowered to have a meaningful career at all stages of their life with the requisite life balance. This is done through individual dialogues throughout the year, but also by a way of different initiatives on a corporate level. One of those is our Successful Parents network, that is established to support our people in their role as a new parent.

The network is facilitated by an external business coach who conducts workshops for our people across all levels 3-4 times a year. Here, parents meet to share ideas, experiences and tools with the purpose of empowering each other to create balance between family life and career. In addition, everyone in the network also has a number of individual coaching sessions with the business coach, designed to provide the support they need to work through the practical and emotional changes – personally and professionally.

Meet Morten

"As a father to a 2-year old boy with another baby on the way, it is necessary to keep a structured work-life-balance to enable time for everything that is important to me, such as dropping my son off at kindergarten, playtime and quality time together as a family. My wife and I are used to "partnering" and being a strong team together, in order to make the everyday challenges with kids as efficient, fun and smooth as possible. This links well to our KPMG Acor Tax culture, where we place a strong emphasis on teamwork internally, as well as "partnering" with our clients to solve challenging tax matters with a personal touch."

Morten Wiebe
Manager, Transfer Pricing

"An eye for details, a proactive mindset and excellence in maintaining an overview of project workstreams and deliverables are components which make our partnership with KPMG Acor Tax valuable. It is a pleasure to work with tax advisors who prioritise our needs – regardless of complexity and urgency – and understand our challenges, while never compromising on quality. These are truly the benefits of working with KPMG Acor Tax."

Troels Chr. F. Kragh
Senior Manager, Direct Tax
DFDS

Together, we solve tax matters.

At KPMG Acor Tax, we believe that strong and long-term relationships with clients are built on trust. We build trust and partnerships with clients when we combine our KPMG Acor Tax differentiators: people with the highest professional standards, a 360-degree approach and solutions and technology. Supported by a strong global network of highly-experienced professionals from across a wide range of functional service areas, we have delivered tailored and practical solutions to our clients during the past year.

We care about our clients. We care about their license to operate. But we insist that our tax advice is accountable and sustainable – both in the short term and in the long term.

Managing workforce mobility

During past year, our Global Mobility Services practice brought together a wealth of tax, immigration and mobile administration services, backed by leading technology solutions, to help our clients manage their global workforce easier, safer and more efficiently. 2021 was the second year, where the COVID-19 pandemic accelerated existing and future work trends. Many companies grappled with what the future working world would look like post-pandemic. Together with the rest of the world at different stages in the journey navigating the road to recovery, one thing that was certain from the beginning of the year was that remote working would become an integral part of our new working world. Embedding remote working in the future of work underpins the importance of our role as tax advisor that delivers 360-degree solutions, capturing both corporate tax, employee tax and other legal aspects affected by remote work.

Our Global Mobility Service Team advised a large number of national and international clients in the year behind us, providing them with end-to-end solutions and tax advisory services within both compliance and also complex tax advisory services, leveraging on the data provided for taking care of all aspects of their mobile workforce.

Responding to the evolving Transfer Pricing landscape

The transfer pricing landscape in Denmark was affected by the winds of change with the new transfer pricing legislation that was introduced.

This was therefore one of the areas that we were heavily engaged in, helping our clients make sure their TP documentation package lived up to the new requirements both now and in the future. Preparation of local transfer pricing files was conducted with our own developed transfer pricing tool – "TPAD"– ensuring an intelligent and automated approach that supports efficiency and high documentation standards.

In addition, financial transactions is another rapidly growing business area that we have been focusing on during the past year with a specially dedicated team, driving a large number of projects for our clients.

"We partner with KPMG Acor Tax in designing and managing our global transfer pricing setup. The team is helping us understand and meet the ever increasing requirements in the transfer pricing space, locally and worldwide. As a growth company it is critical that our advisor understands the challenges we are facing, and KPMG Acor Tax delivers."

Rikke Linding Olesen
Head of Accounting & Reporting
LogPoint

“I feel I’m in safe hands with KPMG Acor Tax as our trusted tax adviser. They are never afraid to challenge the status quo and come up with new perspectives on how to solve complex tax matters. They have a proactive and value-creating approach, characterised by holistic tax advice of the highest professional standard.”

Emil Hartmann
Head of Group Tax, Group Finance
STARK Group

Transforming tax compliance management

The area of tax compliance is a cornerstone of what we do in the corporate tax team. In 2021 we experienced a significant increase in companies outsourcing their tax compliance tasks to KPMG as well as requesting interim assistance from our highly skilled tax compliance specialists.

During 2021, our Compliance Management & Transformation Team continued to leverage the investment in our people and our technology to provide the tools and resources our clients need to manage their global compliance affairs whilst limiting the impact on scarce human resources. Our team was engaged in a significant number of data management projects, where they helped clients solve a broad range of complex data challenges from A to Z, ensuring integrity in the data foundation used for both direct taxes, indirect taxes and transfer pricing. They created value in the whole process starting from automated data extraction, data consolidation and data validation from multiple source systems and finally leaving our clients with full control and insight into their data before doing the actual compliance filings.

Data factory is the new black in the area of compliance and transformation and at the heart of our delivery model. We act and react based on what the client’s data contains and means and thereby provide sustainable tax advice and support our clients in being increasingly more data driven in the operation and decision-making processes. This provides insights to our clients and help them be forward looking whilst enabling them to meet future data driven compliance filing requirements such as real time reporting and SAF-T.

Solving complex indirect tax matters

Our Indirect Taxes Team assisted a large number of clients with cross border activities in the past year. One of the trends within this area has been that a number of our clients embarked on the journey of implementing new ERP systems, and our task was to help them set up their VAT correctly in the new system. This exercise called for both local and global assistance from our network and subject matter experts within VAT and tax technology.

Locally, we have worked shoulder to shoulder with our clients and helped them cut through complexity in regard to Danish legislation, and we worked closely with our global network to provide assistance to our clients globally in the countries, where they have activities. All powered by expertise of our tax subject matter experts and technology. Furthermore, our Indirect Tax Team has been involved in several principal cases, primarily with the financial sector, where we have been in both the Tax Law Council (Skatterådet) and the National Tribunal (Landskatteretten) representing our clients.

Resolving tax disputes

KPMG Acor Tax's Dispute Resolution & Controversy Team works with a wide range of clients to protect against, prepare for and resolve disputes with tax authorities. We help our clients to take control of the dispute resolution process to get effective results both locally and globally. Our approach is designed to help organisations address local and multijurisdictional tax disputes through effective strategies for their mitigation, management, and prompt resolution.

