Deloitte.

# Annual report

## Financial review

## 2024

Annual report for FY24 - 1 June 2023 – 31 May 2024
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6 · 2300 Copenhagen S · CVR. no.: 33963556

Adopted at the Company's Annual General Meeting on 30 October 2024
Chairman of the annual general meeting: Lars Kronow



# Living our values and nurturing our culture

**Christian Jensby,**
*CEO & Partner*

Deloitte is in a very good place. We have maintained our position as the strongest and most valuable commercial services brand. We are one of the most attractive workplaces in Denmark and the #1 in our industry as validated by Universum. And we live our purpose by making an impact for our clients, our people and our society every day.

A strong position is a privilege which brings a great responsibility to uphold the highest quality standards and ethical behaviours. We play an important role in the Danish society. We do that by helping our clients transform their businesses, in our work assuring public trust as auditors and in setting new standards for people development and lifelong learning.

Deloitte is defined by our people and our culture. And we must work continuously to protect and nurture our culture. We have a responsibility to create a psychologically safe work environment with an equal playing field and a playground for lifelong learning. This is our foundation.

This has been my first year as CEO. Together with the Executive team, we have launched new initiatives; our new Elevate strategy to be the #1 for clients and talents; a new culture programme to ensure continued focus on listening to and learning from our people and nurturing our culture; and 360 Develop - our commitment to lifelong learning, which will positively impact all of us at Deloitte. We have also designed our new global storefront representing four business units instead of five to reduce complexity and mirror our clients' demands and the world that we live in today. The new storefront will go live from October 2024.

**Investing in generative AI and sustainability**
It has been another year of geopolitical and economic uncertainty with headwinds affecting us and our clients. But it has also been a year of new opportunities like generative AI, which is transforming the way we work as a firm and the business models of our clients. Not surprisingly, generative AI has become a significant investment area for Deloitte, and we are committed to leading this megatrend with innovation, collaboration, trust, and people at the heart of what we do.

Many client conversations have indeed been about generative AI and how that integrates with broader tech transformation projects. How can we help clients create value with generative AI?

How can we help clients innovate with generative AI? We address these challenges, as we work alongside our strong ecosystem of alliance partners to develop innovative and sustainable solutions. Organisations rely on us for the scale, services, and expertise needed to help them manage the complexities brought about by these significant changes.

As climate change is one of the biggest challenges of our time, sustainability continues to be an important focus area for us and our clients. It is clear that we need to work together as businesses, governments, nations and individuals to take action. Our clients are searching for paths towards a lower-carbon footprint, and for ways to meet increased compliance requirements whilst creating innovative solutions that will help change the world.

This year, we have moved the needle in becoming the preferred partner for driving sustainability change, helping our clients succeed and use sustainability to accelerate their own businesses.

Externally, ESG is still an area that needs to mature, as we help our clients move the agenda from a predominantly compliance-oriented focus to an integrated part of their overarching business strategy to drive value creation.

Internally, ESG is an area that we continue to invest in, from integrating it into our service areas to the way we deliver to our clients. ESG has become a key to help set the standards to uphold the public trust in companies.

Reflecting on these growth drivers and the importance of sustainability and technology transformations, we continue to invest, and we have elevated the agendas to have top priority at a leadership level. As a natural result, Anne Kathrine Wennergren-Holm, who leads sustainability, and Maria Hald, leading technology, have joined the Executive team. We have also strengthened our teams to help accelerate these areas.


**Performing while transforming**

The past year has been both challenging and exciting for us. We have moved from double-digit growth to moderate growth in a market characterised by high inflation, high interest rates, and more headwind in the market compared with FY23 and FY22. At the same time, we have continued to transform and reshape our business. In FY24, we have divested part of our business in Esbjerg and our healthcare-related businesses. It is never easy to say goodbye to good colleagues, but sometimes it is necessary to ensure that we are always future fit.

I am so proud that we – despite a year with external challenges and internal changes – managed to surpass our previous results in terms of revenue. Financially, we ended the year with 4% growth, resulting in revenue of DKK 5,168 million. This result reflects a changing market as well as strategic choices in our firm.

While growth is important, the numbers only reflect part of the picture. We continue to serve global companies by helping them solve some of their biggest challenges. We also support a wide range of small and medium-sized enterprises with the transformations they go through. And we continue to be recognised as the leading professional services firm across industries and sectors.

This year, we welcomed 663 new talents, and we are proud to have 3,393 talented employees in total, which means we are Denmark's largest professional services firm. Our people make our success and results, often cooperating with colleagues around the world. Globally, approximately 460,000 people around the network and our multidisciplinary businesses have secured revenue of US$67.2 billion marking a 3.1 per cent growth.

**Preparing for a new global storefront**

We mirror the world as our clients see it to offer the best solutions. Our clients' strategic agendas are changing, and they increasingly demand seamless, consistent, and global audit and advisory services from teams with the most comprehensive and deepest competencies. And just like we help our clients reshape their businesses to be fit for the future, we also need to look at our own structures to reduce complexity. As a result, globally, we have prepared to change to being organised into four business units: Audit

& Assurance, Tax & Legal, Strategy, Risk & Transactions Advisory, and Technology & Transformation. This will be effective from October 2024.

The alignment with our global organisation is an important step towards regional integrations. Beginning in 2016 with the integration of the Nordic countries, this integration as one Nordic member firm has accelerated over the past year, where we work closer together as one. At a global level, we are part of a member firm combination of 28 countries across Europe and the Middle East, and in the coming years, we are now looking ahead at closer integration with the rest of Europe


**Reshaping our learning lives**

To be the best, we need to be able to attract and retain talented people and to be world-class in developing people. And to attract and retain talented people, we need to be the best place to work.

During the year, I was happy to see Deloitte move into the top 3 best places to work, according to business students in Universum's Best place to work survey. To have climbed two spots in just a year - and standing alongside other iconic Danish brands - is truly remarkable. We remain the #1 place to work in audit and accounting, a testament to our unwavering dedication to quality, integrity and to creating exciting career paths. We were also recognised as the top choice for business law students.

The results reflect our commitment to precisely this: being the best place to work. And to top it all: The results show that both male and female business students find us equally attractive, underscoring our commitment to diversity and inclusion.

While we want to be the best place to work, we also want our people to grow professionally and personally. We spend much of our lives at the workplace. The idea of studying for five years at university and then working 40 years in the labour market with very little upskilling needs to be revised. As the largest professional services firm in Denmark, we want to develop a blueprint for continuous learning that can help our people upskill and grow and ultimately create value for our society. During this past year, we have taken the first steps to elevate our learning experience through which we can both nourish the individual and fortify our business by launching 360 Develop – our platform for lifelong learning.

**Creating a level playing field for all**

With talents from across the world, our success is deeply rooted in our commitment to diversity and inclusion. Our offices in Denmark are home to talents from 56 nationalities, exemplifying our global reach with local roots.

Diversity and inclusion, as well as a psychologically safe work environment, are essential. For us, diversity is broader than gender. It is much more, and we invest a lot of time and energy into creating an environment where all our people, regardless of gender, sexuality, ethnicity, or social upbringing, can be themselves and succeed in the workplace.

During the past year, we have spent a lot of time listening to our talents, and we realised that although an inclusive workplace with psychological safety is high on our agenda, we still have a way to go.

We received feedback for lack of diversity, inappropriate behaviour, and unequal treatment. As we began listening to the voices speaking up, we realised that underneath

Read Our strategy on page 7

the concerns, there was a genuine wish to improve Deloitte Denmark. This propelled us to initiate several significant changes to improve our culture, talent management, and leadership.

We have thoroughly reviewed our culture and have established a group of cultural ambassadors to advise our Executive team. We have also looked into how we can ensure fair treatment of all, and we have adjusted our whistleblower scheme. This is all work in progress, but we have come a long way. And we have a strong culture and have had so for decades. But culture needs to be nurtured, and that has become very clear this past year.

As we onboard more talents than ever before, we continue to focus on making Deloitte Denmark the best place to work and grow. Above all, we are a purpose-driven firm that wants to drive progress with purpose and be guardians of the public trust. I want to express my sincere gratitude to all our clients for the trust you show us and to our talents for your unwavering dedication and invaluable contributions during a time of transformation.

# Executing on our Elevate strategy

We launched our new strategy, Elevate, in early FY24 alongside our CEO succession, when Christian Jensby took on the role as CEO. Our commitment to our strategy is clear: we aim to be #1 in client impact and #1 in talent development.

It has been a year of significant progress, paving the way for us to execute our strategic plans. During the past year, we have made substantial changes to our organisational structure as well as sharpened our focus in the market. And we have accelerated our lifelong learning promise by launching a new learning platform, 360 Develop.

## #1 in talent development

Being a firm that is inherently people-driven,achieving our aspirations requires us to have the right people and skills and a constant focus on learning and development. At the same time, we feel an obligation to make an impact in the Danish society by working together with policymakers and universities to modernise our educational system.

In FY24, we have launched our new learning unit that includes a platform for lifelong learning, 360 Develop, taking the first step in creating a second-to-none learning and development experience for our employees. 360 Develop is also a learning mindset that our leaders have embraced and support. A key element of our lifelong learning ambition is to strengthen our collaboration and partnerships with the universities crossDenmark. Every year, Deloitte Denmark welcomes around 600-800 new talents the majority of whom are graduates from Danish universities. A strong partnership with the university community is key to ensure we can deliver on our lifelong learning promise to our employees.

Our culture is essentially a reflection of our people, and we need to ensure we have a culture that is fit-for-purpose. As part of our strategic focus, we have developed a Culture Ambassador programme that consists of a diverse group of colleagues from across the organisation. The purpose of the Culture Ambassador programme is to provide input and feedback to our Executive team on how we can develop and strengthen our culture.

## #1 in client impact

We are serving the leading organisations in Denmark, including global, wellestablihed, large Danish companies, small and medium-sized enterprises, public organisations and fast- growing companies. As part of our client focus, we are accelerating our efforts in the Danish mid-market segment as well as the small companies that are the backbone of our society.

At Deloitte, we believe that we serve our clients best by delivering a seamless service locally and globally, while combining and integrating a broad set of capabilities from auditing, tax to management consulting and financial advisory. A key part of our strategy is to bring deep technology and sustainability expertise into all our core capabilities and delivery models. To ensure this, we have organised ourselves differently and welcomed new executive memberswho will be responsible for sustainability and tech transformation.

We are continuously transforming our firm to be fit for the demands of our clients and our people. During this year, we have prepared to change our storefront globally to mirror the world of our clients and create a stronger platform for us to serve our clients. This involves going from five business units to four, significantly impacting our ability to advise and deliver across all our capability domains. This change will be effective from October 2024 and allow us to better combine the wide range of capabilities our firm offers, and thereby better help our clients with core transformation areas such as sustainability,tech transformation, M&A, and audit & assurance.





# Lifelong Learning for all

**Nikolaj Malchow-Møller**
*People & Purpose Leader*

Read about our talented colleague Aida, and her story on page 10

FY24 has been an exciting and transformative year for the talent agenda. With new technological advancements and the introduction of a new storefront, Deloitte has continued to thrive in a dynamic and ever-changing business landscape. And to equip our people for this ever-changing world, this year has seen the creation and launch of our commitment to lifelong learning. It is also an agenda that we, as a firm, want to impact at societal level by collaborating with policy makers, universities and other educational organisations.

**Fostering an inclusive culture**
This year reminded us of how important it is to continuously foster a work culture where every talent feels psychologically safe. We have had to take a thorough look at our own culture and consider areas of improvement.

As a part of our work with building a more inclusive workplace, we have established a group of cultural ambassadors to advise our Executive team. This diverse group of talents plays a crucial role in helping the leadership team identify blind spots and build a more inclusive and safe culture where learning and development is central. We have also reassessed our whistleblower policy and procedures to ensure an independent and fair process for the people who have experienced unfair treatment.

Our engagement survey provides important input for how we can improve – and it also shows us where we are making progress. Starting from this year, we will conduct our employee engagement survey twice a year. This will help us understand where to put our focus to strengthen the wellbeing of our talents and solidify our leadership.

Deloitte is an amazing place to work – and a place where we celebrate diversity. This year's Diversity & Inclusion Week gave us the opportunity to walk in the shoes of a colleague. As always, this week was organised in close collaboration with our employee network groups: Deloitte Muslim Network, Proud, Women's Advisory Board, and the International Community. The week featured a panel debate, a charity dinner, and a celebration of the different cultures residing in our company.

We are extremely honoured and proud that we remain one of the most attractive employers among business students, ranking #3 in the Universum survey.

**A lifelong learning experience**
Learning is no longer limited to a degree. It is something that follows us throughout our entire life. It is a part of our human nature to be curious, whether you are a partner or business analyst. By introducing lifelong learning, we commit to developing our talents professionally and personally along their career. Therefore, we have officially launched 360 Develop – Centre for Lifelong Learning, which is our new central learning unit for all training in Deloitte Denmark.

We are dedicated to providing our talents with the opportunity to continuously grow. This means developing the skills, capabilities and mindset needed to succeed in their job and adapt and respond to today's rapidly changing business environment in a responsible way.

360 Develop – Centre for Lifelong Learning provides the framework for doing so by offering personalised learning journeys, high-quality training and supporting a 360-degree learning experience for all talents in Deloitte Denmark. Through various training programmes, we aim to equip our talents with the tools and resources needed to deliver outstanding services to our clients, live our values, and make a positive impact on society. We still have work to do to lay out the different learning journeys, but the work is well under way.

Fully embedding lifelong learning at all levels is still a work in progress, and we are doing our best to make this vision come to life. It is not a one size fits all approach. But we believe that with hard work and with help from our talents, we can reach our goal of becoming the number one workplace, together. Our people have really embraced lifelong learning as a concept and our ambition to learn and grow together.

# Aida's path to success has not been a straight line

**Almost 16 years ago, Aida Sasivarevic stepped foot inside Deloitte for the very first time. She had just left high school and was blissfully unaware of what auditing entailed and which direction she wanted to go in life. Fast forward 16 years and Aida currently has a national role as an ESG Assurance Director in Audit & Assurance. The road has been far from traditional or easy, but it has taught her some valuable lessons for life. One thing is for sure: She would do it all over again.**

**Fall six times, get back up seven**

When asked about her time in Deloitte, and the moments she will forever cherish, two things are at the top of her list. She recalls reaching her first big milestone when finishing her studies and graduating with the title Master of Science in Business Economics and Auditing, Aida had looked forward to putting the educational chapter behind her and bringing all her focus and attention into her full-time role in Audit & Assurance.

Therefore, becoming a State-Authorised Public Accountant was never really a part of Aida's plan. Becoming a State-Authorised Public Accountant is one of Denmark's most demanding educations. It requires a great extent of knowledge, practical experience and exposure towards different industries, businesses and complexities. It was obviously not something that you just did. That was until a partner she worked closely with encouraged her to make it one of her career goals down the line. Thus, began the start of a journey, which shaped Aida into becoming the businesswoman she is today.

Aida was back on the 'school bench', and she passed the first out of three written exams on the first try. However, the second and third written exams lived up to their reputation of being difficult, and it took Aida three times to pass each of the required exams:

*"Every time, I would get the 'You did not pass', and it was within the core competencies of what I do daily, I started doubting everything. 'Why am I doing this, and do I even know how to do this?'. I was ready to quit multiple times, both at the academy and my job at Deloitte. I had a hard time seeing the meaning behind it all."*
**Aida Sasivarevic**
ESG Assurance Director in Audit & Assurance

The support Aida received during this difficult period, both through a professional therapist and from Deloitte, made her reassess her thoughts on giving up and she thought to herself: "I am not a quitter – I finish what I start."

After passing the final oral exam, Aida recalls the special moment when the examiner acknowledged her efforts by shaking her hand and saying: "I am happy that we have people like you out there representing our field.". This memory is something Aida looks back at fondly. This whole experience has made her more confident and comfortable in her role today. It also acted as a confirmation and reminder that she actually is good at her profession.

**The value of great leaders**

Aida stresses the importance of good leadership and the influence it can have on your career. Leaders can see something within you that you are yet to discover. So, when the partner that Aida worked alongside asked her about this new, central role in building Deloitte Denmark's ESG Assurance business, she had to make one of her biggest career decisions yet. Was she ready to try something entirely new or should she stick to something she knew she was good at?

*"My first thought was 'No, I do not know anything about ESG! I have never worked with it before', but my leader said that I should trust his decision to make that call."*
**Aida Sasivarevic**
ESG Assurance Director in Audit & Assurance

This put things into perspective for Aida, and she took a leap of faith as she accepted the offer. She underlines that Deloitte does a great job at identifying the people who have the desire, potential and drive to make an impact.

Looking back at her decision, Aida is extremely grateful that things worked out the way they did. Variety has been something that Aida has cherished during her entire career and will continue to implement moving forward.