Throughout the past year, we have assisted a large number of clients with several of Denmark's largest dispute cases. The level of activity on the part of the tax authorities in terms of controls remains very high. Furthermore, the latest verdicts within transfer pricing also indicate a change in the tax audit approach on the part of the tax authorities with increased demands regarding compliance.

By leveraging KPMG's global network of professionals, outstanding relationships with tax authorities and the KPMG network's collective knowledge, we help foster consistency across borders and gain strong results throughout the tax dispute continuum.

An all-time high M&A year

2021 has been a record breaking year in the M&A market with global mergers and acquisitions activity surpassing the pre-pandemic level.

Our cross-functional M&A Tax team assisted a historically large number of clients with transactions of high complexity, covering everything from tax due diligence to tax structuring and design and implementation of incentive schemes. Our revenue in this business area broke all previous records. We continue to be a preferred tax adviser on all M&A related matters for the Danish pension funds, alternative investments funds, renewable funds and private equity funds – thereby further strengthening our already strong position in the market. 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.

Environmental, social and governance (ESG) factors are increasingly taken into account in M&A decision-making and strategy, as investors use ESG criteria to assess risks and to identify value creation opportunities We expect ESG to drive significantly more deal activity this year and beyond, as we see ESG rising to the top of board agendas across sectors.

Tax and beyond — Reimagining the Legal function

During 2021 we established a new service area, Legal Transformation, with the purpose of adding a new service level to the traditional, nationally anchored, and highly specialised legal advisory platform that already exists in the Danish market. Legal Transformation in KPMG is a global offering, locally anchored in Denmark across our tax, advisory and legal services.

Our Legal Transformation team aims to modernise, commercialise, digitise and mature the legal market. By applying our legal mindset, business insights and 'commercial thinking', we help our clients review and transform their inhouse operating model by identifying opportunities, improving processes and integrating technology to enhance their overall legal landscape. We look forward to continuing the journey of assisting our clients with legal departments to evolve their functions, transform their services and make a greater impact on (and across) their organisations.

Supporting our clients' green transition

2021 gave us one of the most significant legislative changes in recent years within the automotive industry with the introduction of the new Vehicle Registration Tax Act which has pushed forward the green transition even further. As a strategic advisor and partner for the majority of the automotive industry here in Denmark, we have had a large number of projects helping our clients understand the impact of the new legislation, defining and scoping which steps they needed to take and finally implementing the actions and changes. In addition, we have also broadened our focus beyond the automotive industry by being a preferred tax advisor for a large number of energy companies, which are main actors in supporting the green transition.

By mobilising our 360-degree approach, we have helped our clients navigate this highly complex landscape of the green transition by connecting the dots across our clients' thoughts and ambitions, translating the complex legislation through a commercial lens and delivering advice with impact.

Last year, we also launched season 3 of our podcast **Vejen mod fremtiden**, a podcast for the automotive industry. In our podcast, we invite leading voices, representing all corners of the automotive industry and beyond, where together we dive into trends, insights, legislation and operations relevant to this industry. We are very thankful for and proud of the warm welcome and high engagement from our listeners in this season as well. With more than 13.500 listeners throughout the podcast's lifespan, we are excited to continue bringing more insights to the industry, also through this platform.

"The Automotive Team at KPMG is our trusted advisor on tax matters concerning our business. They possess specialised knowledge within our industry and are excellent at converting complex rules into operationally applicable material and advice. For this very reason, our cooperation has developed over the years and we are now covered by all the competencies that KPMG Acor Tax has to offer our organisation across lines of business. We have a very trustful relationship and are excited to continue our cooperation to handle both the known and unknown challenges and opportunities the future brings."

Michael Winkle
CEO, Financial Services
BMW Group

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It is a pleasure to work with such a dedicated and cross-functional team ...

“As our preferred tax advisor for the integration, KPMG Acor Tax assisted us in 2021 with all tax matters relating to our acquisition of Agility’s Global Integrated Logistics business. It is a pleasure to work with such a dedicated and cross-functional team, which provides tax advice of the highest professional standards, while keeping a keen and practical eye on the commercial aspects of our business.”

Sille Sjørslev
Senior Director, Head of Group Tax
DSV A/S

Maria Mygind

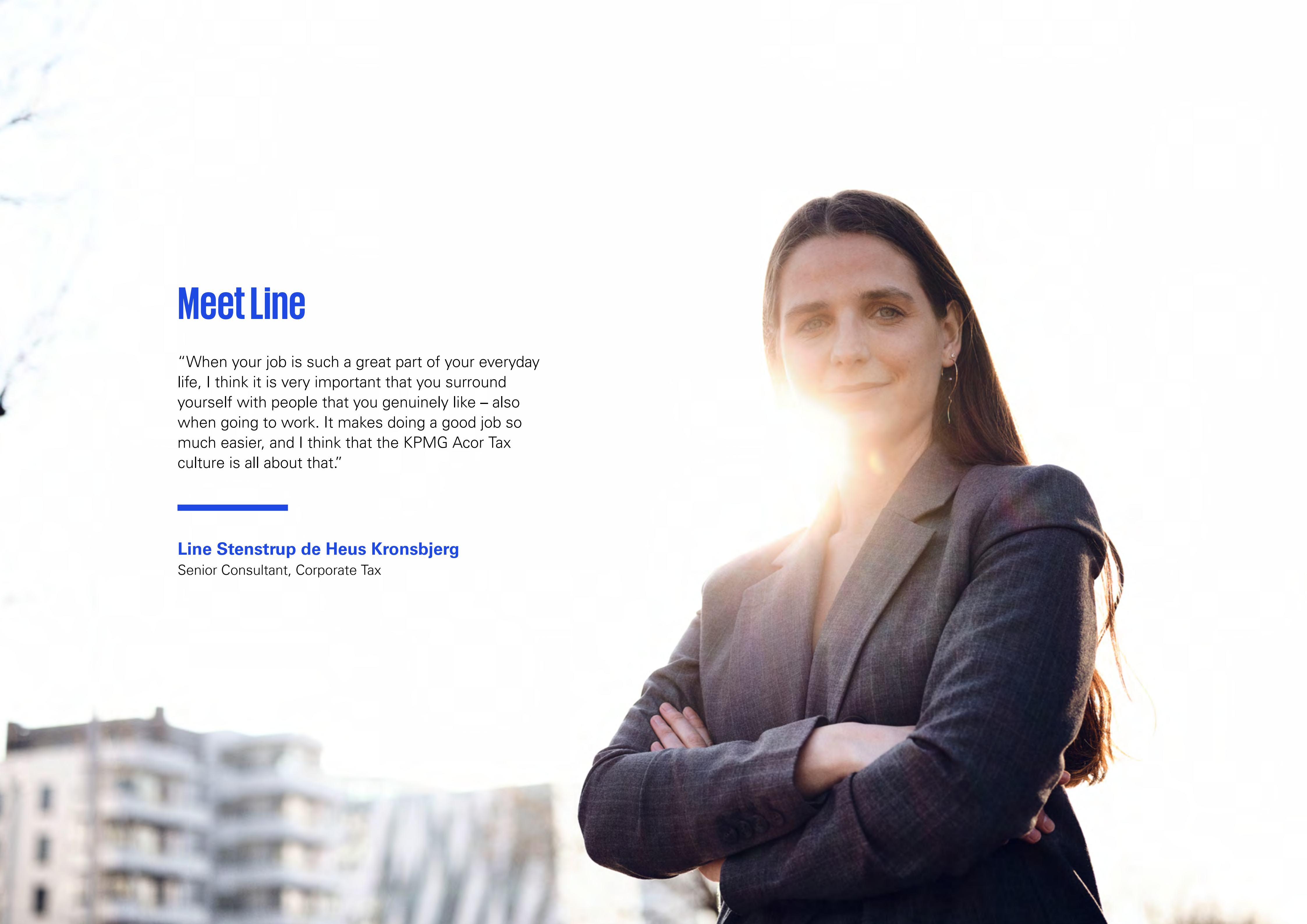
Consultant, Mobility and People Services