**Self-confidence is key, especially as a woman**
When meeting Aida, it is clear to everyone that she carries herself in a certain way that makes you respect her. With a long and inspiring history within the company, Aida is the perfect person to ask for advice. When asked what advice that she would have given her younger self, she takes a moment to reflect and then answers:

*"Trust that you are good enough but more importantly: Take it easy. You are going to make it. Things take time, and sometimes you must wait for the right thing to come along, but eventually you will reach that goal of yours."*
**Aida Sasivarevic**
ESG Assurance Director in Audit & Assurance

Self-confidence was never just a given, Aida recalls. But along the way, several promotions, and titles later, she knows exactly the value she brings to the table. But she knows that self-doubt is a common thing, especially for women in the corporate world: "We can tend to second-guess and underestimate ourselves."

Aida is aware of the view that the outside has on auditors, mainly that it is "a middle-aged man in a grey suit who works 1000 hours". If those are the stereotypes, then she is happy to refute them.

**What is next?**
When asked what is next in her career pipeline, with no hesitation and a bright smile on her face, she answers "Partner, obviously". Aida already has a set time for when she wishes for the promotion. And although Deloitte is all she has known since she started University, she does not plan to leave anytime soon: "I see many opportunities in Deloitte, and I am not finished developing both professionally and personally in this company."



# ESG at the heart of everything we do

**Anne Kathrine Wennergren Holm**
*ESG & Sustainability Leader*

Read about Helping Carlsberg Group brew a more sustainable future on page 13

Our clients represent a cross-section of sectors and business strategies, but most companies are on similar paths towards implementing a more sustainable practice. As trusted advisors on finance, risk, digital transformation, governance, and supply chain etc., we are in a privileged position to be right in the centre of the transformation process. We can look deep into each silo, and we can take a broad perspective and connect all the dots.

That unique position not only helps our clients move forward but also makes it possible for us to take on the role as bridgebuilders of knowledge between companies. We are all still in the early stages of a very long journey to create a more sustainable future for coming generations, and we need to learn from each other along the way. That is why ESG is at the heart of everything we do: ESG is deeply integrated in our own corporate strategy and in all aspects across our business areas.

**Three focus areas**
In the past year, we have made huge progress in three areas. First, we have become a preferred partner for driving change on end-to-end sustainability. Previously, we mainly focused on delivering compliance offerings, innovation or strategy as single-point services in the market. Today, companies use us to help integrate sustainability in every part of their business transformation. They no longer handle sustainability as an afterthought but see it as an integral part of their overarching business strategy.

Second, we are bringing in the right talent who can push the agenda and meet our ambitious targets. We have 80 consultants who are passionate subject matter experts on sustainability.

Third, we have been able to use sustainability as a business accelerator in client projects. If sustainability is merely perceived as a compliance exercise, valuable opportunities are wasted, and excitement drops. We are involved in projects where companies build new operating models and create new products based on sustainability. For example, circularity is becoming a business area with growing ecosystems evolving around green innovation.

**A data-driven future**
Going forward, we expect continued growth on our sustainability activities in Deloitte Denmark. One of our guiding principles when we work with clients is to stay curious. We might have a formalised understanding of how to work with ESG, but our clients are the ones who face the biggest challenges every day. We want to learn from them and use their accumulated experience to help steer others in the right direction and create winning formulas for implementing sustainability in their core business processes.

Finally, we will continue to have a strong focus on data within ESG and sustainability. Companies are used to navigating by financial data, but we have not yet reached that level of transparency and maturity when it comes to building a data foundation for sustainability. However, the trend is moving in that direction. EU's Digital Product Passport (DPP), traceability, and digital capabilities that can prove sustainability will be areas of interest for us in the coming years.


# Deloitte Denmark helps the Carlsberg Group implement new ESG legislation on their journey towards ZERO

As one of the world's leading brewery groups, the Carlsberg Group is taking action and delivering results to meet ambitious ESG targets. A key element on this journey is the implementation of new EU legislation such as the Corporate Sustainability Reporting Directive (CSRD). During the implementation of CSRD and related regulation, Deloitte Denmark has assisted the Carlsberg Group with resources, domain knowledge, and highly sought-after interpretation skills to balance basic compliance requirements with a first-mover approach.

Even if you – like the Carlsberg Group – have worked for several years defining, tracking and meeting sustainability goals, it is an ongoing assignment to keep up with legislation. The speed at which new regulatory requirements must be implemented makes it an uphill battle to comply with new standards in time and produce the necessary documentation for internal and external stakeholders.

In the form of added resources and expert insight, Deloitte Denmark has assisted the Carlsberg Group with its ESG reporting. For example, Deloitte Denmark has helped the Carlsberg Group prepare for the EU taxonomy – a sustainability classification system that makes it possible to compare ESG financial KPI's across industries and countries. Most recently, Deloitte Denmark aided the Carlsberg Group in conducting analyses related to the implementation of the Corporate Sustainability Reporting Directive (CSRD) such as a Double Materiality Assessment and a Climate Scenario Risk Analysis. As a part of the CSRD, companies must carry out a Double Materiality Assessment (DMA), which is an analysis that shows the impact the Carlsberg Group's value chain has on society, and vice versa, the impact society has on the Carlsberg Group's business.

**No manual for the CSRD**
Simon Boas Hoffmeyer is Vice President, Global Head of Sustainability and ESG at the Carlsberg Group. He explains that on a general level the DMA serves three purposes.

*"First, the DMA presents the methodology we use to thoroughly understand our impact on society and society's impact on us, which is a crucial step in ensuring our long term ESG targets address our most material risks and impacts. Second, it provides our external stakeholders such as investors, NGOs and journalists certainty that our methodology is robust and reliable enough to bear scrutiny. And lastly, our DMA works as documentation for our Assurance Provider; it is the report that states we work in compliance with the CSRD."*
**Simon Boas Hoffmeyer**
Senior Director, Group Sustainability at the Carlsberg Group

One of the Carlsberg Group's most important learnings during the implementation of the CSRD is that it does not come with a manual. It does not provide all the answers on how to implement the Directive, a lot of work needs to be done by the company to interpret and understand the intention of the legislation and apply it to its own business.

*"The CSRD is new to everyone, so you cannot just look to someone else and see how they understood the requirements. Therefore, we had to enter in a true partnership with Deloitte's experts where both sides learned along the way. For instance, the outcome of some of our workshops was a new methodology on how to calculate the impact of the climate risk scenario analyses as well as a thorough methodology on each topical standard to ensure consistency in scoring during the DMA. That level of commitment from Deloitte has been valuable."*
**Simon Boas Hoffmeyer**
Senior Director, Group Sustainability at the Carlsberg Group

**Interpretation skills and international insights**
Finn Adser is Finance Director in Group Sustainable Finance at the Carlsberg Group. When he points to where and how Deloitte Denmark has helped them the most, he emphasises the ability to interpret the CSRD text.

*"We needed an outside-in perspective on what the CSRD actually means for Carlsberg and not everyone else," he says. "As a starting point, the CSRD directive has roughly 1,100 data points on how to report. With the assistance of Deloitte, we developed a robust methodology, ensuring that the data points we will report on, are the most critical parameters for us when we look at how society affects our business, and how our business affects society."*
**Finn Adser**
Finance Director, Group Sustainability at the Carlsberg Group

While he does agree that implementing the CSRD is new to everyone, he also points out that Deloitte Denmark has a large network of both Danish and international experts they frequently consulted during the implementation process.

*"It is always nice to compare what you are doing with similar companies to apply best practice where it makes sense. Deloitte has these insights across their clients, and that proved helpful on several occasions."*
**Finn Adser**
Finance Director, Group Sustainability at the Carlsberg Group

**A new management tool**
The Carlsberg Group has defined an ambitious strategy for reaching its milestones on sustainability by 2030 and 2040. Together Towards ZERO and Beyond is a programme that addresses the environmental, social and governance topics that are most material to the Carlsberg Group's business needs and wider society. But as Simon Boas Hoffmeyer says by paraphrasing a famous quote, what you cannot measure, you cannot manage. The only way for the Carlsberg Group to navigate by their defined targets – ZERO Carbon Footprint, ZERO Farming Footprint, ZERO Water Waste, ZERO Packaging Waste, ZERO Irresponsible Drinking, and ZERO Accidents Culture – is to measure progress and follow up with initiatives to close the gap. Through the Climate Risk Scenario Analysis project, Deloitte Denmark supported with advisory services and concrete management tools, allowing the Carlsberg Group to have a sharper and more refined understanding of numerous targets in its global ESG programme.

*"We are satisfied with not only the guidance from Deloitte Denmark during the implementation process but also the output of the project. We now have a tool that can modulate different risk and impact scenarios to help us steer in the right direction. And just as important, the tool and the methodology behind it will be used by our organisation going forward, so we have a model we can use throughout the year, without external assistance."*

**Simon Boas Hoffmeyer**

Senior Director, Group Sustainability at the Carlsberg Group

**Finding the balance**

Finn Adser is also pleased with the collaboration with Deloitte Denmark, especially in ensuring correct and compliant reporting while the company continues its efforts in driving sustainability leadership through actions towards their targets.

*"We do not have endless resources. We cannot just hire 50 new people to work with sustainability. On the other hand, it is important for us to take global challenges seriously and integrate the management of them into our business. This is how we will deliver on our promise to brew for a better today and tomorrow. For me a trusted advisor is someone who knows our business and our products inside out. Someone where you feel like you are one team even though people wear different badges around the neck. In this project with Deloitte, that has been the case."*

**Finn Adser**

Finance Director, Group Sustainability at the Carlsberg Group

**About the Carlsberg Group**

Established in 1847 by brewer J.C. Jacobsen, the Carlsberg Group is one of the leading brewery groups in the world, with an attractive portfolio of beer and other beverage brands. With over 30.000 employees, and with a presence in more than 125 markets, the Group has a purpose of brewing for a better today and tomorrow. Doing business responsibly and sustainably supports that purpose - and drives the efforts to deliver value for shareholders and society.

Technology

# At the forefront in a year of technological leaps

**Maria Damborg Hald**
*Technology Leader*

Read about helping Falck modernise their finance function on page 18

**Creating value in an evolving technological landscape**
The next generation of IT and generative AI will change the fundamentals of how all organisations operate. This means that technologies will alter our lives and the way that we work more than ever.

Therefore, we are proud to have spent the year delivering impact and value on a broad range of technology transformation projects to an even broader spectrum of clients across industries, geographies, and complexity levels.

We have built future-ready strategies, assisted on deep and complex technology transformations, secured compliant cloud integrations, and built high-end custom development on top. We have utilised next-generation IT to build capacity, enhanced ability to create coherence in complexity, and brought regulatory compliance and cyber security to the table at a manageable operational level.

To keep up with an evolving landscape, we have also spent the year focusing on how we can continue to be at the forefront of innovation. This partly means focusing on how we can equip our talents with the right tools to keep growing, but also to deepen our maturity and readiness on emerging technologies.

Paired with ambitions of lifelong learning, we have introduced our very own Generative AI tool, PairD. This will train our talents to be AI-ready and will help us free up time to focus on maximising impact that matters.

During this year, we have had the pleasure of working with and helping clients like Aalborg University, Falck, the Capital Region of Denmark (Region Hovedstaden), F&H, and the Danish National Police (Rigspolitiet).

**Aligning vision with action**
We approach technological transformations through a holistic lens, which will help clients tear down siloes and bridge the gap between now and the future. Our strength comes from the breadth and depth of our capabilities, allowing us to collect and interweave multiple disciplines under one roof. This is how we pave the way for our clients to focus on their core competencies and deliver value.

For example, in the public sector, where we have helped implement the new picture diagnostics program in the Capital Region of Denmark. A program that utilises data and AI to precisely detect cancer and other critical diseases at an earlier stage.

Or in the private sector, where we helped Falck implement an Oracle cloud platform across their finance organisation to contribute to business performance, build a growth platform, standardise processes, and be cost-efficient. Ultimately leading to a better operating business that can continue to respond to crises and elevate the safety of citizens.

As opportunities to drive substantial positive change on a larger scale emerge, the challenge remains to balance advancements with responsibility and regulatory compliance.

To have a setup that will secure growth, reinforce core business strategy, and align vision with action - and a setup that will keep risk assessment, reporting and security programs compatible with the rapidly evolving landscape.

**Retaining trust in transformation**

While technology transformation remains a central and integral lever for capacity and growth, it also comes with risk and will call for greater responsibility. Organisations will continuously need to demonstrate regulatory compliance and their ability to keep customers' and citizens' data safe and secure from misuse and illicit sharing.

This will continue to be evident in the shape of growing stakeholder demands such as extensive EU regulations like the AI Act, NIS2, CERD and CSRD. While these regulations impact the organisation itself, the effect ripples down throughout the whole value chain, impacting suppliers and business partners too. The task at hand remains to make sure that technology remains a trusted and enabling companion rather than a risk.

With this in mind, we are excited to work together with a group of strong tech alliance partners such as SAP, ServiceNow, Salesforce and AWS. Partnerships that will help elevate trust and fuel our clients' digital journeys.

Looking towards the future, organisations will need to adapt to new rules of play, new security standards and new compliance regulations while juggling with the uncertainty of treading unexplored land.

To us, being future-ready thus involves building upon robust and agile foundations that will ensure flexibility and opportunity to innovate during transformation. Foundations built upon proven deliverables, allowing automation, adaptability, sustainable and cost-effective solutions.  Both now, and in the future.

# Falck unifies global finance systems to enable efficiency and compliance

As a global healthcare company, non-standardised finance processes running on a complex and fragmented IT landscape make it difficult for Falck's global finance function to be efficient and have the right insights to properly support the business. Now, Falck has started to implement a new, centralised digital finance platform that lays the foundation for more standardised finance processes.

Falck, Scandinavia's largest healthcare provider and partner to different healthcare systems, is committed to advancing sustainable healthcare solutions to meet the increasing demand for treatment and healthcare. With a history of helping people and innovating healthcare for more than 100 years and a global presence in 26 countries, Falck has a broad footprint and involvement in many different communities, which have resulted in a complex, heterogenous IT system landscape as many internal systems originally have been characterised by country-specific services and platforms. To better leverage Falck's global presence, services, and experience across their markets, Falck is making significant investments in its digital infrastructure.

One of Falck's major digital investments is currently focused on a global standardisation of their financial systems. Standardised financial systems will provide a better data foundation and insights for making strategic decisions that will ensure Falck's development and increase the access to their global healthcare services.

Falck could not modernise the finance function and implement new ways of working using outdated technology. They needed a finance platform of the future to realise the business benefits of a uniform approach.

**The Moneta programme**

In 2022, Falck scoped the "Moneta" programme. With the new programme, Falck has set out on a journey to replace the many legacy systems of the past with one, standardised finance system based on Oracle's cloud technology stack. Falck has chosen Deloitte as their finance digitalisation partner to be responsible for implementing the new Oracle Cloud Finance solution. Deloitte's project team uses resources from primarily the Netherlands and Denmark who work together with offshore resources in India. Deloitte handles activities such as project management, solution architecture and end-to-end delivery, including testing and training support.

*"The strategy behind the Moneta programme is to move towards a global, agile, scalable, and resilient finance organisation which supports the growth aspirations and changing needs of our business, partners and customers. Instead of spending time on reconciliation of data and ensuring its compliance, we want to focus on the interpretation of our financial data to unleash its potential and enable more insights and better decision-making when executing on our strategy of enhancing more sustainable healthcare solutions. From an IT security standpoint, it also gives us a more robust security posture when we can decommission old legacy systems that are not as fit to protect sensitive financial data as a modern technology platform,"*
says Maarit Pokkinen, Head of Global Finance in Falck.



**Pilot in Sweden, implementation in Denmark**
Together with Deloitte and Oracle, Falck implemented the new finance platform in Sweden in the beginning of 2024 as the first pilot. Building on top of the Swedish pilot, Falck is currently proceeding with the Moneta programme in Denmark which is a key market for the Group because of its historical ties to Denmark and the location of the corporate office in Copenhagen.

"When rolling out such a big digital solution it requires seamless coordination and collaboration between a lot of people. Deloitte has vast expert knowledge within finance, and as an implementation partner, we have benefited from Deloitte's project management expertise and organisation. We have worked together as one big team with cross-functional teams that represent a functional scope of the entire finance transformation," Maarit Pokkinen says.

One of the things, she and her colleagues at the Falck value in the partnership with Deloitte, is the consultants' ability to challenge their perspectives.

*"Sometimes as a customer it can be difficult to communicate your business' needs because everything is moving so fast when you are in the middle of a project. In these cases, it's good to have a partner who can support you in seeing the bigger picture and provide the right guidance on both a technical and a functional level,"*
Maarit Pokkinen says and explains that in other cases, Deloitte has been very honest stating that part of the project is also a learning experience for them.