Roberto Zanaldi

Director, Transfer Pricing

Sebastian Houe

Director, Indirect Tax



Meet Line

"When your job is such a great part of your everyday life, I think it is very important that you surround yourself with people that you genuinely like – also when going to work. It makes doing a good job so much easier, and I think that the KPMG Acor Tax culture is all about that."

Line Stenstrup de Heus Kronsbjerg
Senior Consultant, Corporate Tax

Technology ties the world of tax

In today's complex tax and legal landscape, technology is key. It is one of the most important enablers of effective tax department design and delivery. At KPMG Acor Tax, we embrace technology in all our services and deliverables, and we have invested heavily in developing the tax technology field to secure our leading position.

Providing insights with data

2021 has been a truly transformational year within the digital and data management agenda at KPMG Acor Tax. Externally, we have witnessed an increased digitisation across all countries in which we and our clients operate. This has meant increased requests from our clients for services, where we can help them with real time data management and reporting in order to transform data insight into value. This also characterises new ways of working with data, where we see that authorities request increasingly more real time data directly from the clients.

Data is still the same, so it is all about what you make out of it and how you use it to create real value. We play an important role in helping our clients report correct data through managed services. Live reporting does not make the data better, but it does require solutions that help clients prepare for live reporting with correct data. Staying ahead of the speedy tech development also means that we, amongst others, are working actively on getting ready for SAF-T real time reporting, which is expected to be implemented in Denmark from 2024 as well as harvesting all the benefits that the cloud offers.

Digital now and tomorrow

All changes require a platform and infrastructure that supports all our initiatives on corporate and service line levels. We need a secure and stabile infrastructure in order to keep the high risk and compliance standards that KPMG applies, while not slowing down the use of leading technology solutions.

We have built a solid foundation and invested heavily in upskilling our employees, both by providing additional learning and training to the existing ones and by recruiting new and very different profiles compared to the ones that we already have.

One of the specific initiatives that we introduced internally last year was Digital Now. It is born out of our 360-degree mindset and approach with the aspiration to work closely and cross-functionally, while also tremendously increasing our focus on technology. Therefore, we established an internal matrix organisation under the name of Digital Now. The purpose was to gather and coordinate all tech-related initiatives from all service lines under a unique umbrella, by bringing together individuals from all businesses that are interested and passionate about technology. In this way, we made sure that we all move in the same direction at relatively the same pace on our tech journey – for the benefit of all of us and our clients. We also foresee a deeper interaction with our clients, based on partnerships for co-developing tools and solutions tailored to their needs in the future. Technology remains one of our top strategic priorities in the future.

Meet Martin

"Both personally and professionally, I thrive in the space of solving complex matters together with passionate people. It is truly incredible what the collaboration between people and technology can do. I love solving seemingly impossible tasks, and enjoy pushing the technology agenda to the forefront of tax with our interesting clients and with the help of truly dedicated colleagues."

Martin Frimodt
Director, Tax Technology

Responsible tax as a lever for sustainability

In 2021 an increasing number of companies moved further along on their tax transparency agenda, and started work on tax transparency reports, with both narrative explanations of their approach to tax and implementation of their tax policy, and quantitative data on the actual taxes paid and collected across relevant jurisdictions. This evolution is driven partly by the intensified debate on responsible tax, brought upon by the COVID-19 pandemic and associated costs, but also by large investors demanding more transparency; standards such as GRI 207 which became applicable for FY2021 reporting; and the agreement that came between the European Union (EU) institutions on a Directive for public Country-by-Country Reporting (CbCR). While the publication requirements are still some years ahead, this decision has certainly encouraged companies across the EU to start considering how they will efficiently collect, aggregate, analyse and present the relevant data, and whether to go beyond the regulatory requirements.

Supporting our clients in a rapidly changing world

In conversations held with various stakeholders, it became clear that many companies were actively working on future tax disclosures, but that the effective and efficient extraction, aggregation, and analysis of all relevant tax data was a challenge. In response, we developed a data-driven approach that allows to directly extract tax payment data from most, if not any, ERP systems, simplifying and de-risking the entire data collection process. This approach, the Tax Footprint Analyzer, is a key part of the Tax Impact Reporting service which was launched globally during the course of 2021.

Our contributions to a responsible tax practice and debate

As tax advisers, we are also committed to upholding the highest moral and ethical standards when providing our clients with tax advice. We recognise that not only do we represent our clients' tax, business and reputational interests, but we are also recognised experts in a highly technical area, often serving as a link between governments and taxpayers, providing commentary and insights to the media and to society in general. In 2017, following the launch of the **Global Responsible Tax initiative**, KPMG International defined a set of global tax principles, "Principles for a Responsible Tax Practice" – principles that we act consistently in accordance with.