**Supporting the core business**
While it was clear in this case that Falck wished to implement a new technology platform to pursue efficiencies and ensure compliance, Falck is also perfectly aware that technology alone is just a tool in such a process; it is the people and the processes that drive strategic success.

*"It is crucial to secure our ability to optimise processes with efficient workflows, well-defined procedures, and the right controls and performance standards. Leveraging new, digital capabilities to create an organisational structure that fosters collaboration and commitment is essential for driving operational effectiveness and efficiency. We are pleased with Deloitte's contributions and appreciate their efforts in helping prepare Falck for the future,"*
Change Manager in Falck, Görkem Copuroglu, sums up.

The new finance platform is expected to go live in Denmark in 2025. From there, the finance platform will be rolled out to other countries in a still undecided order.


# Mergers and Acquisitions

**Sigurd Ersted Jensen**
*Strategy, Risk & Transactions leader*

Read about taking Sticks'n'Sushi to new heights on page 21

The crops of today are the result of previous years' persistent and clever investments and are particularly valuable in light of a challenging year within M&A.

Harvesting the fruits of clever decision-making, securing greater resilience despite a turbulent market, as past decisions continue to shape our present and lead us towards success.

The market has been uncertain, making it difficult to complete large deals, while mid-market and small-cap deals have remained stable. Despite these challenges, the crops have flourished, a testament to the investments and focus of our business.

While some sectors such as infrastructure, renewable energy, and banking remain highly active, others like consumer and real estate are facing significant challenges. This is largely due to the uncertainty caused by geopolitical factors, inflation and increasing interest rates.

The market is currently adapting to a new interest rate environment, while the swing factor is shifting towards a landscape of uncertainty. This adjustment has led to a divergence in investor sentiment and varying risk appetites. Nevertheless, there remains a substantial amount of capital available, and we anticipate a positive start to the coming financial year with a robust pipeline.

**Leveraging less cyclical offerings in a volatile market**
In the past few years, we made a strategic decision to build robust industry-focused teams and direct them towards sectors that demonstrate sustained high activity. The volatility of M&A activity has led our clients to focus more on optimising the performance of their assets. This has allowed them to benefit from our advisory capabilities to also support them post-deal. We have also focused our services on less cyclical offerings, including sustainability, economic and forensic teams.

We are deeply immersed in the industries, striving to achieve complete client satisfaction. Thanks to this approach, we have been able to maintain our leverage even in the face of significant market turbulence. When you combine this with our innovative business model, the results demonstrate our ability to thrive and succeed in the ever-changing market landscape.

**From target to transaction**
We act as a cohesive team that provides advice and implementation support throughout the M&A lifecycle. Bringing strategy, transformation and risk under the same roof as part of our new storefront will enable us to identify and execute on strategic and operational opportunities post-deal with our clients as their trusted advisor. Our ability to operate as a closely-knit team will ensure that we help clients deliver on their strategic choices, synergies and operational improvements that drive profitability and cashflow.

Our key differentiator lies in our collective IQ. We have built an exceptionally skilled and experienced team, which is truly extraordinary. This is essential for us to provide expert guidance to our clients during challenging times. Our culture fosters an environment where individuals engage with compelling tasks, enabling us to attract top talent. We operate as a unified team, celebrating victories and facing challenges together. The strong bond within our team is evident in the genuine passion our people have for their work, creating a positive and fulfilling environment. Furthermore, we take pride in selling experiences, not just services, which sets us apart in delivering exceptional value to our clients. This emphasis on employee satisfaction directly translates into valuable expertise, enriching the services we provide.


# Leading the Sticks'n'Sushi sale as exclusive financial advisor

Exploring the potential of a sale becomes a natural consideration when a portfolio includes a restaurant asset that has undergone exponential growth and rapid expansion with a successful and proven concept across multiple countries and sales channels, including takeaway, delivery, and catering events.

This was the scenario with a prominent restaurant group in the premium casual dining segment, renowned for its Japanese cuisine complemented by strong Nordic influences, an admirable brand, and a unique restaurant ambience – Sticks'n'Sushi.

*"We selected Deloitte as our financial advisor because of their extensive deal experience and track record of successful transactions in the consumer industry. Furthermore, we recognised Deloitte as a reputable brand within Private Equity Funds, both domestically in Denmark and internationally, which we believed would significantly benefit the sale of Sticks'n'Sushi. We have been incredibly pleased with the way they have handled the process".*
**Jens Aaløse**
Managing Partner in Maj Invest Equity

**Impact on Sticks'n'Sushi sale**
After experiencing strong international growth, Maj Invest Equity decided to explore a potential sale of Sticks'n'Sushi. Deloitte Corporate Finance was appointed as the exclusive financial advisor to Maj Invest Equity in the sales process. Ultimately, the process resulted in McWin Capital Partners successfully acquiring a majority stake in Sticks'n'Sushi, overcoming challenges such as low consumer sentiment and market turbulence.

*"Being the lead advisor in an M&A sale process is an exciting opportunity that demands a complete team to meet such a responsibility. It provides a unique chance to showcase comprehensive knowledge and the ability to handle all aspects of the transaction, presenting a rewarding challenge for a dedicated team".*
**Alexander Overgaard Andersen**
Director in Deloitte Corporate Finance

**Mastering market uncertainty**
The consumer sector has faced significant challenges, largely due to the uncertainty caused by geopolitical factors, inflation and increasing interest rates. Making it particularly difficult to sell consumer assets in the current market environment, where consumer sentiment is difficult to navigate, and economic conditions are unpredictable.

*"In the previous year, we faced a turbulent market influenced by geopolitical circumstances and record-high inflation. This has impacted the consumer segment, making our success in selling Sticks'n'Sushi a significant achievement and something to be proud of".*
**Alexander Overgaard Andersen**
Director in Deloitte Corporate Finance

Founded in 1994 as a single restaurant in Denmark, Sticks'n'Sushi has since expanded to operate 28 restaurants across Denmark, the UK, and Germany, with a workforce of over 1,500 employees.

# A year of growth and transformation

**Lars Siggaard Hansen**
*Audit & Assurance Leader*

Read about ensuring compliance for the global leader in offshore wind power on page 24

It has been a year of transformation in terms of sharpening our focus. We have achieved an all-time high in revenue with successful audit activities and tender processes and won several clients as a result. This has increased our market share among the top 100 companies in Denmark. Building up our ESG Sustainability Assurance and CSRD areas to help our clients prepare for increasing compliance requirements has also been a key focus this year. Finally, the proliferation of generative AI has affected the Audit business. These results are an outcome of a strategic shift towards serving bigger clients, integrating ESG and continuing to be technology led.

The audit industry is working actively on rebranding its Image. In Deloitte, our ambition is to pioneer this challenge through a strong focus on promoting the profession to the next generation of auditors. One initiative was a social media campaign for Denmark's Next Auditor developed together with influencers Thomas Skov and Emil Thorup. The campaign has helped us connect with and attract young talent and was awarded a Danish Digital Award in June 2024.

**Reducing complexity to serve clients better**
We have reduced the number of Audit & Assurance clients from 11,500 to 5,000 to ensure our clients get the best of Deloitte. This strategic client focus has led to reduced complexity in our business and focusing on working with mid-market and large clients. As part of streamlining our business to become 'more for less', we also divested our office in Esbjerg, our healthcare outsourcing business, and our Pension Management business. While it is always hard to say goodbye to great colleagues, it is sometimes necessary to ensure that we have a business that is future fit.

Our ambition is to continue growing with clients across industries and sectors, where we can make the biggest impact by leveraging the breadth and depth of our capabilities. Our focus goes beyond Audit & Assurance to work closely together with our other advisory businesses, so we can support our clients in their growth and transformation – whether it is with mergers and acquisitions, internationalisation, digitalisation or sustainability.

**Increased compliance requirements and CSRD reporting**
Compliance requirements are increasing due to the introduction of new regulations locally and globally. Companies are facing increasing requirements from regulators to ensure compliance with governance and legal standards. This trend is evident across all sectors and geographies and impacts companies of all sizes.

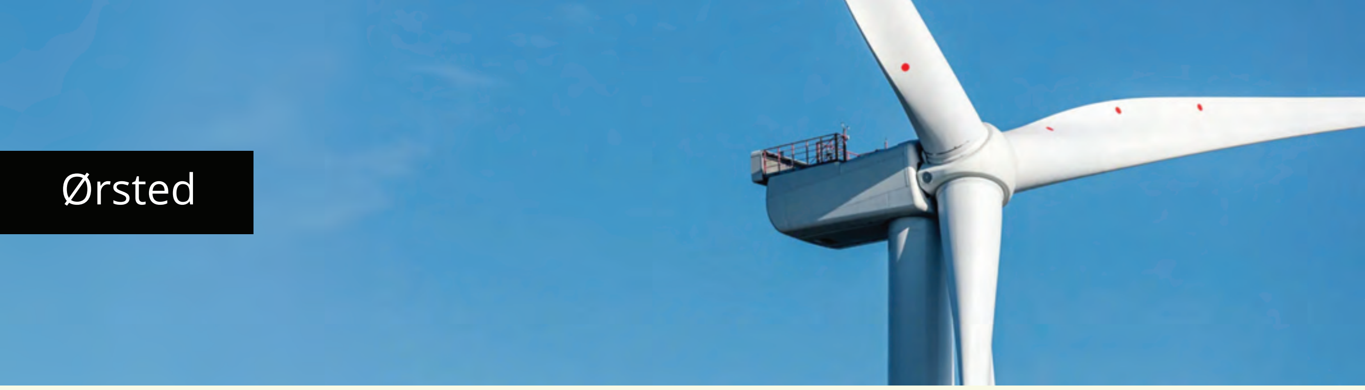
Ensuring compliance with an expanding array of laws and regulations demands careful consideration, strategic planning, and a comprehensive understanding of the regulatory landscape. This involves aligning requirements with the overall business strategy and operationalising compliance measures, including reporting, assurance, and governance.

The CSRD is one of the requirements causing challenges. With all the data you can measure and report on today, companies need to assess the most significant aspects relevant to their business. This trend towards integrated financial and CSRD performance underlines the fact that success today is measured both by financial metrics and non-financial achievements.

Given the increasing number of regulations, boards and audit committees must ensure effective oversight of these areas, and we work closely with them to do just that. With our legacy in audit, we help build trust in markets and societies, when we help our clients be compliant, not just today but also in the future.

**Automation and AI in the Audit business**
The advancements in AI are significantly reshaping the audit landscape. As AI continues to evolve, it has become an indispensable tool in the audit process, enhancing efficiency, accuracy, and the overall quality of our services. As a result, we are making substantial investments to harness the power of AI and transform our audit approach.

This year, we have entered the era of generative AI. Having rolled out our own generative AI tool (PairD) to practitioners, we have taken the first step to integrate generative AI capabilities into our audit processes. Furthermore, we are augmenting our auditors with generative AI by deeply ingraining these capabilities into our global audit tools and we are currently developing and testing tools that will support our team in audit documentation, quality reviews, and compliance work. In this era of digital transformation, we remain committed to leveraging advanced technologies like generative AI to drive innovation in audit. By doing so, we are not only staying ahead of the curve but also setting new standards in audit quality and assurance.



Ørsted

# Ørsted implements hedge accounting practice to ensure compliance and transparency

A volatile energy market left Ørsted facing both accounting and risk management challenges. To solidify their hedge accounting practice and the underlying documentation, Ørsted brought in expert help from Deloitte. Today, Ørsted's financial practice complies with market standards and provides investors with a transparent and easy-to-understand income statement.

Ørsted – the global leader in offshore wind power – needed to provide more transparent accounting to its investors to comply with IFRS standards. In 2019, Ørsted appointed an internal team consisting of representatives from model development, risk, and finance and asked them to implement IFRS hedge accounting and thus eliminate the need for two income statements. The team successfully implemented hedge accounting in January 2021, including the development of an integrated model supporting this.

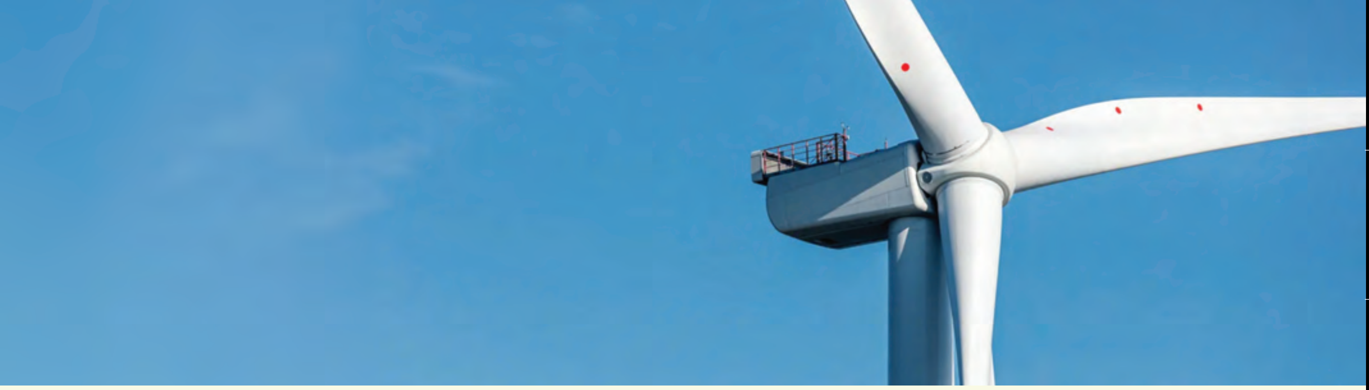
However, in 2022, the model was severely stress-tested when Russia invaded Ukraine. Energy prices quickly sky-rocketed and heavily influenced Ørsted's risk management activities, and therefore also the company's new hedge accounting practice. As a security measure, Ørsted decided to contact Deloitte for expert guidance and to make sure that their model and its underlying processes and documentation were robust.

*"It typically takes around five years to construct an offshore wind farm which then generates revenue – merchant and/or subsidised – for a period of 30 to 35 years. This leads to significant risks towards changes in, for example, power prices, steel prices, currency, inflation, and interest rates which we actively manage. IFRS hedge accounting allows us to translate our substantial hedging programme into relatively simple number stories for our investors,"*
**René Boel Pedersen,**
Director, Head of Financial & Construction Commodity Risk at Ørsted.

**Set the right ambition**
In April 2023, Deloitte and Ørsted kicked off the project, and the team initially spent a lot of time ensuring the scope was correct.

*"Our mandate came from the Audit & Risk Committee with a steering committee consisting of our Head of Group Finance, our Head of Risk Management, and the Head of Trading & Revenue Finance supporting the process. It was important for us to set the right ambition for the project because that ambition dictates the number of resources, priorities, deadlines, and so on. From those initial meetings, Deloitte helped us formulate an ambition and create a story that made it clear what we wanted to achieve,"*
**Alex Skjærris,**
Senior Lead IFRS Specialist at Ørsted.

Deloitte's deliverables to Ørsted can be split up into three categories: First, the subject matter experts took a thorough look at Ørsted's model for hedge accounting to make sure it worked in compliance with the IFRS 9 standard, and that Ørsted had interpreted the definitions in the standard correctly. It did, and they had. Second, Deloitte helped Ørsted upgrade documentation material that proved that Ørsted worked in compliance with the IFRS 9 requirements. Finally, Deloitte helped Ørsted upgrade process descriptions and formalise controls to reduce the risk of errors and omissions.



*"It is not because our previous hedge accounting practice was full of mistakes," says Alex Skjærris. "But our approach had not kept up with the huge increase in market value we saw during the energy crunch that followed shortly after the implementation, and which, in some cases, relied on specific people performing specific tasks. With the help from Deloitte, we have now set up controls that are less people dependent, and we have a stronger governance structure in place that verifies our practice."*
**Alex Skjærris,**
Senior Lead IFRS Specialist at Ørsted.

The project was delivered on time in December 2023. Today, internal stakeholders know that Ørsted's financial statements comply with market standards for hedge accounting.

*"It was very clear that the team has been prioritising building an automated process, and therefore ended up with a world-class system that can handle the hedge accounting life outside of the trade capture system, enabling them to separate proprietary trades from the trades used for hedging."*
**Thomas Hjøllund Simonsen,**
Partner, Financial Instrument Accounting expert from Deloitte Denmark



# Collaborating towards a net-zero future

Climate change is one of the biggest challenges of our time, and we need to work together as businesses, governments, nations, and individuals to take action. Being a leading advisor of transformation to organisations worldwide, Deloitte is leading the way towards a lower-carbon future by guiding clients on their sustainability journeys – from a compliance as well as an innovation point of view.

With approximately 460,000 people working at Deloitte worldwide, we recognise our own responsibility to take meaningful, measurable, and transparent actions. As a result, we educate and encourage our people to engage by providing learning, tools, and resources to make a positive impact. And being dependent on a complex ecosystem of partners, we work with our global suppliers to reduce emissions collectively.

**Biodiversity and nature**

While our sustainability commitments have focused on climate change for the past decade, climate is just one aspect of nature, and we have been expanding our global sustainability efforts to also address the broader threats to nature and biodiversity. Biodiversity is crucial for healthy ecosystems and a healthy planet. However, much of the world's biodiversity is at risk due to climate change, human consumption, and other impacts on nature. According to the World Economic Forum, 50 per cent of global GDP is dependent on nature. This means that disruptions to the Earth's ecosystems affect our way of life – and that organisations have an important role to play in protecting nature.

In translating our environmental ambitions into action, Deloitte is globally examining our impact on nature and biodiversity. While Deloitte's largest impacts on nature are indirect, we are committed to supporting nature-positive solutions and addressing impacts throughout our supply chain.

WorldClimate

**Making progress on our WorldClimate ambition**

Addressing climate risk is crucial to the success of our business, our clients, and society as a whole. We are committed to reducing our greenhouse gas (GHG) emissions and supporting our clients in doing the same. In FY24, we focused on developing our long-term, science-based, net-zero targets and climate transition plan.

Our emissions reduction targets call for significant changes within our business operations. That's why we are implementing policies and programmes to accelerate decarbonisation, particularly in our highest emitting areas — travel, technology, and real estate. Recognising that the majority of our emissions originate from our supply chain, we are collaborating closely with our suppliers to set science-based targets, implement emissions reductions, and enhance product-level emissions reporting.

To do our part in helping the world achieve the goals of the Paris Agreement, Deloitte launched WorldClimate in FY20, our strategy to drive responsible climate choices within our firm and beyond. This involves holistic thought and action, as well as setting measurable targets on our commitments for the future. As part of the WorldClimate ambition, Deloitte commits to science-based net-zero goals by 2030.

Internally in FY24, initiatives under WorldClimate included a food waste campaign and the launch of a sustainability community to facilitate knowledge-sharing across client-facing talents. In addition, we launched an internal WorldClimate page accessible to all employees, which contains information on current initiatives, a climate and sustainability FAQ, policies, as well as learning modules and case studies.

We are also continuously looking at ways we can lower emissions from our buildings. At the end of FY24 we therefore implemented smart sensors across our office in Copenhagen. The many sensors enable us to collect and analyse energy consumption and related $CO_2$ emissions from electricity, district heating and cooling. Besides collecting vast amounts of data that will allow us to report accurately, the solution also provides us with disaggregated consumption data that can be used to identify potential reduction initiatives. Going forward we will use these insights to optimise our consumption and continuously measure and validate the impact of such initiatives. Initial data suggest that there is significant reduction potential within our lighting and ventilation systems, which we are looking into realising in FY25.

Business travel remains a key focus area. As meeting our clients globally is a crucial enabler for our work, we have committed to reducing our emissions from business travel by 50 per cent per FTE by 2030 from a 2019 base year.

FY24 saw us putting the finishing touches on our updated business travel policy, which has now been adopted and implemented from 1 June 2024. The policy makes clear our expectations – prioritising vehicular or public transport for domestic journeys, making economy class standard for flying, not allowing Business or First Class, and demanding written approval for deviations from this. On top of this, we have also changed our leasing procedures, such that directors and partners who have access to our company car scheme can only lease fully electric cars going forward.

With these targeted measures, we intend to encourage and accelerate progress towards our 2030 goals in our WorldClimate ambition and we are glad to see that our total emissions from business travel is starting to decrease.

As is shown in the Carbon Emissions table below, we track numerous metrics relating to our environmental impact, comparing our development across the years to hold us accountable and help us identify where we need to make further efforts.

bsi ISO 14001 Environmental Management CERTIFIED ISO 50001 Energy Management CERTIFIED

Read The 0-Mission case on page 30

**ISO Certification**

In Denmark, we achieved a big and important new milestone in FY24 on our way to realising our sustainability ambitions – we received two new ISO certifications: ISO 14001 and ISO 50001 for our Energy and Environmental Management Systems.

These are internationally recognised, externally validated standards which set out an extensive and detailed framework for companies to develop and operationalise their environmental and energy management systems. Thus professionalizing and structuring our climate and sustainability efforts and ensuring that we take proactive measures to improve our environmental impact, comply with relevant legal requirements, and progress towards our targets. The ISO framework ensures that we consider all relevant aspects of our business – from resource usage and waste management to tracking of our environmental performance and stakeholder involvement. Successfully achieving these certificates also sends an important message – to our people and our clients alike – that our energy and environmental initiatives are well-governed, prioritised, and documented to help drive progress across our organisation.

**Carbon Emissions**
In our carbon emissions account, you can find an overview of Deloitte Denmark's carbon emissions, divided into Scope 1, 2, and 3.

This greenhouse gas (GHG) emissions statement has been calculated using an operational control consolidation approach as described in the GHG Protocol. The full methodology is outlined in the Basis of Reporting. In summary:

**Scope 1** refers to direct emissions from gas usage; and our owned vehicles powered by internal combustion engines.

**Scope 2** refers to indirect emissions from the generation of our purchased electricity; district heating and cooling; and owned electric vehicles.

**Scope 3** includes our emissions from business travel; employee commuting and homeworking; and our purchased goods and services.

Carbon accounting is still a fairly young practice, which means that data quality and calculation methods are often improved and revised. In FY24, Deloitte therefore revised the methodology for calculating emissions from contingent labour – which were previously included in Purchased Goods & Services (PG&S) emissions – to improve the accuracy of these calculations.

Additionally, emissions from employee commuting have also been reduced as surveys show that Deloitte employees use public transportation to a much higher degree than initially assumed. As a result, we see a significant reduction within those categories.

| Carbon Emissions Deloitte Denmark | | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| **Scope 1** | tCO2 | **0** | **137** | **130** |
| **Scope 2** | tCO2 | **824** | **726** | **800** |
| **Electricity Generation, Market-based** | tCO2 | 0 | 0 | 0 |
| **Electricity Generation, Location-based** | tCO2 | 458 | 389 | 500 |
| **District Heating** | tCO2 | 824 | 726 | 800 |
| **GROSS OPERATIONAL EMISSIONS** | tCO2 | 824 | 863 | 930 |
| **Scope 3** | tCO2 | **9,681** | **13,763** | **9,041** |
| **Business Travel – Air (without radiative forci** | tCO2 | 597 | 1,560 | 1,452 |
| **Business Travel – Air (with radiative forcing)** | tCO2 | 1,129 | 2,951 | 2,460 |
| **Business Travel – Other** | tCO2 | 658 | 758 | 745 |
| **Business Travel – Hotels** | tCO2 | 425 | 534 | 617 |
| **GROSS OPERATIONAL AND TRAVEL EMISSIONS** | tCO2 | 2,504 | 3,715 | 3,744 |
| **Employee Commuting** | tCO2 | 1,119 | 2,584 | 1,332 |
| **Homeworking** | tCO2 | 225 | 94 | 110 |
| **Purchased Goods and Services** | tCO2 | 5,186 | 8,233 | 4,785 |
| **GROSS TOTAL EMISSIONS** | tCO2 | 9,034 | 14,626 | **9,971** |
| **Certified Emission Reductions (Offsets)** | tCO2 | 9,034 | 6,393 | 4,986 |
| **Gross Total Emissions per FTE** | tCO2/FTE | 3.34 | 4.84 | **3.38** |

**Methodology and assurance**
Limited assurance was provided by BDO LLP at a consolidated Deloitte regional level over all reported carbon metrics. This included consideration of the underlying country data in Belgium, Denmark, Finland, Greece, Iceland, Ireland, Italy, Malta, Middle East, Netherlands, Norway, Sweden, Switzerland and the UK plus Jersey, Guernsey, Isle of Man and Gibraltar.

Gross Total Emissions is a sum of direct emissions from owned vehicles powered by internal combustion engines (scope 1), market-based electricity, district heating, business travel without radiative forcing, employee commuting, homeworking and purchased goods and services. Location-based electricity and business travel with radiative forcing are included in the table to increase transparency of our reporting.

Our methodology for purchased goods and services (PG&S) data for Denmark is provided by our Deloitte regional sustainability team and is based largely on procurement spend data for a selection of six countries accounting for 74% of PG&S emissions. 6% of PG&S emissions under this methodology are based on actual supplier data (Scopes 1 and 2) submitted to CDP (formerly the Carbon Disclosure Project). The remainder of PG&S emissions are extrapolated. We apply a number of assumptions to the spend data, including how we allocate spend into procurement categories, how we treat our suppliers' reported Scope 3 emissions, the CDP sector emission factors we apply to each spend category, and the extrapolation

In FY24, Deloitte revised the methodology for calculating emissions from contingent labour that were previously included in PG&S emissions to increase the precision of these calculations. Additionally, Deloitte enhanced the spend-based PG&S calculations methodology to more precisely identify and exclude supplier spend items that are deemed non-emission generating (e.g., taxes, intercompany transactions, etc.). Additional details on the methodology used to calculate PG&S emissions and further details on this recalculation are provided in the Deloitte NSE FY24 Basis of Reporting. Deloitte will continue to review its approach to Scope 3 reporting in the future, aiming to continually improve the accuracy of its disclosures. When these enhancements lead to a material change in a reported figure, Deloitte will explain the nature of the change, the reasoning for its appropriateness, and the variance compared to the previous methodology.

The 0-Mission

# Collaborating towards a net-zero future

In 2023, Deloitte Denmark consumed approximately 4 GWh of electricity. 4 GWh roughly corresponds to an emission of about 1,700 tons of $CO_2e$, or annual emissions from 280 'average' global citizens. These are unnecessary emissions since the electricity should have been generated by wind turbines and solar cells rather than power plants.

But we cannot choose the source of electricity coming out of our outlets. However, we can ensure that we contribute as much renewable energy to the grid as we consume. Therefore, Deloitte subscribes to renewable solar energy through The 0-Mission. Their solar park is entirely privately financed, enabling Deloitte to contribute to the construction of more green energy in Denmark, and avoid unnecessary fossil fuel and biomass-based power generation. We hope that more businesses will choose similar solutions because only when we stand together can we accelerate the green transition at a pace that ensures we meet the goals of the Paris Agreement.

**The Vandel Solar Park near Vejle**
We are pleased to be part of the Vandel Solar Park through The 0-Mission, but we are also aware that solar parks occupy land. Therefore, it is important to us that the solar park is built with respect for neighbours and local communities while contributing to increasing biodiversity.

The solar park is constructed on a decommissioned airbase, with parts of the area used for agriculture until the solar park was established, while a smaller portion of the park was covered by forest. In the process of establishing the park, 11 hectares of forest were cleared, and instead 20 hectares of new forest consisting of native species were planted.

Solar parks provide an opportunity to enhance habitats for biodiversity in Denmark, as the areas are no longer intensively cultivated or used for industrial purposes. To realise the full potential, it is important to monitor developments over time. BeGreen's biologists are therefore working systematically to continuously improve the solar park's biodiversity even more.

We will continue to monitor the solar park's developments and look for other ways Deloitte can support nature-positive solutions throughout our supply chain.



# A diverse team of talents

We strive towards being a diverse and inclusive workplace knowing that diversity of thought enables us to create impact that matters for our clients, our people, and the societies we are a part of. Furthermore, we are a people business and rely solely on our talents for the solutions we deliver to our clients. Therefore, we need to be able to attract and retain the best talent – regardless of gender, age, nationality, etc. - and provide them with a lifelong learning experience. We take our responsibility of providing a developing and exciting work life very seriously.

**Our people**

In FY24, we averaged a headcount of 3,393 talents and welcomed 663 new talents. We received 22,650 applications, out of which 2.9 per cent joined Deloitte. We are proud to bean attractive employer but will not rest on our laurels. We will continue to work on beingan attractive workplace for a diverse talent pool.

12 per cent of all talents at Deloitte Denmark are internationals, representing 56 different nationalities.

| New hires for FY24 | |
|---|---|
| Gender balance (F/M) | 45%/55% |
| Average age of new hires | 29 |
| Share of internationals | 17% |
| Share of junior hires | 83% |
| Share of experienced hires | 17% |

This section includes a number of tables showing our talent composition on selected demographic variables. We aim for a diverse representation of talents, but we are not yet where we want to be in terms of our gender balance at leadership levels, whichwe discuss in detail later in this chapter.

| Gender balance split by career level | % (F/M) | N (F/M) | Share of total workforce |
|---|---|---|---|
| Partner (incl. Equity Partner) | 19%/81% | 54/229 | 8.59% (283) |
| Director | 30%/70% | 75/175 | 7.59% (250) |
| Senior Manager | 38%/62% | 124/203 | 9.92% (327) |
| Manager | 44%/56% | 209/270 | 14.54% (479) |
| Assistant Manager | 43%/57% | 57/76 | 4.04% (133) |
| Senior Consultant | 50%/50% | 315/312 | 19.03% (627) |
| Consultant | 50%/50% | 323/321 | 19.54% (644) |
| Administrative staff | 100%/0% | 29/0 | 0.88% (29) |
| Student assistant | 42%/58% | 218/305 | 15.87% (523) |
| **Total** | **43%/57%** | **1.404/1.891** | **100% (3.295)** |

Average age in Deloitte is 34. The age distribution amongst our employees is:

| Age category | Share of talents within that age category |
|---|---|
| Under 30 | 44% (1.463) |
| 30-40 | 33% (1.079) |
| 41-50 | 12% (393) |
| Above 50 | 11% (360) |

**Retention rate**
During FY24, 806 talents have left Deloitte. This includes the talents affected by the divestment of our Esbjerg office and Health Care department resulting in a retention rate of 77 per cent.

| | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|
| Total retention rate | 73% | 72% | 79.4% | 80.2% | 77 %* |

*Includes divested businesses affecting approximately 118 employees (Esbjerg office and Health Care).

It is important that we focus on developing and motivating our talents, providing them with exciting opportunities and diverse career paths to make Deloitte an attractive workplace for many years. We do this to ensure quality and continuity to our clients, to preserve knowledge and a great team spirit in our organisation, and to reduce recruitment and onboarding cost. When excluding the sale of our Esbjerg office our retention rate is 79.9 per cent. We consider this balanced and are furthermore glad to see a high share of re-hires, meaning almost 10 per cent of our new hires this year have formerly been employed at Deloitte.

We continue to use quantitative and qualitative feedback from leavers to improve the talent experience of our people.

**Learning and development**
At Deloitte, we are committed to providing the best talent development experience in the country. With the launch of 360 Develop – Centre for Lifelong Learning, we will be investing substantially in our talents' learning over the coming years. We have a 70-20-10 approach to learning and prioritise learning and development throughout the year. 10 per cent of our talents' learning should be acquired through formal training, 70 per cent through on-the-job learning and 20 per cent through social learning in interactions with others e.g. through feedback.

We continue to have a strong focus on our Leadership Academy programme. As part of this, training is offered regarding personal development, personal sustainability, and how to catalyse high performance within teams. Psychological safety, too, is key – important in ensuring teams are defined by high levels of inclusion, commitment, and respect. This is why psychological safety is itself an important part of our training course Leading High Performance Teams – and we are happy to note that almost 100 of our leaders have taken this course this year.

During FY24, we have invested an average of DKK 16,076 in training per talent resulting in a total investment of DKK 52,295,600.

This year, our talents have on average attended 52 hours of formal training. Going forward, we will both improve our reporting options on training data and invest in the training we provide to our people.

Average annual training hours per individual by level:

| Career level | Average training hours |
|---|---|
| Partner (incl. EP) | 58 |
| Director | 51 |
| Senior Manager | 39 |
| Manager | 41 |
| Senior Consultant | 51 |
| Consultant | 60 |
| Junior staff | 60 |
| **Total** | **52** |

**Flexibility**
We want to ensure that Deloitte is an attractive workplace throughout our talents' careers and want to offer the flexibility that different life phases require in order to attract and retain the best talents. Our Work Agility Policy promotes flexibility in where and when to work as well as offering structured options for taking time off.

During FY24, 1.3 per cent of our talents have taken a **Time Out**, which is the option to take self-paid leave to pursue dreams outside of work. On average, our talents have taken a Time Out of 5 months.

We promote flexibility in work hours, and 4 per cent of our talents **work part-time** (0.8 per cent of men, and 5.5 per cent of women). This is exclusive of student assistants.

**Becoming a parent while having a career at Deloitte**
During FY24, 119 of our female talents and 208 of our male talents have been covered by our Happy Parents Package as they welcomed a child to their family. We provide equal parental leave terms for all parents and co-parents with 24 weeks of paid leave. New legislation introduced this year provides LGTBQ+ families with the opportunity for social parents to take 13 weeks of parental leave. At Deloitte, we offer these weeks with full pay.