In addition to the onboarding training that every new employee at KPMG Acor Tax is required to follow, where these principles are taught and explained, all partners are requested to confirm their personal compliance with the global tax principles. From 2022 annual learnings will be implemented to ensure that the global tax principles continue to guide the advice and actions of all employees.

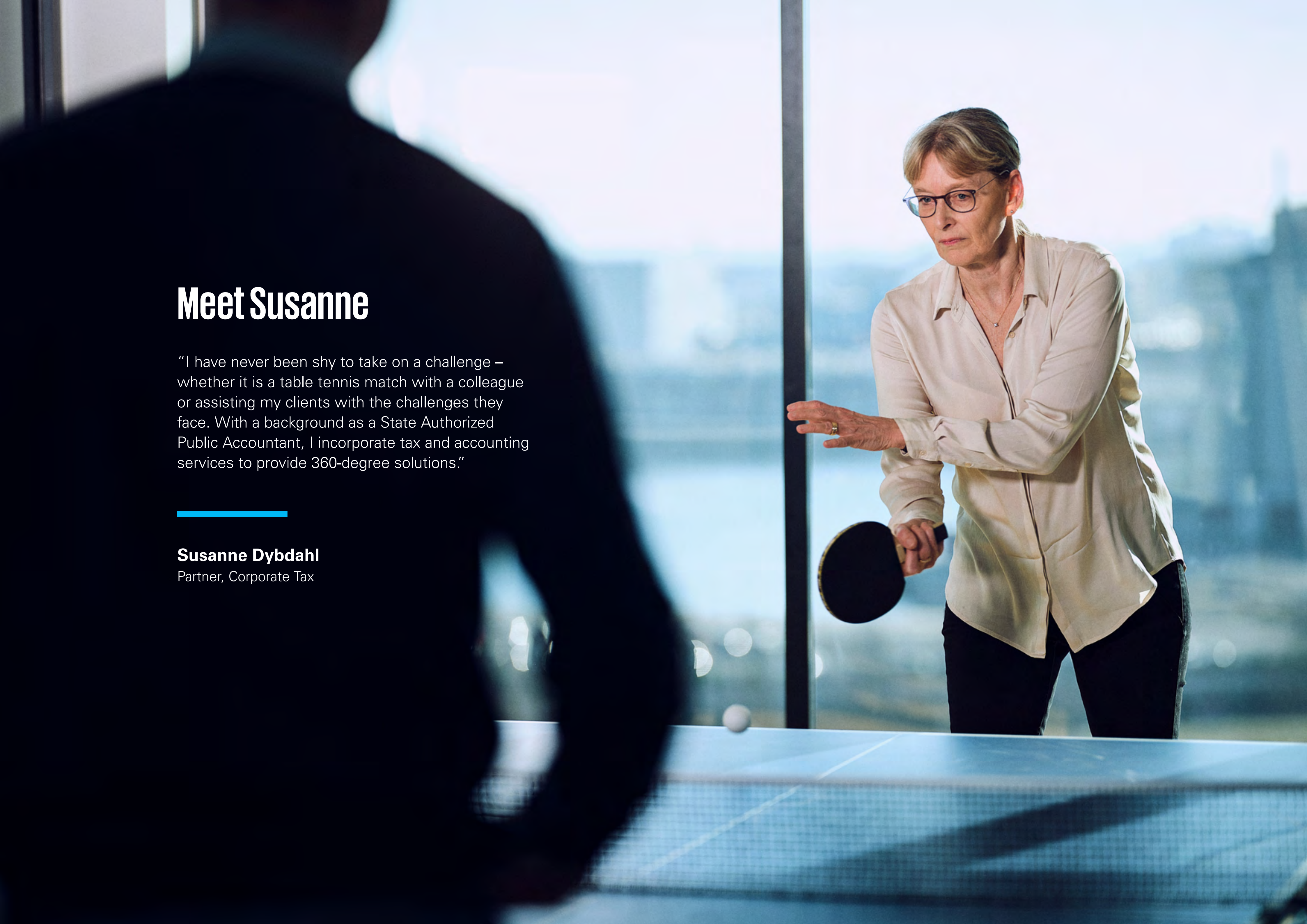
In 2021, we continued our fruitful collaboration with the CSR Forum, a network where our experts facilitated roundtable discussions and panel debates, on topics such as responsible tax, tax transparency, and sustainability reporting standards, with multiple stakeholders across fields and companies.

Our experts were also called on to present their understanding and views on responsible tax and the future of tax in other forums, such as the Tax Executives Institute in the U.S.A., as well as in their monthly journal. Furthermore, at the beginning of 2021, we initiated a survey asking the Heads of Tax of the top 50 Danish companies to share their experience, approach, and insights in dealing with tax governance, tax risk management, tax control frameworks, and tax transparency. The survey resulted in a **benchmark and report**, showing not only the state of play among Denmark's top 50 MNEs in 2021, but also where the conversation is heading.

In 2022, we therefore expect, along with further collaboration with clients on their tax transparency efforts that we will see many more companies working towards higher maturity levels in the tax risk and control frameworks they have started implementing in the last couple of years.

François Marlier

Manager, Compliance Management and Transformation



Meet Susanne

"I have never been shy to take on a challenge – whether it is a table tennis match with a colleague or assisting my clients with the challenges they face. With a background as a State Authorized Public Accountant, I incorporate tax and accounting services to provide 360-degree solutions."

Susanne Dybdahl
Partner, Corporate Tax

Mia Tofting

Senior Consultant,
Transfer Pricing

Anne Berg Laursen

Senior Manager,
Corporate Tax

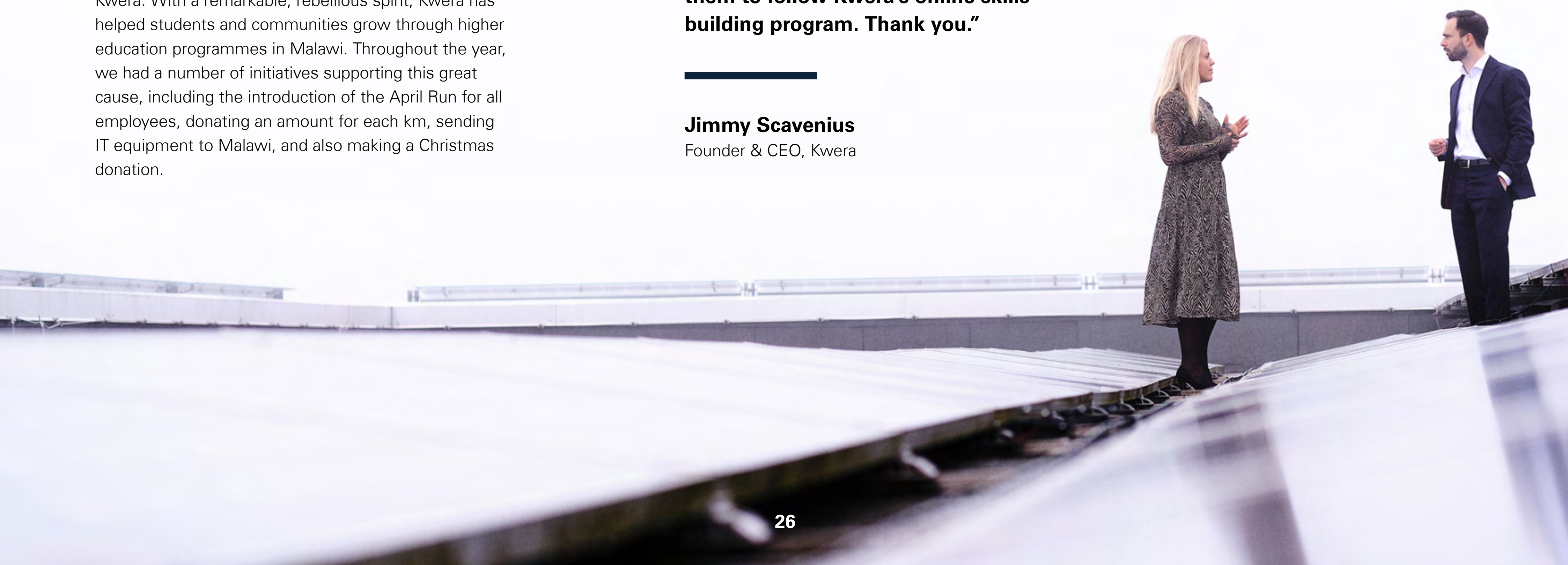
Empowering others

The success of our business and communities does not solely depend on the outcome we deliver, but also on the ways we work—together. This means acting responsibly for the planet, for people, and for greater prosperity. During 2021, we have intensified our focus on initiatives that support the main pillars in our corporate social responsibility policy through a number of initiatives with focus on empowerment of people – both our own and others.

We have entered a partnership with the social enterprise Kwera. With a remarkable, rebellious spirit, Kwera has helped students and communities grow through higher education programmes in Malawi. Throughout the year, we had a number of initiatives supporting this great cause, including the introduction of the April Run for all employees, donating an amount for each km, sending IT equipment to Malawi, and also making a Christmas donation.

“Thanks to your great support in 2021, we were able to enrol and fund more students at the best universities in Malawi, and equip them with your used laptops for them to follow Kwera’s online skills building program. Thank you.”

Jimmy Scavenius
Founder & CEO, Kwera



Furthermore, we have also supported Cycle4Cancer, an initiative with the purpose of raising money to fight cancer. Here, we had a large group of our employees both in Copenhagen and Aarhus who spent 24 hours biking together and alongside many other companies in Denmark.

Some other initiatives that we are passionate about and have supported in the past year include donations to organisations such as the Maternity Foundation and Skleroseforening. We have also supported Børnecancerfonden by being gold sponsors to Team Rynkeby, which is a cause that we will continue to support in the coming year.

In 2021, we also engaged in mentoring teenagers from vulnerable areas through Mind Your Own Business Academy. The concept here is that KPMG Acor Tax takes on the role as business mentor for the young boys and helps them create a strategy for their micro companies. This includes a full day, 14-goal-setting session for all micro companies hosted by KPMG Denmark as well as subsequent workshops tailored to each micro company's needs and goals. Besides the professional learnings, the entrepreneurs also receive mentoring on other aspects of life, which results in strong bonds being created among the mentors and mentees. We are very excited to follow the journey of those young people and support them in their aspirations. But while we celebrate progress made, we acknowledge areas with room for improvement, and have set goals for the years ahead.

All employees are encouraged to not only get involved in our charitable activities, but to also be the ones to suggest which charities we engage with and how we can help.

''We are incredibly grateful that KPMG Acor Tax and its employees have chosen to support us for Mother's Day again this year. We will do everything we can to translate the great support into better conditions for pregnant women and women giving birth in sub-Saharan Africa and Asia. Among other ways, we help through our digital training of midwives in remote and fragile areas.''

Anna Frellsen
CEO, Maternity Foundation

Looking ahead

In 2021, we reached many milestones as individuals and as a team. One of them was the milestone of becoming a team of 200 people. Growing from a handful of people to now more than 200 employees in just seven years is a testament to our capabilities and our entrepreneurial spirit. In the past seven years, a strong platform has been built, and we will aim for continued sustainable growth. Agility is a competitive strength, and for us it is not a question about size but more about being the smartest and most qualified. We shape the future of tax consultancy together with our clients, and we stay committed to providing tax advice of the highest professional standards, characterised by our 360-degree mindset and approach and supported by technology.

We will further intensify our focus and investment in our people, technology and the whole ESG agenda in the coming year.

We would like to thank our clients, business partners and people for their ongoing trust in our firm.

Together. For better.

Reporting on Corporate Social Responsibility

cf. section 99a of the Financial Statements Act

Business model

KPMG Acor Tax P/S, ("KPMG Acor Tax"), is a Danish limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited. KPMG Acor Tax is owned by the Company's Danish equity partners and provides tax services.

KPMG's culture and ethics have their roots in our international Code of Conduct. The essence in this is the protection of the KPMG brand and the public trust, which means the trust our clients, potential clients, public authorities and society have in KPMG. KPMG has a comprehensive quality management system to ensure this trust.

The consequence of focus on public trust is that KPMG is not a company that wishes to take great risks in our business model. This includes clients as well as products, supply channels, business partners and geography. In our view, our business model does not carry special risks for negative impact on the environment, social matters and employee matters, human rights, anti-corruption and bribery. The operational risk facing our business include those we have in common with other professional services firms. These include a notable deterioration in market conditions, attracting, developing and retaining the best talent in the market, claims and reputational damage caused by either an actual or a suspected failure to deliver services of appropriate quality, or by taking on inappropriate clients or engagements.