Deloitte encourages fathers to take more parental leave, and we are happy to see that our work is paying off with fathers and co-parents now taking an average of **15 weeks of parental leave** (up from 9 weeks in 2020/2021). Furthermore, **97.8 per cent of fathers** and co-parents take more parental leave than the two weeks of paternity leave placed in continuation of the birth (up from 81 per cent).

We have historically struggled with retaining female talents after they return from parental leave and have worked continuously on improving our offers to new parents. This FY, we are pleased to see that **81.1 per cent of females returning from parental leave are still with Deloitte** one year after return. For men, it is 93.4 per cent.

**Health and safety at work**

We are committed to ensuring our talents grow and thrive at work, and we care about their wellbeing. Deloitte offers home office equipment to prevent ergonomic issues, and we focus on our talents' mental wellbeing. **75 per cent** of our talents are "confident Deloitte would **support me if I were experiencing challenges** with my mental health/ well-being". We work continuously to improve this score, and one action is leadership training with focus on psychological safety.

Furthermore, we provide health insurance for our talents as well as proactive early care where our health insurance provider reaches out in full confidentiality to talents with more than 8 consecutive sick days to inform them of the different offers available to them. During FY24, our health insurance provider reached out to 1.8 per cent of our talents.

In FY24, the sickness absence in Deloitte Denmark was 2.7 per cent of the contractual working hours. This equals an average of 5.4 days per talent.

**Anti-harassment**

Deloitte is committed to the highest level of ethics, integrity and quality. Our culture is based on respect and inclusion and must be free from discrimination, harassment, and other unethical behaviour. This is reflected in our Global Principles of Business Conduct (Global Code) and NSE Code of Conduct. This year, we have improved our 'Speak-Up' whistle-blower setup which ensures that ethics concerns can be reported, investigated, and acted upon if they arise. Read more in the Governance section.

**Levelling the playing field – our continuous focus on women in leadership**

We work to ensure diversity, equity, and inclusiveness for all talents in Deloitte. We are committed to providing equal opportunities in recruitment and selection, development and promotion, and we work specifically toward having more women in leadership positions in our firm.

| Women in leadership | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|
| Partner-elected board members | 0% | 25% | 20% | 40% | 40% (2/5) |
| Management team (Executive) | 20% | 20% | 20% | 20% | 18% (2/11) |
| Business Unit leader-ship teams | N/A | N/A | N/A | 19% | 28% (14/50) |
| Partners (incl. Equity Partner) | 12.1% | 12.1% | 12.1% | 12.1% | 19% (54/283) |
| Senior Managers and Directors | 31.8% | 31.8% | 31.8% | 31.8% | 34% (199/577) |

We are happy that 40 per cent of our elected board members are female and that we thereby has an equal gender representation in the board of directors. The Board is also diverse in terms of professional backgrounds, geography, and international experience. In compliance with the Danish Act on Approved Auditors and Audit Firms, the majority of the board members are state-authorised public accountants. Our goal is to continue to have a gender balance of at least 40/60 in our Board.

Our target is for our Executive team, which constitutes Deloitte's other management levels as defined in the Danish Company Law, to be 33 per cent female in 2026. This financial year 18 per cent of the Executive team was female. On June 1 2024, we welcomed new people into our Executive team, resulting in a current gender balance of 30.8 per cent.

Our continuous focus on reaching gender balance at leadership levels is demonstrated by a steady – but slow – increase in the share of female Partners. 33.3 per cent of the talents who joined the Partner group during FY24 were women (10/30), resulting in a total of 19 per cent female Partners. However, we are not yet where we want to be, and we therefore continue our efforts. Especially amongst our Equity Partners we still have a long way to go as only 11 per cent are women.

We have a data-driven approach to understanding the root causes for our current gender balance at the different leadership levels. We track data on representation, talent experience and engagement, and gender differences in turnover data. We furthermore set targets and, for example, aim for a target of 33 per cent women in Business Unit leadership positions in 2026.

**Exploring root causes behind our gender balance**
This year, we have further investigated potential gender differences in people processes related to compensation, performance evaluations, and career development. Our initial findings indicate an adjusted gender pay gap at less than 1 per cent and no significant difference in average performance ratings between male and female talents.

We do have a skewed gender balance from manager level and up, and our promotion pipeline data also shows that we tend to have a higher share of men than women expected to be promoted. We will continue to investigate these processes, including our annual year-end processes to ensure that these processes are informed with relevant data to support decision-making and to mitigate potential biases.

We will collaborate with our Women’s Advisory Board consisting of female talents providing qualitative insights on challenges related to gender balance, as well as involving our Executive Advisory Board and Culture Ambassadors in reviewing our performance management setup.

**Employee Resource Groups**
In Deloitte we have a range of employee resource groups (ERGs). These groups are employee-driven networks providing a community for talents with shared identities and interests. By providing input and perspectives, they help us to build a more inclusive workplace – together. This year the ERGs have collaborated on the project “Inclusion of minorities” where they have created recommendations to management on issues regarding inclusion. They also contribute to Deloitte’s annual Diversity & Inclusion Week through the planning of events.

**Our ERGs are:**
**The International Community:** approximately 350 members
**Proud (our LGBTQ+ and allies network):** approximately 200 members
**Deloitte Muslim Network:** approximately 60 members

**Turning the tables – from a minority perspective**
Many of our minority group colleagues have experienced being asked insensitive questions – in many cases, simply from a lack of understanding of what might hurt them. To increase awareness of this and again underline our commitment to inclusion, as well as our endorsement of the UN Standards, we have asked non-minority employees some of the questions that minority groups have received. We have gathered it all in a short video for you to watch.

**Global Village at Deloitte**
We are part of an international organisation with a strong local foothold. Our Culture Survey shows that international talents feel less included than Danish talents. To better understand some of the challenges international talents face and help bridge the cultural differences, the international community hosted an event where all talents were invited to learn about the different languages spoken within the firm, and the various culture represented.

**The fasting challenge with Deloitte Muslim Network**
Ramadan is a significant and sacred observance in the Islamic faith. Fasting also comes with work-related challenges, such as managing energy levels while fasting. To raise awareness and share knowledge, the Deloitte Muslim Network held a fasting challenge for one day giving our talents the chance to learn about the meaning of Ramadan.

**Celebration of International Women's Day**
For International Women's Day, we invited some of our top leaders to discuss gender equality and structural barriers for women in the workplace – an issue we take seriously and want to improve on. This hybrid event was open to all of our talents, both in person and virtually.



# Guided by our purpose and shared values

Stakeholders expect us to run a responsible and sustainable business, behave ethically, and successfully manage risks. We are committed to delivering on that expectation and to running a responsible business that drives sustainable progress.

At Deloitte, our purpose is to make an impact that matters, for our people, clients, society, and the planet. Our purpose defines why we exist, and it guides our intentions and actions.

Our purpose has guided our behaviours and focus for 179 years. With approximately 460,000 people around the world, our incredible teams work every day to serve our clients and advance our purpose. We continue to welcome over 100,000 new talents every year and continue to be recognised as one of the best places to work in the world.

Our people are our greatest asset – which is why our purpose and our shared values are core to our culture and our success. Without them, we would never have been able to build the biggest and most valuable professional services firm year over year. Going forward, we will continue to strive towards our aspiration - of creating enduring value for our people, clients, society, and the planet while being recognised as one of the most respected and responsible professional services firm in the world.

Read more about ethics and information security on page 39

**Our Shared Values**

- Lead the way
- Serve with integrity
- Take care of each other
- Foster inclusion
- Collaborate for measurable impact

Our Global Principles of Business Conduct – or Global Code – reflect our ethical commitments and the standards we hold each other accountable for. Our Commitment to Responsible Business Practices covers the responsible business principles we believe in and the commitments we have made. Living by the codes and policies and ensuring good governance are foundational to living our purpose and shared values. And we work to instil this – all Partners and Directors have and will have Mandatory Ethics training during FY24 and FY25.

**Culture Ambassadors**

In Denmark, during the past year, we have focused on bringing our shared values to life. As part of efforts to continuously strengthen our culture, we introduced a new Culture Ambassador Programme with 23 representatives across the firm to ensure that we connect and make progress on topics that are important to our people. We created a diverse group in terms of age, gender, and seniority who meet regularly to discuss challenges and work on how we can continue to nurture and create a better culture for current and future colleagues

The group reports to the Executive team and shares new initiatives with our people. To bring the values to life, the group created a values campaign where five Culture Ambassadors each shared their reflections on a value particularly important to them.

**Serving the public trust**
Deloitte's reputation is built on trust, innovation, quality, and transparency. It distinguishes Deloitte in the marketplace, differentiating us from the competition and enabling us to continue to attract the best talents.

Having audit as our legacy, we are servants of the public trust by providing audits of the highest quality, ensuring objectivity and providing transparency across the organisations we serve. This is our licence to operate, and if we fail to live up to these standards, we risk that people and businesses will lose faith in systems, authorities, and capital markets.

Therefore, we work every day to uphold our position as the leading professional services firm in the world by acting ethically and with integrity and serving as role models in our communities - while complying with external as well as regulatory requirements and expectations.

**WorldClass in Denmark - our local impact**
In addition to our global initiatives, we have several local WorldClass initiatives that support our ambition. Through our various initiatives in Denmark, we have reached **5,584** people across 12 WorldClass programmes this year, giving us a total of **39,906** individuals reached since the programme began in 2018.

During FY24, we continued our work with existing WorldClass initiatives, and also embarked on some new ones. The WorldClass programmes offer a diverse range of educational and skill development courses led by enthusiastic Deloitte professionals. Our colleagues are driven by the opportunity to inspire others and actively engage with universities and elementary schools.


**Our global WorldClass ambition - empowering 100 million people**
Millions of people around the world are held back from achieving their full potential. Investing in education and skills is the answer. It is the foundation of opportunity and progress, and it creates better futures for all.

As a professional services business with knowledge workers, we believe we make the greatest societal impact when our people use their skills and expertise to help others succeed. Our commitment to make an impact that matters to society is outlined in our global WorldClass ambition – to reach 100 million people by 2030 through programmes and partnerships with leading educational organisations around the world. We invest our time, provide volunteers, and donate to support millions of students, teachers, and educational leaders worldwide. Since we started measuring our global impact in 2017, we have reached 81 million individuals worldwide.

This year, Deloitte colleagues created an impact by creating captivating real-life cases for young people at "DM i Fagene" (the Danish championship of subjects). We extended invitations to 41 students from CBS's Diversity and Change Management programme to take part in a live case focused on diversity and inclusion at our Copenhagen office. Additionally, around 2,300 students have been taught by a full-time Deloitte professional at their university.

During FY24, we have empowered organisations to drive even greater change in our society. Once again, Deloitte has supported the Human Practice Foundation in their operations with


advisory and audit services – including organising their fundraising. The Human Practice Foundation is a pro-bono organisation dedicated to establishing schools, delivering quality education, and fostering entrepreneurial projects for children and communities in Nepal, Kenya, and Denmark. We take pride in supporting an organisation that expands access to education for children in the world.

We continued our support to EQUALIS, a think tank that promotes gender equality and diversity through knowledge, action, and partnerships. In FY24, EQUALIS launched the second edition of the Diversity Barometer, which we helped to co-create the first version of last year. This year, Deloitte also assisted in translating the report to ensure broader access to the findings.

In 2023, the Copenhagen Pride organisation experienced a cyberattack, resulting in their website being rendered unavailable leading up to Pride Week. Deloitte stepped in to support Copenhagen Pride, with whom we have a long-standing partnership, by offering recommendations on how to prevent similar incidents in the future.

**Impact Day in Audit**

For the first time, a team from Audit & Assurance came together for a community clean-up. Waste and litter remain significant challenges in society, with microplastics posing an increasing problem. As a result, 15 colleagues chose to make a difference by picking up litter and improving the area around the office in Copenhagen.

In FY24, Deloitte partnered with Medvind, an organisation that fosters community for socially disadvantaged individuals by providing job opportunities. Through Medvind, socially vulnerable individuals learn to conduct bike service checks, pump tires, check for small stones, adjust gears and brakes, lubricate moving parts, and wash and polish bikes. We were honoured to host Medvind at our office.

**Small Great Nation**

Small Great Nation is a long-standing social impact initiative that supports our Global WorldClass ambition. A collaboration with think tank Kraka running on the sixth year, Small Great Nation aims to create a fact-based discussion about Denmark's strengths, opportunities, and challenges as a country. By undertaking solid macro-economic analyses, hosting events and advisory boards, releasing podcasts, and engaging in media activities, we work to engage business leaders, politicians, interest organisations, the public sector, and the general public in meaningful discussions about Denmark's future.

During the past year, we released and launched our 13th report on "Breaking down barriers and unleashing the talent pool" as well as our 14th report "From hype to hope – how can AI generate a richer Denmark?".

Both reports were launched at packed conferences, and particularly the AI report generated several front-page media stories and has strengthened our conversation and position on a national approach to GenAI, a topic that is top of mind for businesses, policymakers, and the public alike.

The talent report has provided the basis for conversations at several events and in the media, as it taps into the dialogue on attracting and retaining a strong talent pool in Denmark – with foreign labour and competitive edge in mind. The talent report also supports Deloitte Denmark's strategy of being #1 for talents and providing lifelong learning by zooming in on creating diversity, building career development paths, and enabling more Danes to unleash their potential.

# Ethics and information security

## We set ourselves high standards, not just because it is the right thing to do, but because it is crucial in our role as guardians of public trust.

Deloitte's reputation is one of our most cherished assets. That is why we work diligently and proactively to continually advance the culture of integrity across the organisation. Deloitte is committed to conducting business with transparency, honesty, and the utmost professionalism. And we hold ourselves accountable by showing the connection between responsible governance and operational success.

Deloitte's Global Principles of Business Conduct outline our ethical commitments and expectations for all Deloitte people across the globe. These principles reflect our core belief that ethics and integrity are fundamental and non-negotiable. The principles articulate how our firm stands strong against bribery, fraud and corruption, and against discrimination and harassment. It also outlines policies on family relationships to ensure objectivity in decisions as well as being a non-retaliatory workplace. The code also outlines our commitment to respecting human rights and ensuring we communicate clearly about rights to everyone. Deloitte continuously strives to be an ethical company that meets or exceeds the demands and expectations of society and clients.

Our culture is open and honest, we treat each other equally and respectfully, and we never bring our professional and individual integrity into question through corrupt and unethical behaviour – inside or outside our firm. That is why we take any incident seriously.
It is important for us that our people know that no one is above the rules – no matter their rank or professional value to the organisation. Therefore, we have had to let go of skilled people who have failed to live up to our values and exhibited inappropriate behaviour.

We provide mandatory training on ethical behaviour, and we have different channels for consultation and reporting on ethics concerns that emphasise confidentiality and non-retaliation. Either directly to team leaders or partners or by using the third-party 'Speak Up' whistle-blower system, which allows our people to safely share concerns and report any unethical behaviour – including potential breaches of human rights or examples of corrupt or inappropriate behaviour.

This past year, following media and social media attention regarding respect and inclusion, it became clear that a number of employees have felt unfair treatment in different ways. We took this critique very seriously as inappropriate behaviour in any way is not acceptable. We listened carefully to our people and reassessed our whistle-blower process, which has now been revised by a new and more diverse ethics committee, which serves independently from the leadership team and is supported by an external lawyer. This is to ensure independence and fairness are central to any investigation of ethics incidents. We have also communicated strongly about our commitment to ensuring that respect and inclusion is at the heart of Deloitte through townhalls and other CEO communication and will continue to do so.

CEO COMMENTARY
OUR STRATEGY
LIFELONG LEARNING
SUSTAINABILITY
TECHNOLOGY
MERGERS & ACQUISITIONS
AUDIT & ASSURANCE
ENVIRONMENT
SOCIAL
GOVERNANCE
ETHICS AND INFORMATION SECURITY
FINANCIAL REVIEW FY24
INDEPENDENT AUDITOR'S REPORT
STATEMENT OF COMPREHENSIVE INCOME FOR FY24
SUMMARY OF NOTES TO THE FINANCIAL STATEMENTS

**Generative AI and ethical data use**

With the proliferation of generative AI both as a business opportunity and a working tool, how we approach and apply GenAI in our work is important. As we have introduced global generative AI tools across the firm, in Denmark and across Europe, we have implemented PairD – our very own generative AI tool. Alongside the efficiencies and innovation we can draw from generative AI, we are committed to ensuring ethical generative AI behaviour – in client work and in all the ways we use the tool. To reinforce this, we had the opportunity to attend the very first global generative AI learning month with sessions on harnessing the benefits whilst ensuring ethical use. These sessions were available to all our professionals.