Environmental matters, including our work reducing the climate impact of our activities

The Global KPMG network of member firms has announced its intention to become a net-zero carbon organisation by 2030. This will see us:

- Cut greenhouse gas emissions (directly and indirectly) by 50% between 2019 and 2030 as part of a 1.5oC science-based target
- Source 100% renewable electricity by 2022 in KPMG's Global Board countries, and by 2030 for the wider global organisation (including KPMG Acor Tax)
- Offset any remaining emissions, which we cannot remove from our operations and supply chain, by investing in externally accredited carbon removal projects

Social matters, staff matters and matters concerning respect for human rights

KPMG Acor Tax is dedicated to continuously support and develop our talent and continue attracting and retaining top talents to the company. We have a clear commitment to equality and to a culture that is free from discrimination whether based on nationality, race, ethnicity, gender,

gender identity, sexual orientation, disability, age, marital status and religious beliefs. We promote an inclusive work environment and employee well-being. In general, 97% of our people (female 94%/male 100%) experience they are treated with dignity and respect at work and 85% (female 80%/male 91%) experience equal opportunity to advance regardless of differences.

Due to our commitment to KPMG International, we follow the UN Guiding Principles on Business and Human Rights. This is outlined in our International Business and Human Rights Statement. We expect all our stakeholders, including our suppliers and clients, to respect human rights and to take action if a human rights risk is identified. We will work towards ensuring that all our stakeholders, including our suppliers and clients, respect human rights and we will take action if a human rights risk is identified.

Our whistleblower function has been and is in place where anyone can raise their hand and speak up in confidentiality, without fear of reprisals to report issues or concerns. We encourage all those interested in applying for a job to apply regardless of age, gender, sexuality, disability, race, religion or ethnic affiliation.

Our average age is 35 years. We are dedicated to continuously strengthen our employee satisfaction, and we commit ourselves to doing so.

Fighting anti-corruption and bribery

Compliance with laws, regulations and standards is a key aspect for everyone at KPMG. We have zero tolerance of bribery and corruption. The KPMG policy prohibits involvement in any type of bribery — even if such conduct is legal or permitted under applicable law or local practice. We also do not tolerate bribery by third parties, including by KPMG firm clients, suppliers or public officials. Our supplier agreement and third-party agreement templates include anti-bribery clauses.

KPMG has appropriate internal controls in place to mitigate the risk of involvement in bribery by the firm and its partners and employees. We have policies and procedures regarding permissible gifts, entertainment, charitable donations and sponsorships and mechanisms for monitoring these.

All KPMG partners and employees are required to take training covering compliance with laws, regulations and professional standards relating to anti-bribery and corruption, including the reporting of suspected or actual non-compliance. Such training is required to be completed annually, with new hires completing the training shortly after joining. Training on anti-bribery and corruption is included within KPMG International's "We Do What is Right: Integrity at KPMG" course, which also includes modules on areas such as compliance with laws, regulations and professional standards and the Global Code of Conduct.

Outlined in KPMG's Global Code of Conduct are the responsibilities all KPMG people have to each other, our clients, and the public. It shows how our Values inspire our greatest aspirations and guide all of our behaviours and actions. It defines what it means to work at and be part of KPMG, as well as our individual and collective responsibilities. All personnel are requested annually to provide confirmation that they have complied with their individual responsibilities under the Code, including compliance with firm policies related to gifts and entertainment. Internal controls have also been established by our finance function to ensure compliance with anti-bribery and corruption policies and monitoring procedures are in place.

KPMG's client and engagement acceptance and continuance policies and processes are designed to identify and evaluate potential risks prior to accepting or continuing a client relationship or performing a specific engagement. The client evaluation includes obtaining background information on the client, its key management, directors and significant beneficial owners and includes among other things an assessment of potential risks related to the integrity of the client's management and their involvement in bribery and corruption. Where client/engagement acceptance decisions pose risks, additional approvals are required.

Should potential non-compliance with laws and regulations at a client be identified, this will be dealt with by the engagement partner together with the Quality and Risk Management Partner in accordance with company procedures and to the extent needed reported to the authorities. We commit to continuously improve, and this involves monitoring compliance with anti-bribery and corruption policies of our personnel, clients, third parties and suppliers and take prompt action when non-compliance is identified.

Reporting on gender composition in management

cf. section 99b of the Financial Statements Act

Inclusion and diversity is deeply ingrained in our culture and people practices throughout the company. In general, KPMG Acor Tax people believe that everyone has an equal opportunity to advance regardless of differences and are treated with dignity and respect at work. Adhering to our values, we cherish and navigate diversity, equality and inclusion believing that gender parity will follow.

We convert our diversity culture to deliberate and requisite people actions and practices to mitigate bias and provide equal possible outcomes for every individual. Going forward we strongly believe our culture is continuously the best suitable catalyst for true diversity.

Our gender ratio across all employees is 51% female and 49% male. Our split in management is as follows: 9 female Partners vs. 21 male Partners, 5 female Directors vs. 8 male Directors, and 6 female Senior Managers vs. 6 male Senior Managers.

Reporting on data policy

cf. section 99d of the Financial Statements Act

The importance of maintaining client confidentiality is emphasised through a variety of mechanisms including the KPMG Global Code of Conduct (the Code).

We have policies on information security, confidentiality, personal information and data privacy. KPMG firms have a document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with the relevant IESBA requirements as well as other applicable laws, regulations and professional standards.

We provide training on confidentiality, information protection and data privacy requirements to all KPMG personnel annually. Relevant information is shared with the public on our website **www.kpmgacor.dk**

Thomas Iversen

Partner, Corporate Tax

Nicolas Bahamondes

Manager, Corporate Tax

Meet Inela

"As an individual, I am driven by high ambition, energy and an urge to create impact and change. I thrive working in autonomous environments with people that genuinely play to each other's strengths, and this is exactly what KPMG Acor Tax is about. A place where I feel empowered and encouraged to both fulfil my goals as a professional, but also as a dedicated and present mother of two boys in my private life."

Inela Dedic
Director, Markets

Financial Review

Development in activities and financial position

In 2021 we realised revenue of DKK 389 million compared to DKK 327 million in 2020, corresponding to a growth of 19%. Our growth in revenue exceeded our expectations. Our cashflow was negatively impacted by deferred payments of employee-related liabilities and increased working capital financing. At year end, our total assets amounted to DKK 264 million, compared to DKK 232 million last year.