**Ethical technology guiding principles**

We recognise technology provides tremendous opportu-nities to help us live our Purpose. It enables us to serve clients with distinction, provide our people with a leading talent experience, and contribute to communities through our WorldImpact programs. But, with opportunity comes responsibility.

Deloitte has developed a set of ethical technology guiding principles to help guide our people's choices and prompt them to consider both the ethical implications of their tech-related activities and how their actions could affect end users and society. These principles reflect our collective commitment to responsible business practices and are rooted in our shared values.

The guiding principles constitute Deloitte's data ethics policy according to section 99d in the Danish Financial Statements Act.


**Human rights and the supply chain**

The professional services industry has a lower risk of child, forced, or compulsory labour in their direct operations relative to other industries, given the type of work performed and its delivery methods. Deloitte's commitment to protect these human rights is expressed in Deloitte's Global Principles of Business Conduct. Deloitte is not aware of any instances of child, forced, or compulsory labour in our operations.

Deloitte's supply chain crosses multiple industries and all regions of the world. The Deloitte Supplier Code of Conduct includes prohibitions on forced or involuntary labour. It also requires that work be conducted based on freely agreed terms; that documents relating to workers' identities or immigration status may not be withheld or destroyed, concealed, confiscated, or otherwise made inaccessible by the supplier; and that there be no exploitation of child labour. Suppliers are expected to apply standards comparable to those outlined in the Supplier Code of Conduct throughout their own supply chains.

Risks related to human rights are more likely to exist in the areas of office construction, IT hardware, facility management, and hospitality services and are more likely to occur deeper in our supply chains, beyond those suppliers from whom we procure directly. Increased transparency from direct suppliers will be helpful in continuing to understand and address human rights issues, and we plan to look further into improving this in the coming year

**Ethics training - sustaining a culture of integrity**

We work closely with our senior leadership to build and enhance Deloitte's ethics programme through ongoing ethics training and campaigns that confront employees with ethical dilemmas through role playing and storytelling. By exemplifying ethical scenarios, we guide our employees to recognise unethical behaviour and take the right action. Ethics training is required for all Deloitte professionals every two years and for all new hires.

Each year, we conduct an Ethics Survey, where we ask our people to share how they experience our culture, including our focus on human rights, professional conduct, and conflicts of interest.

We are happy to see that the survey results show that our continuous training and communication have proven effective in fostering an ethical culture in Deloitte. However, we acknowledge that this is an ongoing effort and an area with room for improvement. Therefore, we continue to focus on the value of diversity in many forms and how to foster a truly diverse and inclusive work culture - read more about these initiatives under Social NEW LINK. Our CEO also communicates strongly and frequently about our zero-tolerance policy on these issues through internal communications channels, such as intranet, newsletters, and webinars.

In addition to this year's Ethics Survey, our employees completed a mandatory ethics refresher e-learning that was designed to make our people pause and reflect on the behaviours that are expected of them, practise how to handle different ethical dilemmas, and gain insight into what happens after a concern has been raised. We will continue these and other efforts in FY25 to ensure that our culture and conduct always reflect our purpose and Shared Values.

**Business Continuity, Information and cyber security**

Information security and business continuity controls are core elements of our workplace culture. We continually reinforce and communicate our security policies to ensure that all our people maintain a clear understanding of what is expected of them and how we protect their rights to privacy and confidentiality. During the past year, we have maintained a very high focus on cyber security. This only becomes more pertinent with increases in cyberattacks across the world following ongoing geopolitical tensions and uncertainty.

Again this year, we have implemented our comprehensive cyber culture programme. This initiative included campaigns, a cyber escape room game and mandatory e-learning modules that provided updates on various security aspects such as data security, identifying phishing attempts across emails, phone calls and text messages and reporting incidents. We also held our annual Cyber Security Awareness Week, with specific emphasis on best practices to help our people identify and mitigate real-world cyber threats.

At Deloitte, we also conduct quarterly phishing drills to assess our practitioners, followed by informative communications on identifying phishing attempts. This proactive approach ensures that all employees remain vigilant against cyber risks. Additionally, our mandatory annual e-learning courses on cyber security enhance awareness of confidentiality, privacy, and security risks, aiming to mitigate security breaches and uphold compliance with the General Data Protection Regulation (GDPR) and other relevant standards.

We have also updated and reinforced our risk control systems and – after passing both internal and external audits – we had our Nordic ISO27001 and ISO22301 certification renewed.

The ISO27001 certification demonstrates our commitment to running a responsible business while keeping our data and clients' data safe. Being ISO 27001-certified allows us to guarantee our clients and people that we will always treat their data in a secure, responsible, and appropriate manner. This certification allows us to protect our brand, image, and business.

The ISO22301 certification demonstrates our commitment to identifying potential threats and implementing effective plans to respond to and recover from disruptive incidents. It also showcases our dedication to ensuring the continuity of critical business functions, providing assurance to stakeholders and clients alike.

In times of uncertainty, resilience is highly valued by clients making the certificate an important asset when it comes to choosing their advisor. Through this certification, we demonstrate when disruptions occur, no matter how small, that it is important we protect our colleagues, clients and our business. Our Business Continuity Management System is designed to do just that. It is of vital importance that everyone knows their role in case of a disruption and sees it as an integral part of their responsibilities.

The above-mentioned activities are all part of our extensive risk control system at Deloitte, which we continue to advance.

# Financial review

**Main activity**
Deloitte Statsautoriseret Revisionspartnerselskab carries out audit and advisory services in Denmark within the framework that follows from the Danish auditing legislation. The activities have consisted of audit and advisory services within Audit & Assurance, Consulting, Tax & Legal, Risk Advisory and Financial Advisory.

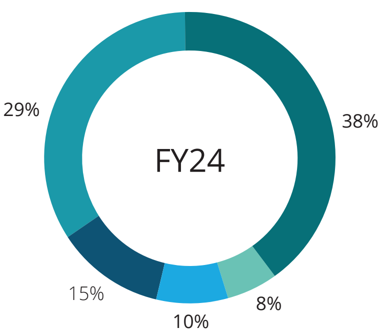
**Statement of comprehensive income**
We have continued our growth and consolidation of our position as a market leading audit and advisory firm in Denmark with a growth rate in revenue of 4% compared to last year. Revenue totals DKK 5,168m compared to DKK 4,963m in FY23. Taking divestment into account all business units except for one have experienced increased level of activity as described below and in general the increased revenue relates to organic growth.

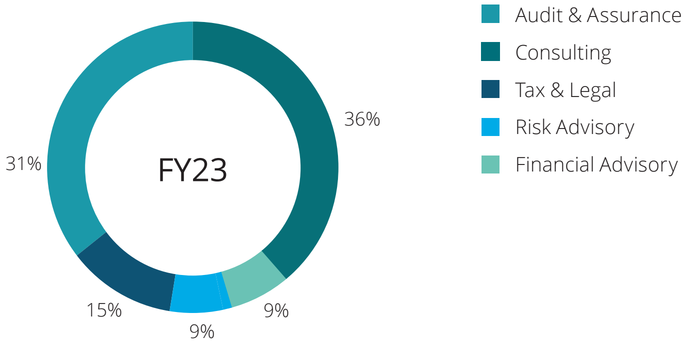
Staff costs, including remuneration to the partners, total DKK 3,325m, which was a small decrease compared to last year. The decrease was mainly due to divestment that led to a decrease in number of employees. Of the total staff on 31 May 2024, 284 were partners (31 May 2023: 275).

External expenses increased by 16% to DKK 1,641m. The increase was mainly due to use of sub-contractors, including other Deloitte member firms.

Profit for the year amounted to DKK 142m, which was DKK 73m higher than last year's profit and expectations expressed in the annual report for FY23. The increase in earnings was primarily due to divestment of activities in the Audit & Assurance business. The revenue exceeds the expressed ex-pectations of an increase in revenue taking the divestment into account. The higher revenue relates to all business units except from one when considering divestment in audit. We refer to below for further details. In assessing the results, it should be considered that the remuneration to equity partners has been recognised in staff costs.

**Revenue by business unit**



### Audit & Assurance
During FY24, Audit & Assurance continued the transformational journey by accelerating the use of technology, sustaining market-leading quality, and continuing to change our delivery models to create a sustainable people experience. In addition a number of divestments were executed to further focus our business. Revenue went down by 2% compared to last year – significantly affected by the divestments. Taking the divestment into account all service areas within Audit & Assurance have contributed to growth, particularly high demand within Financial Services and Private Segments as well as a continued growth in Assurance Offerings.

### Consulting
Consulting increased revenue by 11% in FY24, with a continuous focus on supporting our clients through large-scale business transformations. This growth was enabled by a remarkable culture, continued investment in future services and hard work carried out by Consulting's talents.

### Tax & Legal
Tax & Legal have had another year of strong double-digit growth rate of 10%. The growth was primarily driven by Transfer Pricing, Indirect Tax and Business Tax. The growth in Transfer Pricing is driven by demand for compliance work as well as increase in advisory work due to the increased regulatory requirements. The growth in Indirect Tax is a result of the transformation which began a couple of years ago. Business Tax has grown across the country. A huge factor for the growth has been continuously investment in talent resources and capabilities both internally but also key senior hires.

### Risk Advisory
Risk Advisory continued its growth during FY24 by realizing a 4% increase in revenue. The growth was driven by continued high activity within well-established offerings as well as new fast-growing service areas. The growth is proof of continued strong demand for risk, cyber, and compliance-related services combined with a more streamlined business after divesting the legacy business area of managed license services.

### Financial Advisory
Financial Advisory realised a negative growth rate of 10% compared to FY23. M&A Transaction Services and Forensic realised one-digit growth rates, whereas Corporate Finance Advisory experienced a slight decline as a consequence of volatile market conditions. We continue to build a resilient and well balanced business that can serve clients in M&A and Forensic.

### Balance sheet and cash flow statement
By the end of FY24, the balance sheet totalled DKK 2,813m (FY23: DKK 2,851m), of which equity amounted to DKK 798m (FY23: DKK 632m), equalling an equity ratio of 28% (FY23: 22%). The equity ratio excluding leasing liabilities equals 30% (FY23: 25%).

Investments in intangible assets and property, plant and equipment amounted to DKK 17m in FY24 which is DKK 147m lower than in FY23 primarily because of acquisition of Framework and right-of-use assets.

At the end of FY24, net contract assets and trade receivables made up DKK 1,269m, which was an increase of DKK 55m compared to last year. The increase was due to both increased activity and revenue.

At the end of FY24, the equity amounted to DKK 798m, a net increase of DKK 166m compared to last year. The positive development can be attributed to a positive net result of DKK 142m, dividend payment of DKK 66m, and capital cash contribution of DKK 89m.

Dividend distributed in FY24 amounted to DKK 66m, which was DKK 6m higher than prior year, effected by the number of equity partners. The Board proposes a total dividend payment of DKK 76m for FY24 for the shareholders approval on the Shareholders Meeting 30 October 2024.

Operating cash flow before working capital changes amounted to DKK 215m by end of FY24 (FY23: DKK 240m). This development compared to last year is mainly related to adjustments for non-cash items.

### Parent
The Parent generally accounts for 99% to 100% of the Firm's activities. The Firm's development, therefore, in all material respects corresponds to that of the Parent as commented above.

### Uncertainty relating to recognition and measurement
No special uncertainty has been identified relating to recognition and measurement. For significant accounting judgements and estimates, refer to Note 0.5 to the consolidated financial statements.

### Research and development activities
In addition to development projects capitalised during FY24, DKK 4m, ongoing improvements and development of business supporting tools are carried out but are not assessed to meet the criteria for recognition as separate assets in the balance sheet.

As focus will remain on digitalisation and innovation, we expect to make further investments in these areas during FY25.

**Financial risks**

The Firm's financial management is directed at managing and reducing financial risks, which are a direct consequence of the Firm's operations, investments and financing. Because of its operations, investments and financing, the Firm is primarily exposed to changes in exchange rates and interest rates. Furthermore, the Firm is exposed to credit risks related to trade receivables, contract assets, bank deposits and liquidity risks.

The exposures to the identified risks are monitored on an ongoing basis by the Firm's finance department. The objective is that the Firm's financial management will contribute to increasing the predictability of the financial performance, which includes reducing the financial risks identified. The Firm does not use derivatives etc.

The Firm's finance department manages the Group's financial risks and coordinates the Group's cash management, including financing and investment of surplus liquidity.

For specification of the exposures etc., refer to Note 3.5 in the financial statements.

**Events after the balance sheet date**

After the balance sheet date, as of 30 June 2024 and as a part of the strategic focus on serving fewer clients more comprehensively, Deloitte Denmark has made the decision to divest Deloitte Pension Management the independent life insurance brokers who work with life, pension, and health insurance. The divestment will not have a significant effect on the annual report for either FY24 or going forward.

During FY25 Deloitte Denmark takes part in the global restructuring of business units, within Deloitte. The new storefront will affect the business units shown in the financial review, as well as notes 1.5 and 2.1. There will be no significant effect other than mentioned above for the annual report going forward.

There have been no other events after the balance sheet date that could significantly impact this annual report.

**Outlook FY25**

Taking into consideration the general development in the economy and the profession, next year is expected to see satisfactory growth for all business units. An overall increase in revenue adjusted for divestments 3-5% is expected. Earnings for the coming year is expected to be on a par with this year excluding the income from the divested activities (described in Note 4.1).

# Financial highlights

| | FY24 DKK'm | FY23 DKK'm | FY22 DKK'm | FY21 DKK'm | FY20 DKK'm |
|---|---|---|---|---|---|
| **Key figures** | | | | | |
| Revenue | 5,168 | 4,963 | 4,442 | 3,748 | 3,588 |
| Operating profit* | 170 | 97 | 84 | 72 | 80 |
| Net financials | (28) | (28) | (20) | (16) | (20) |
| Profit for the year* | 142 | 69 | 64 | 55 | 60 |
| Trade receivables and net contract assets | 1,269 | 1,214 | 999 | 1,075 | 973 |
| Equity | 798 | 632 | 578 | 575 | 580 |
| Balance sheet total | 2,813 | 2,851 | 2,716 | 2,801 | 2,542 |
| Investment in intangible assets | 4 | 124 | 63 | 22 | 67 |
| Investment in property, plant and equipment | 14 | 119 | 20 | 38 | 25 |
| Net interest-bearing debt | 332 | 515 | 330 | 500 | 693 |
| Cash flows from operating activities | 4 | 82 | 301 | 301 | 542 |
| Average no. of full-time employees | 2,910 | 2,996 | 2,680 | 2,581 | 2,642 |
| **Ratios** | | | | | |
| Operating margin (%) | 3.3 | 2.0 | 1.9 | 1.9 | 2.2 |
| Equity ratio (%) | 28.4 | 22.2 | 21.3 | 20.5 | 22.8 |
| Equity ratio excl. lease liabilities | 30.2 | 24.8 | 24.0 | 23.8 | 27.9 |
| Revenue per average full-time employee | 1.8 | 1.7 | 1.7 | 1.5 | 1.4 |
| Financial gearing (%) | 0.4 | 0.8 | 0.6 | 0.9 | 1.2 |

*In evaluating the profit, it should be considered that the shareholders of the Firm are also its partners and that their remuneration is profit related. The remuneration has been recognised in staff costs.

Key figures and ratios are defined and calculated in accordance with the CFA Society Denmark's current version of "Recommendations & Ratios" and as stated below:

**Definitions**

Operating margin: $\frac{\text{Operating profit * 100}}{\text{Revenue}}$

Equity ratio: $\frac{\text{Equity * 100}}{\text{Balance sheet total}}$

Revenue per average full-time employee: $\frac{\text{Revenue (DKK'm)}}{\text{Average no. of full-time employees}}$

Financial gearing excl. lease liabilities: $\frac{\text{Net interest-bearing debt excl. lease liabilities *}}{\text{Equity}}$

Financial gearing incl. lease liabilities: $\frac{\text{Net interest-bearing debt incl. lease liabilities *}}{\text{Equity}}$

Net interest-bearing debt consist of cash and bank balances and financial liabilities including lease liabilities and contingent consideration for business acquisitions and excluding operating liabilities.

# Statement by Management on the annual report

Management has today considered and approved the annual report of Deloitte Statsautoriseret Revisionspartnerselskab for the financial year 1 June 2023 to 31 May 2024.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class C (large) enterprises as governed by the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 May 2024 and of the results of their operations and cash flows for the financial year 1 June 2023 to 31 May 2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 5 September 2024.