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 for our customers, the authorities and the community.

Financial risks

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.

Ole Schmidt

Partner and member of the Board of Directors

Ria Falk

Partner and Chair of the Board of Directors

Fredrik Lundgren

Partner and member of the Board of Directors

Financial statements KPMG Acor Tax P/S

1 January 2021 - 31 December 2021

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for KPMG Acor Tax P/S for the 2021 financial year.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities and cash flows in the financial year 1 January – 31 December 2021.

We are of the opinion that the Management's Review presents a fair account of the issues dealt with.

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

Hellerup, 16 May 2022

Executive Board

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

Lars Olle Fredrik Lundgren
Partner

Søren Dalby Madsen
International Senior Partner

Pia Konnerup
Partner

Claus Bohn Jespersen
Managing Partner

Henrik Lund
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 - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policy. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the results of the company's activities and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". 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 provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management deems 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 a going concern and using the going concern basis of accounting 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 this is 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 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of 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 and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the Management’s Review and to consider whether the Management’s Review is materially inconsistent with the financial statements or the evidence 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 consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the Management’s Review.

Copenhagen, 16 May 2022

Martinsen
Statsautoriseret Revisionspartnerselskab
CVR no. 32 28 52 01

Leif Tomasson
State-Authorised Public Accountant
mne25346

Chris Winter Bjørholm Dyhr
State-Authorised Public Accountant
mne34473

Income statement

1 January 2021 - 31 December 2021

Note	DKK '000	2021	2020
2	Revenue	388,867	326,625
	Other external expenses	-162,441	-129,984
	Gross profit	**226,426**	**196,641**
4	Staff costs	-222,755	-193,644
5	Depreciation, amortisation and impairment	-2,078	-1,880
	Operating profit	**1,593**	**1,117**
	Financial income	240	552
	Financial expenses	-1,833	-1,669
	Profit for the year	**0**	**0**

Balance sheet

31 December 2021

Assets

Note	DKK '000	2021	2020
	Fixed assets		
6	Acquired concessions, patents, licences, trademarks and similar rights	1,302	1,747
	Total intangible assets	*1,302*	*1,747*
7	Other plants, operating assets and fixtures	4,633	4,327
8	Leasehold improvements	47	58
	Total tangible assets	*4,680*	*4,385*
9	Deposits	3,742	3,374
	Total financial assets	*3,742*	*3,374*
	Total fixed assets	**9,724**	**9,506**
	Current assets		
	Trade receivables	159,878	116,409
10	Services in progress	39,566	29,403
	Other receivables	604	0
	Claims for payment of contributed capital	31,200	28,860
11	Accrued income and deferred expenses	6,864	6,123
		238,112	*180,795*
	Cash at bank and in hand	16,542	41,284
	Total current assets	*254,654*	*222,079*
	Total assets	**264,378**	**231,585**

Balance sheet

31 December 2021

Equity and liabilities

Note	DKK '000	2021	2020
	Equity		
	Contributed capital	48,000	44,400
	Reserve for unpaid contributed capital	31,200	28,860
	Retained earnings	-30,100	-27,760
	Total equity	**49,100**	**45,500**
	Liabilities		
10	Services in progress	17,171	13,854
	Trade payables	17,668	15,430
	Other payables	180,439	156,801
	Total short-term liabilities	215,278	186,085
	Total liabilities	**215,278**	**186,085**
	Total equity and liabilities	**264,378**	**231,585**

1	**Accounting policies**
3	**Fees, auditor**
12	**Mortgages and securities**
13	**Contingencies**
14	**Related parties**

Statement of changes in equity

DKK '000	**Contributed capital**	**Reserve for unpaid contributed capital**	**Retained earnings**	**Total**
Equity at 1 January 2020	36,940	24,011	-22,911	38,040
Capital increase	7,460	0	0	7,460
Unpaid contributed capital for the year	0	4,849	-4,849	0
Equity at 1 January 2021	44,400	28,860	-27,760	45,500
Capital increase	3,600	0	0	3,600
Unpaid contributed capital for the year	0	2,340	-2,340	0
Equity at 31 December 2021	**48,000**	**31,200**	**-30,100**	**49,100**

Cash flow statement

1 January 2021 - 31 December 2021

Note	DKK '000	2021	2020
15	Adjustments	3,670	2,996
16	Changes in working capital	-25,780	8,073
	Cash flow from operating activities before net financials	-22,110	11,069
	Interest received and similar amounts	0	551
	Interest paid and similar amounts	-1,311	-1,669
	Cash flow from operating activities	**-23,421**	**9,951**
	Acquisition of intangible assets	-174	-744
	Acquisition of tangible assets	-1,758	-2,325
	Sale of tangible assets	2	2
	Acquisition of financial assets	-368	-2,154
	Cash flow from investing activities	**-2,298**	**-5,221**
	Cash capital increase	1,260	2,611
	Cash flow from financing activities	**1,260**	**2,611**
	Changes in cash flow	**-24,459**	**7,341**
	Cash and cash equivalent at 1 January 2021	41,285	33,943
	Foreign currency translation adjustments	-284	0
	Cash and cash equivalents at 31 December 2021	**16,542**	**41,284**

Notes to the financial statements

1. Accounting policies

The annual report of KPMG Acor Tax P/S has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used are unchanged compared to last year, and the financial statements are presented in Danish kroner (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 depreciation, amortisation, write-downs for impairment, provisions and reversals due to changes in estimated amounts previously recognised in the income statement. Assets are recognised in the balance sheet when it seems probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it seems probable that future economic benefits will flow out of the Company and the value of the liability can be measured reliably. Assets and liabilities are measured at cost at 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 amortisation 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.

Income statement

Revenue
The Company 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 the 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.

Other operating income
Other operating income comprises items of a secondary nature as regards the principal activities of the Company, including profit from the disposal of intangible and tangible assets.

Other external expenses
Other external expenses include costs of distribution, sales, advertising, administration, premises, losses on debtors and operational lease costs.

Staff costs
Staff costs include salaries and wages, including holiday allowances, pensions, as well as other costs for social security, etc. for the Company's employees. Staff costs are less government reimbursements.

Depreciation, amortisation and write-down
Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible and intangible 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 leases, 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 the profit of the year
As a limited liability partnership, the Company is transparent for tax purposes. Income taxes are liable to the partners of the Company. Consequently, no tax on the profit for the year has been provided for in the financial statements.