**Chief Executive Officer**

Christian Schelde Jensby

**Board of Directors**

Lars Kronow
Chairman

Gustav Jeppesen

Therese Kjellberg

Rene Winther Pedersen

Jane Whitlock

Nidha Rizwan

Mette-Katrine Hviid


# Independent auditor's report

# Independent auditor's report

**To the shareholders of Deloitte Statsautoriseret Revisionspartnerselskab**

**Opinion**

We have audited the consolidated financial statements and the parent financial statements of Deloitte Statsautoriseret Revisionspartnerselskab for the financial year 01.06.2023 to 31.05.2024, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.05.2024 and of the results of their operations and cash flows for the financial year 01.06.2023 to 31.05.2024 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity 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.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

**Management's responsibilities for the consolidated financial statements and the parent financial statements**

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements**
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 5 September 2024

**Beierholm**
Godkendt Revisionspartnerselskab
Business Registration No. 32 89 54 68

*Philip Heick-Poulsen*
*State-Authorised Public Accountant*
*mne34280*

# Statement of comprehensive income for FY24

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | FY24 DKK'm | FY23 DKK'm | FY24 DKK'm | FY23 DKK'm |
| Revenue (1.1) | 5,168.3 | 4,962.7 | 5,146.6 | 4,945.2 |
| Staff costs (1.2) | (3,325.4) | (3,327.7) | (3,309.9) | (3,313.7) |
| External expenses (1.3) | (1,640.9) | (1,416.6) | (1,634.7) | (1,411.0) |
| Depreciation and amortisation (1.4) | (115.1) | (132.6) | (114.9) | (132.6) |
| Other operating income (1.5) | 83.4 | 11.4 | 83.4 | 11.4 |
| **Operating profit** | **170.3** | **97.2** | **170.5** | **99.3** |
| Income from investments in subsidiaries | - | - | 0.1 | (2.2) |
| Financial income (3.7) | 9.3 | 3.0 | 9.0 | 3.0 |
| Financial expenses (3.8) | (37.7) | (30.8) | (37.7) | (30.7) |
| **Profit for the year** | **141.9** | **69.4** | **141.9** | **69.4** |
| **Comprehensive income for the year** | **141.9** | **69.4** | **141.9** | **69.4** |

# Balance sheet 31.05.2024

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | FY24 DKK'm | FY23 DKK'm | FY24 DKK'm | FY23 DKK'm |
| Goodwill (2.1) | 714.2 | 732.2 | 706.3 | 724.3 |
| Intellectual property rights (2.2) | 2.9 | 4.4 | 2.9 | 4.4 |
| Completed development projects (2.2) | 55.5 | 60.2 | 55.5 | 60.2 |
| Development projects in progress (2.2) | 0.0 | 0.0 | 0.0 | 0.0 |
| **Intangible assets** | **772.6** | **796.8** | **764.7** | **788.9** |
| Right-of-use assets (2.3) | 160.1 | 277.6 | 160.1 | 277.6 |
| Leasehold improvements (2.3) | 8.7 | 10.7 | 8.7 | 10.7 |
| Operating equipment and fixtures (2.3) | 39.4 | 53.0 | 39.4 | 52.9 |
| **Property, plant and equipment** | **208.2** | **341.3** | **208.2** | **341.2** |
| Investments in subsidiaries (2.4) | - | - | 19.7 | 26.1 |
| Investments in associates (2.4) | 17.2 | 17.2 | 17.2 | 17.2 |
| Deposits and other financial assets (2.4) | 43.8 | 47.1 | 43.8 | 47.1 |
| Receivables from associates | 16.2 | 10.2 | 16.2 | 10.2 |
| Prepayments | 20.1 | 17.0 | 20.1 | 17.0 |
| **Other non-current assets** | **97.3** | **91.5** | **117.0** | **117.6** |
| **Non-current assets** | **1,078.1** | **1,229.6** | **1,089.9** | **1,247.7** |
| Trade receivables (2.5) | 1,000.4 | 950.4 | 1,000.4 | 950.4 |
| Contract assets (2.6) | 410.9 | 390.3 | 410.6 | 390.3 |
| Receivables from subsidiaries | - | - | 4.0 | 3.9 |
| Receivables from associates | 37.9 | - | 37.9 | - |
| Other receivables | 10.9 | 8.9 | 8.8 | 2.2 |
| Prepayments | 73.2 | 62.5 | 73.2 | 62.4 |
| **Receivables** | **1,533.3** | **1,412.1** | **1,534.9** | **1,409.2** |
| **Cash and bank balances** | **202.0** | **209.1** | **190.1** | **191.4** |
| **Current assets** | **1,735.3** | **1,621.2** | **1,725.0** | **1,600.6** |
| **Assets** | **2,813.4** | **2,850.8** | **2,814.9** | **2,848.3** |

# Balance sheet at 31.05.2024 (continued)

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | FY24 DKK'm | FY23 DKK'm | FY24 DKK'm | FY23 DKK'm |
| Share capital (3.1) | 52.8 | 45.6 | 52.8 | 45.6 |
| Reserve for equity method | - | - | - | 0.0 |
| Reserve for development projects | - | - | 55.3 | 60.0 |
| Retained earnings | 744.7 | 586.2 | 689.4 | 526.2 |
| **Equity** | **797.5** | **631.8** | **797.5** | **631.8** |
| Lease liabilities (3.4) | 84.8 | 205.8 | 84.8 | 205.8 |
| Other financial liabilities (3.5) | 286.0 | 288.4 | 286.0 | 288.8 |
| Employee liabilities (2.7) | 210.0 | 204.0 | 210.0 | 203.9 |
| Provisions (2.8) | 17.1 | 1.0 | 17.1 | 1.0 |
| **Non-current liabilities** | **597.9** | **699.2** | **597.9** | **699.5** |
| Lease liabilities (3.4) | 88.7 | 91.9 | 88.7 | 91.9 |
| Contingent consideration for business acquisitions (3.5) | - | 15.1 | - | 15.0 |
| Other financial liabilities (3.5) | 74.7 | 122.9 | 74.7 | 122.9 |
| Employee liabilities (2.7) | 749.6 | 805.2 | 746.7 | 803.0 |
| Contract liabilities (2.6) | 142.5 | 126.8 | 142.5 | 126.8 |
| Trade payables (3.5) | 238.8 | 232.7 | 238.6 | 232.0 |
| Payables to subsidiaries | - | - | 4.7 | 2.1 |
| Payables to associates | 10.0 | 5.9 | 10.0 | 5.9 |
| Other liabilities (3.3) | 113.7 | 119.3 | 113.6 | 117.4 |
| **Current liabilities** | **1,418.0** | **1,519.8** | **1,419.5** | **1,517.0** |
| **Liabilities** | **2,015.9** | **2,219.0** | **2,017.4** | **2,216.5** |
| **Equity and liabilities** | **2,813.4** | **2,850.8** | **2,814.9** | **2,848.3** |

# Consolidated statement of changes in equity for FY24

| | Share capital DKK'm | Retained earnings DKK'm | Total DKK'm |
|---|---|---|---|
| **Equity at 31.05.2022** | **42.0** | **536.3** | **578.3** |
| Profit for the year | - | 69.4 | 69.4 |
| **Comprehensive income for the year** | **-** | **69.4** | **69.4** |
| Capital increase | 3.6 | 40.8 | 44.4 |
| Dividend paid | - | (60.3) | (60.3) |
| **Equity at 31.05.2023** | **45.6** | **586.2** | **631.8** |
| Profit for the year | - | 141.9 | 141.9 |
| **Comprehensive income for the year** | **-** | **141.9** | **141.9** |
| Capital increase | 7.2 | 82.2 | 89.4 |
| Dividend paid | - | (65.6) | (65.6) |
| **Equity at 31.05.2024** | **52.8** | **744.7** | **797.5** |

# Parent statement of changes in equity for FY24

| | Share capital DKK'm | Reserve for development projects DKK'm | Retained earnings DKK'm | Total DKK'm |
|---|---|---|---|---|
| **Restated equity at 31.05.2022** | **42.0** | **56.8** | **479.5** | **578.3** |
| Profit for the year | - | 3.2 | 66.2 | 69.4 |
| **Comprehensive income for the year** | **-** | **3.2** | **66.2** | **69.4** |
| Capital increase | 3.6 | - | 40.8 | 44.4 |
| Dividend paid | - | - | (60.3) | (60.3) |
| **Equity at 31.05.2023** | **45.6** | **60.0** | **526.2** | **631.8** |
| Profit for the year | - | (4.7) | 146.6 | 141.9 |
| **Comprehensive income for the year** | **-** | **(4.7)** | **146.6** | **141.9** |
| Capital increase | 7.2 | - | 82.2 | 89.4 |
| Dividend paid | - | - | (65.6) | (65.6) |
| **Equity at 31.05.2024** | **52.8** | **55.3** | **689.4** | **797.5** |

# Cash flow statement for FY24

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | **FY24 DKK'm** | **FY23 DKK'm** | **FY24 DKK'm** | **FY23 DKK'm** |
| Operating profit | 170.3 | 97.2 | 170.5 | 99.3 |
| Adjustments for non-cash items: | | | | |
| Depreciation and amortisation (1.4) | 115.1 | 132.6 | 114.9 | 132.6 |
| Profit from divestment of businesses | (83.4) | - | (83.4) | - |
| Increase/decrease in provisions | 16.1 | 0.7 | 16.1 | 0.7 |
| Increase/decrease in long-term employee liabilities (2.7) | (3.6) | 9.4 | (3.5) | 11.5 |
| **Operating cash flow before working capital changes** | **214.5** | **239.9** | **214.6** | **244.1** |
| Increase/decrease in short-term employee liabilities | (55.6) | (31.2) | (56.3) | (31.5) |
| Increase/decrease in trade payables and other liabilities | (2.5) | 75.6 | 2.4 | 75.8 |
| Increase/decrease in trade receivables and contract assets | (63.2) | (214.9) | (62.9) | (215.3) |
| Increase/decrease in other receivables etc. | (64.6) | 34.8 | (69.4) | 34.5 |
| Increase/decrease in payables to associates | 4.1 | 5.9 | 4.1 | 5.9 |
| **Operating cash flow before financial income and expenses** | **32.7** | **110.1** | **32.5** | **113.5** |
| Interest income etc. received (3.7) | 9.3 | 3.0 | 9.0 | 3.0 |
| Interest expenses etc. paid (3.8) | (37.7) | (30.8) | (37.7) | (30.7) |
| **Cash flows from operating activities** | **4.3** | **82.3** | **3.8** | **85.8** |
| Purchase of intangible assets | (3.9) | (21.2) | (3.9) | (21.2) |
| Sale of intangible assets | - | 3.2 | - | 3.2 |
| Purchase of property, plant and equipment | (13.5) | (36.2) | (13.3) | (47.1) |
| Sale of property, plant and equipment | 9.9 | 2.5 | 9.9 | 2.6 |
| Acquisition of businesses (4.1) | (15.1) | (107.0) | (15.0) | 0.0 |
| Divestment of businesses (4.1) | 127.6 | - | 127.6 | - |
| Acquisition of subsidiaries and capital increase (4.1) | - | - | 6.4 | (107.0) |
| Investment in associates | - | (4.6) | 0.0 | (4.6) |
| Investment in other financial assets, net | 3.3 | (5.0) | 3.3 | (5.0) |
| **Cash flows from investing activities** | **108.3** | **(168.3)** | **115.0** | **(179.1)** |

(continues on next page)

# Cash flow statement for FY24 (continued)

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | FY24 DKK'm | FY23 DKK'm | FY24 DKK'm | FY23 DKK'm |
| Repayment of lease liabilities | (92.9) | (92.0) | (92.9) | (92.0) |
| Capital increase - Equity | 89.4 | 44.4 | 89.4 | 44.4 |
| Draw downs and repayments of financial liabilities (3.3) | (50.6) | (0.9) | (51.0) | (0.6) |
| Dividend paid | (65.6) | (60.3) | (65.6) | (60.3) |
| **Cash flows from financing activities** | **(119.7)** | **(108.8)** | **(120.1)** | **(108.5)** |
| **Increase/decrease in cash and cash equivalents** | **(7.1)** | **(194.8)** | **(1.3)** | **(201.8)** |
| Cash and cash equivalents at 01.06 | 209.1 | 403.9 | 191.4 | 393.2 |
| **Cash and cash equivalents at 31.05 (3.6)** | **202.0** | **209.1** | **190.1** | **191.4** |


# Summary of notes to the financial statements

# Summary of notes to the financial statements



Note disclosures, description of accounting policies and description of significant accounting judgements and estimates made in preparing the consolidated financial statements are divided into four sections which outline the various elements of the financial statements, including the individual line items. This division means that accounting policies, significant accounting judgements and estimates and monetary specifications are presented together for the individual financial statement items and notes.

For reasons of clarity, descriptions are marked as follows:

§ Accounting policies

# Significant accounting judgements and estimates

! RIsks

# 0. Accounting policies in general

§ **0.1 Framework**
Deloitte Statsautoriseret Revisionspartnerselskab ("the Company" or "the Parent" and together with its subsidiaries "the Group or "the Firm") is a limited partnership company domiciled in Copenhagen, Denmark.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports for reporting class C (large) enterprises, as required by the Danish Executive Order on IFRS adoption issued in accordance with the Danish Financial Statements Act.

Through out the annual report, "FY24" and "FY23" are used as abbreviations of the accounting periods 1 June 2023 - 31 May 2024 and 1 June 2022 - 31 May 2023 respectively.

§ **0.2 Changes in accounting policies**
A number of new and amended Standards and Interpretations have come into force for financial years beginning on or after 1 June 2023. None of these have had any effect on the consolidated or parent financial statements.

The accounting policies applied for the consolidated financial statements are unchanged compared to last year apart from minor clarifications in the note disclosures.

§ **0.3 Basis of accounting**
The consolidated financial statements are presented in Danish kroner, which is the Company's and its subsidiaries' functional currency.

The financial statements are presented using the historical cost convention, except where IFRS specifically requires the use of fair value, according to the accounting policies described below under the individual line items.

§ **0.4 Consolidated financial statements**
The consolidated financial statements comprise Deloitte Statsautoriseret Revisionspartnerselskab (Parent) and the group enterprises (subsidiaries) that are controlled by the Parent.

The Parent controls a subsidiary when the Parent is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its control over the subsidiary. Control is normally obtained if the Parent holds more than 50% of the voting rights in the subsidiary.

Enterprises in which the Firm, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

# **0.5 Significant accounting judgements and estimates**
In the process of applying the Firm's accounting policies, certain judgements have been made by Management.

Furthermore, when recognising and measuring items in the financial statements, it is necessary in certain circumstances to make estimates, and to make assumptions, about future events. These estimates and assumptions are based on historical experience and other relevant factors which are considered prudent by Management in the circumstances, but which are inherently uncertain or unpredictable. Actual results may, therefore, vary from these estimates and assumptions.

The estimates made and their underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognised in the accounting period in which such changes occur and in future accounting periods if they affect those periods.

In preparing the financial statements, significant judgements have been made for the following:

- Evaluation of principal/agency relationships in terms of revenue recognition and presentation (Note 1.1).

Significant accounting estimates have been made for the following elements:

- Determination of the value of contract assets (Notes 1.1 and 2.6)
- Calculation of value-in-use when testing goodwill for impairment (Note 2.1)
- Allowance for expected losses on receivables (Note 2.5)
- Measurement of provisions (Note 2.8).

### § 0.6 Foreign currency translation
On initial recognition, foreign currency transactions are translated at the exchange rate on the transaction date. Receivables, payables and other monetary items denominated in foreign currency that have not been settled at the balance sheet date, are translated using the exchange rate on the balance sheet date. Exchange differences arising between the transaction date and the payment date, or the balance sheet date, are recognised in the statement of comprehensive income as financial income or financial expenses.

### § 0.7 Taxation
As limited partnership companies, the Company and its major subsidiaries are not independent taxpayers, as the liability to pay tax falls on the Firm's equity partners. Therefore, no current tax or deferred tax is recognised in the consolidated financial statements.

### § 0.8 Standards and Interpretations not yet in force
At the time when the annual report FY24 was authorised for issue, the IASB and the IFRS Interpretations Committee have issued a number of new Standards and Interpretations and related amendments, which will only enter into force for the Firm's financial years beginning after 31 May 2023. These Standards and Interpretations have, therefore, not been applied in the preparation of the consolidated financial statements for the current year.

Apart from IFRS 18 Presentation and Disclosure in Financial Statements, which potentially will change the presentation of statement of comprehensive income as from FY28, the new and amended standards and interpretations, are not expected to have any significant impact on future financial statements. In relation to IFRS 18, the Management is currently evaluating the potential impact of the standard. IFRS 18 is not yet endorsed by the EU.

### # 0.9 Materiality in financial reporting
In connection with the preparation of the annual report, Management assesses how the annual report is to be presented. In this connection, much importance is attached to the content being relevant to the users.