Balance sheet

Intangible assets
Development projects, patents and licences
Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year. Patents and licences are measured at cost less accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licences are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible assets
Other tangible assets are measured at cost less accrued depreciation and write-down for impairment.

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

If the depreciation period or the residual value is changed, the effect on depreciation will, in future, be recognised as a change in accounting estimates.The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

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

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

	Useful life	Residual value
Other plants, operating assets and fixtures	3-5 years	0-20 %

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

Profit or loss derived from the disposal of tangible assets are measured as the difference between the sales price less selling costs and the carrying amount on the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses. As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leasehold improvements
Leasehold improvements are measured at cost less accrued depreciation. Depreciation is done on a straight-line basis over the estimated useful life of the asset, which is set at five years.

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

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at net realisable value. The Company has chosen to use IAS 39 as the

basis for interpretation when recognising impairment of financial assets, which means that impairments must be made where an objective indication of impairment of an account receivable or a portfolio of accounts receivable is deemed to exist. If an objective indication of impairment of an individual account is deemed to exist, impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are assessed 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.

Services in progress

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

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

The individual services in progress are recognised in the balance sheet under accounts receivable or accounts payable. Net assets consist of the sum of the services in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the services in progress, where invoicing on account exceeds the selling price.

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

Accrued income and deferred expenses

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

Cash at bank and in hand

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for unpaid contributed capital

Unpaid contributed capital is recognised on a gross basis, according to which the unpaid contributed capital is recognised and treated as a receivable in the balance sheet under Claims on contributed capital, an amount corresponding to the unpaid contributed capital is reclassified from Retained earnings to Reserve for unpaid contributed capital.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period. Also, capitalised residual lease liabilities associated with finance leases are recognised in financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost. Other liabilities concerning payables to suppliers, group enterprises and other payables are measured at amortised cost which usually corresponds to the nominal value.

Cash flow statement

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investing activities and financing activities, changes in liabilities, and cash and cash equivalents at the beginning and the end of the year.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investing activities. In the cash flow statement, cash flows derived from acquiring parties are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flow from operating activities
Cash flow from operating activities is calculated as the Company's share of the profit adjusted for non-cash operating items, changes in working capital and income tax paid. Dividend income from equity investments are recognised under interest income and dividend received.

Cash flow from investing activities
Cash flow from investing activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, tangible assets and investments.

Cash flow from financing activities
Cash flow from financing activities include changes in the size or the composition of the Company's share capital and costs attached to it, as well as the raising of loans, repayments of interest-bearing loans and payment of dividend to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits as well as short-term financial instruments with a term of less than three months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

2. Revenue, segment information

Revenue arises from tax advisory services, mainly delivered in Denmark

DKK '000	2021	2020
Tax advisory services	388,867	326,625
Revenue	**388,867**	**326,625**

3. Fees, auditor

DKK '000	2021	2020
Total fee for Matinsen Statsautoriseret Revisionspartnerselskab	189	209
Statutory audit	100	100
Other services	89	109
Fees, auditor	**189**	**209**

4. Staff costs

DKK '000	2021	2020
Salaries and wages	221,530	192,701
Other social security costs	1,225	943
Staff costs	**222,755**	**193,644**

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

DKK '000	2021	2020
Average number of employees, including partners	159	143

5. Depreciation, amortisation, and impairment

DKK '000	2021	2020
Amortisation of concessions, patents and licenses	618	670
Depreciation of leasehold improvements	11	11
Depreciation of other plants, operating assets and fixtures	1,451	1,201
Profit/loss on the sale of property, plant, and equipment	-2	-2
Depreciation, amortisation, and impairment	**2,078**	**1,880**

6. Acquired concessions, patents, licences, trademarks and similar rights

DKK '000	2021	2020
Cost at 1 January 2021	3,716	2,972
Additions	174	744
Cost at 31 December 2021	**3,890**	**3,716**
Amortisation and impairment losses at 1 January 2021	-1,969	-1,299
Amortisation for the year	-619	-670
Amortisation and impairment losses at 31 December 2021	**-2,588**	**-1,969**
Carrying amount at 31 December 2021	**1,302**	**1,747**

7. Other plants, operating assets and fixtures

DKK '000	2021	2020
Cost at 1 January 2021	10,926	8,601
Additions	1,758	2,325
Cost at 31 December 2021	**12,684**	**10,926**
Amortisation and impairment losses at 1 January 2021	-6,599	5,398
Amortisation for the year	-1,452	1,201
Amortisation and impairment losses at 31 December 2021	**-8,051**	**6,599**
Carrying amount at 31 December 2021	**4,633**	**4,327**

8. Leasehold improvements

DKK '000	2021	2020
Cost at 1 January 2021	108	108
Cost at 31 December 2021	**108**	**108**
Depreciation and impairment losses at 1 January 2021	-50	-39
Depreciation for the year	-11	-11
Depreciation and impairment losses at 31 December 2021	**-61**	**-50**
Carrying amount at 31 December 2021	**47**	**58**

9. Deposits

DKK '000	2021	2020
Cost at 1 January 2021	3,374	1,220
Additions	368	2,154
Cost at 31 December 2021	**3,742**	**3,374**
Carrying amount at 31 December 2021	**3,742**	**3,374**

10. Services in progress

DKK '000	2021	2020
Selling price of work performed	39,566	29,403
Progress billings	-17,171	-13,854
Services in progress	**22,395**	**15,549**
Recognised as follows:		
Services in progress (assets)	39,566	29,403
Services in progress (liabilities)	-17,171	-13,854
Services in progress	**22,395**	**15,549**

11. Accrued income and deferred expenses

DKK '000	2021	2020
Prepaid expenses	6,864	6,123
Accrued income and deferred expenses	**6,864**	**6,123**

12. Mortgages and securities

The Company has no mortgages or securities at 31 December 2021.

13. Contingencies

Contingent liabilities
Remaining rental obligation on the balance sheet date amounts to DKK 39,546 thousand within six years.

14. Related parties

Transactions
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	2021	2020
15. Adjustments		
Depreciation and amortisation	2,079	1,879
Other financial income	-4	-552
Other financial costs	1,595	1,669
Adjustments	**3,670**	**2,996**
16. Change in working capital		
Change in receivables	-54,976	-26,765
Change in trade and other liabilities	29,196	34,838
Change in working capital	**-25,780**	**8,073**

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