Thus, when presenting the statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement of the consolidated financial statements, it is assessed whether a need exists to disaggregate financial statement items further or whether it is more appropriate to aggregate amounts etc. and, in doing so, enhance transparency.

When preparing the accompanying notes to the consolidated financial statements, the focus is on the content being relevant to the users and on the notes being presented in a clear and informative manner. The assessment, which takes into account the requirements of Danish law, International Financial Reporting Standards and Interpretations, and with the overarching objective that the consolidated financial statements as a whole must give a true and fair view, has entailed that information deemed immaterial by Management has been omitted from the consolidated and parent financial statements.

### § 0.10 Parent financial statements
The parent financial statements for FY24 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports for reporting class C (large) enterprises, as required by the Danish Executive Order on IFRS adoption issued in accordance with the Danish Financial Statements Act.

The accounting principles applied to the parent financial statements are similar to those applied to the consolidated financial statements, with the addition of accounting principles for investments in subsidiaries, refer to Note 2.4.

The Parent's activities generally account for 99% to 100% of the Group's activities. Therefore, note disclosures are generally identical for the Parent and the Group or with only immaterial deviations between the Parent's and the Group's disclosures.

# 1. Operating profit or loss

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### 1.1 Revenue from contracts with customers

The Firm generates revenue primarily by delivering to customers the types of professional services offered by the business units of Audit & Assurance, Consulting, Tax & Legal, Risk Advisory, and Financial Advisory.

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | FY24 DKK'm | FY23 DKK'm | FY24 DKK'm | FY23 DKK'm |
| **Revenue by geography:** | | | | |
| Denmark | 4,244.2 | 4,124.8 | 4,222.5 | 4,107.3 |
| Other Nordic countries | 636.2 | 508.4 | 636.2 | 508.4 |
| Rest of the world | 287.9 | 329.5 | 287.9 | 329.5 |
| | **5,168.3** | **4,962.7** | **5,146.6** | **4,945.2** |

Each business unit offers a wide range of services and, when delivered to individual customers, these are almost always distinct in nature. However, the performance obligations tend to be consistent from customer to customer, and the ones the Firm most commonly satisfies are unchanged from last year.

- External audit services.
- Technology solution design and implementation.
- Strategy and consulting services.
- Direct and indirect tax compliance and advisory services.
- Legal services.
- Business and compliance services.
- Corporate finance advisory.
- M&A transactions and related services.
- Cyber risk services.

The amount of revenue the Firm receives varies both from service to service and from customer to customer, reflecting the distinct nature of the services the Firm provides, and typically reflecting the skills and experience of the individuals who provide the services.

The consideration the Firm receives is typically based on one or more of these principal pricing mechanisms:

- Time and materials.
- Fixed fee.
- Contingent fee.

Most of the Firm's contractual arrangements with customers comprise a single performance obligation. For those contractual arrangements that comprise multiple performance obligations, the transaction price is allocated based on the relative estimated stand-alone selling price of each performance obligation.

The Firm has determined that no significant financing component exists in respect of its professional services as the period between when the Firm transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

As a provider of professional services, the Firm is exposed to professional liability claims. See Note 2.8.

**1.1 Revenue from contracts with customers (continued)**

**Accounting policies**

Other than for contingent fees which are constrained in accordance with the requirements of IFRS 15, the Firm has an enforceable right to payment for services rendered and, given the distinct nature of the services provided, recognises revenue over time as such services are rendered.

The Firm measures progress in satisfying the performance obligations as follows:

- For time and materials arrangements, the Firm recognises revenue based on time charged to date. This output method approach uses the practical expedient in IFRS 15 with the amount recognised as revenue reflecting the amount that the Firm has the right to invoice its customers for.
- For fixed fee arrangements, the Firm uses an input method based upon the value of the hours charged to the engagement to date compared to the total expected inputs. Chargeable time for employees tends to be the most significant input and this is charged to individual contracts (and performance obligations) via timesheet reporting. Revenues are recognised as employee time used to provide the services.
- Contingent fees are typically recognised when the contingency is resolved.

**Significant accounting judgements and estimates**

**Evaluation of principal/agency relationships (accounting judgement)**

When a revenue transaction involves a third party in providing goods or services to a customer, the Firm must determine whether the nature of its promise to the customer is to provide the underlying goods or services itself (i.e., the Firm is the principal in the transaction) or to arrange for the third party, e.g., other Deloitte member firms to provide the underlying goods or services directly to the customer (i.e., the Firm is the agent in the transaction). Due to the complexities of some of these arrangements, this determination may require significant judgement, including an assessment as to whether the Firm controls a specified good or service before it is transferred to a customer. If this is deemed to be the case, the Firm recognises revenue on a gross basis – if not, revenue is recognised on a net basis.

**Value of contract assets (accounting estimate)**

Contract assets in the form of contract work in progress are recognised at the amount equal to the consideration that Management expects the Firm to be entitled to receive for the work carried out at the balance sheet date.

Estimates are made regarding measuring progress satisfying the performance obligations and establishing when contingencies are satisfactory resolved.

At 31 May 2024, the value of contract assets recognised at selling price totalled DKK 3,004m before offsetting of amounts invoiced on account (31 May 2023: DKK 3,470m).

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | **FY24 DKK'm** | **FY23 DKK'm** | **FY24 DKK'm** | **FY23 DKK'm** |
| **Revenue**<br>Revenue from contracts with customers is broken down by business unit as follows: | | | | |
| Audit & Assurance | 1,502.7 | 1,537.4 | 1,484.6 | 1,520.7 |
| Consulting | 1,963.6 | 1,768.5 | 1,960.0 | 1,767.7 |
| Tax & Legal | 793.7 | 721.0 | 793.7 | 721.0 |
| Risk Advisory | 488.8 | 468.9 | 488.8 | 468.9 |
| Financial Advisory | 419.5 | 466.9 | 419.5 | 466.9 |
| | **5,168.3** | **4,962.7** | **5,146.6** | **4,945.2** |

**1.2 Staff costs**

Staff costs comprise salaries, bonuses, remuneration and social security expenses etc. for the financial year for the Firm's employees and partners, including stay-on fees offered when acquiring businesses. Staff costs also include accumulation of costs relating to employees' future jubilee benefits.

Key Management Personnel includes the Firm's Board of Directors, the Chief Executive Officer and other members of the Executive team.

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | **FY24 DKK'm** | **FY23 DKK'm** | **FY24 DKK'm** | **FY23 DKK'm** |
| Salaries to employees and remuneration to partners | 3,151.9 | 3.145.8 | 3,137.5 | 3,133.0 |
| Long-term employee liabilities, refer to Note 2.7 | (1.0) | 1.5 | (1.0) | 1.5 |
| Defined contribution plans | 52.6 | 42.2 | 52.2 | 41.9 |
| Other social security expenses | 28.8 | 25.3 | 28.6 | 25.0 |
| Other staff costs | 93.1 | 112.9 | 92.6 | 112.3 |
| | **3,325.4** | **3,327.7** | **3,309.9** | **3,313.7** |
| No. of average full-time employees | 2,910 | 2,996 | 2,894 | 2,979 |
| No. of full-time employees at year-end | 3,115 | 3,230 | 3,098 | 3,214 |
| Total remuneration to Key Management Personnel | 143.8 | 164.6 | 143.8 | 164.6 |

Remuneration to Key Management Personnel consists of remuneration in the form of short-term employee benefits to equity partners being members of the defined Key Management Personnel. No specific directors' fees were paid to members of the Firm's Board of Directors. Remuneration to the Chief Executive Officer for FY24 and FY23 is not disclosed separately as remuneration has been paid to one person only.

**1.3 External expenses**

External expenses for the financial year comprise costs of administration, premises, training and education, marketing, loss allowances regarding bad debts, etc. and work carried out by subcontractors where the Firm is acting as principal in the transaction.

| | **FY24 DKK'm** | **FY23 DKK'm** |
|---|---|---|
| Work carried out by subcontractors, including other Deloitte member firms | **990.2** | **795.3** |

## 1.4 Depreciation and amortisation

**Accounting policies**

Intangible assets are amortised, and items of property, plant and equipment are depreciated on a straight-line basis from when the assets are ready for their intended use over their expected useful lives, which are as follows:

| | |
|---|---|
| Intellectual property rights | 1-10 years |
| Completed development projects | 1-12 years |
| Right-of-use assets | 1-11 years |
| Leasehold improvements | 1-10 years |
| Operating equipment and fixtures | 3-8 years |

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term taking into consideration options to extend the lease period. The depreciation periods on the leases covers 1 - 11 years set from the commencement date of the lease.

The maximum depreciation period for leasehold improvements is the agreed lease term.

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| **Depreciation, amortisation and impairment** | | |
| Intellectual property rights | 1.5 | 3.8 |
| Completed development projects | 8.6 | 17.0 |
| Right-of-use assets | 88.6 | 89.7 |
| Leasehold improvements | 2.7 | 2.8 |
| Operating equipment and fixtures | 17.2 | 16.0 |
| Profit or loss on sale of non-current assets | (2.9) | (0.6) |
| Loss from impairment of non-current assets | (0.6) | 3.9 |
| | **115.1** | **132.6** |

## 1.5 Other operating income

**Accounting policies**

Other operating income are used to present income and profit that are secondary to the Firm's primary activities, including gains resulting from strategic restructuring decisions in the form of disposal of activities, fair value adjustments of earn-out obligations, etc.

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| Profit on disposal of activities and client relationships | 83.4 | 9.4 |
| Fair value adjustment of earn-out obligations | - | 2.0 |
| | **83.4** | **11.4** |

Fair value adjustments of earn-out obligations relate to adjustments made to deferred contingent consideration that was recognised in previous years regarding acquisitions of businesses.

# 2. Operating assets and liabilities

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## 2.1 Goodwill

**Accounting policies**

On initial recognition, goodwill is recognised and measured as described in Note 4.1, *Acquisition and divestment of businesses.*

Goodwill is not amortised but tested annually at financial year end for impairment, based on a determination of the recoverable amount for goodwill, see below. The recoverable amount is determined irrespective of whether any indication of impairment has been identified. If the carrying amount is higher than the recoverable amount determined, the carrying amount is written down to the recoverable amount.

The recoverable amount is determined as the value-in-use of the cash-generating units to which the amounts of goodwill are allocated. When determining the value-in-use, estimated future cash flows are discounted to present value.

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### Significant accounting estimates

**Indication of impairment**

The determination of the value-in-use is based on Management's estimates of the expected future cash flows in each cash-generating unit and the determination of a discount rate. These estimates are subject to some uncertainty, and changes therein may have a significant effect on the consolidated financial statements in terms of whether an impairment loss should be recognised and, if applicable, by what amount.

The carrying amount of goodwill is DKK 714m at 31 May 2024 (31 May 2023: DKK 732m). Neither this financial year nor last financial year identified any indication of impairment on goodwill.

For more details about the assumptions, discount rates etc. used in determining the value-in-use of the defined cash-generating units, see the description below.

| | Consolidated | Parent |
|---|---|---|
| Cost at 01.06.2022 | 630.7 | 576.8 |
| Additions from business combinations | 103.1 | 95.2 |
| Reclassification transferred businesses | - | 53.9 |
| Disposals | (1.6) | (1.6) |
| **Cost at 31.05.2023** | **732.2** | **724.3** |
| | | |
| **Carrying amount at 31.05.2023** | **732.2** | **724.3** |
| Cost at 01.06.2023 | 732.2 | 724.3 |
| Disposals | (18.0) | (18.0) |
| **Cost at 31.05.2024** | **714.2** | **706.3** |
| | | |
| **Carrying amount at 31.05.2024** | **714.2** | **706.3** |

## 2.1 Goodwill (continued)

The carrying amount of goodwill is allocated to the following cash-generating units, corresponding to the Firm's business units:

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | FY24 DKK'm | FY23 DKK'm | FY24 DKK'm | FY23 DKK'm |
| **Goodwill** | | | | |
| Audit & Assurance | 363.9 | 381.9 | 363.9 | 381.9 |
| Consulting | 283.4 | 283.4 | 275.5 | 275.5 |
| Tax & Legal | 18.6 | 18.6 | 18.6 | 18.6 |
| Risk Advisory | 47.8 | 47.8 | 47.8 | 47.8 |
| Financial Advisory | 0.5 | 0.5 | 0.5 | 0.5 |
| | **714.2** | **732.2** | **706.3** | **724.3** |

**Development**

In FY24 a disposal of DKK 18m was recorded in relation to the divestment described in Note 4.1. During FY23 goodwill captured in investment in subsidiaries have been transferred to goodwill in the parent company in line with the relocation of the activity from subsidiaries to the parent company. The acquisition regarding Framework as described in Note 4.1.

**Determination of recoverable amount**

When determining value-in-use for cash-generating units to which goodwill is allocated, the expected future cash flows have been used that can be derived from Management-approved budgets for the coming financial years, aiming for a normalised growth rate and working capital at the end of the budget and forecast period of five years leading into the terminal period. For accounting periods after the forecast period (terminal period), estimated normalised cash flows in the last forecast period have been subjected to extrapolation. When calculating the cash flows, remuneration to equity partners is deducted at an estimated amount based on the average remuneration to non-equity partners including a percentage add-on based on the difference in average cost rates.

The main uncertainties in determining the value-in-use are related to the determination of discount rates, growth rates and earnings margins in the budget and forecast periods and in the terminal period.

The discount rates determined reflect the risk-free interest rate at the balance sheet date and the estimated specific risks associated with the assets and cash flows of each cash-generating unit. The discount rate is determined on the basis of the assessed Weighted Average Cost of Capital (WACC) for each cash-generating unit. The pre-tax discount rate applied to Audit & Assurance is 9.6% (FY23: 11.4%) and for Tax & Legal it is 9.7% (FY23: 11.4%). For Consulting, Risk Advisory and Financial Advisory the discount rates used are 10.7%, 10.8% and 11.7% (FY23: 12.2%, 12.4% and 12.4%), respectively.

The growth rates and earnings margins used are based on Management's expectations for the development of the respective business units during the budget and forecast periods and the terminal period. These expectations are based on previous experience, budgets, defined strategic goals, etc. Expected price increases due to inflation, etc. are included in the budget and forecasts.

The terminal period growth rate used is not estimated to exceed the average long-term growth rates for the markets as a whole. The terminal period growth rate used is 2.0% (FY23: 2.0%).

### 2.2 Other intangible assets

**Accounting policies**

The cost of development projects comprises costs, including salaries and depreciation or amortisation of assets that are directly attributable to the development projects. Amortisation of completed development projects commences when the asset is available for its intended use.

For software-as-a-service arrangements only expenses related to configuration and customisation of software where the underlying software is controlled by the Company are capitalised as intangible assets. If expenses are related to configuration and customisation of software controlled and provided by a third party and the expenses are related to functionality, etc. that cannot be separated from the software offered by the third party, such expenses are regarded as part of the payments to the software provider and recognised as prepayments to be expensed over the contract period. All other expenses related to configuration and customisation of software not controlled by the Company are expensed as incurred.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Other intangible assets are reviewed annually for any indication of impairment. Development projects in progress are tested once a year for impairment. If it is not possible to estimate the recoverable amount of the individual project, the recoverable amount is determined for the cash-generating unit to which the project belongs. Impairment tests are carried out applying the same policies and assumptions as described above for goodwill.

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**2.2 Other intangible assets (continued)**

| | Intellectual property rights DKK'm | Completed development projects DKK'm | Development projects in progress DKK'm |
|---|---|---|---|
| Cost at 01.06.2022 | 71.7 | 206.6 | 4.1 |
| Additions | - | - | 21.2 |
| Transfer | - | 24.3 | (24.3) |
| Disposals | - | - | (1.0) |
| **Cost at 31.05.2023** | **71.7** | **230.9** | **-** |
| Amortisation and impairment losses at 01.06.2022 | (63.5) | (153.7) | - |
| Amortisation for the year | (3.8) | (17.0) | - |
| **Amortisation and impairment losses at 31.05.2023** | **(67.3)** | **(170.7)** | **-** |
| **Carrying amount at 31.05.2023** | **4.4** | **60.2** | **-** |
| Cost at 01.06.2023 | 71.7 | 230.9 | 0.0 |
| Additions | - | - | 3.9 |
| Transfer | - | 3.9 | (3.9) |
| Disposal | (23.6) | (6.3) | - |
| **Cost at 31.05.2024** | **48.1** | **228.5** | **-** |
| Amortisation and impairment losses at 01.06.2023 | (67.3) | (170.7) | - |
| Amortisation for the year | (1.5) | (8.6) | - |
| Reversal regarding disposals | 23.6 | 6.3 | - |
| **Amortisation and impairment losses at 31.05.2024** | **(45.2)** | **(173.0)** | **-** |
| **Carrying amount at 31.05.2024** | **2.9** | **55.5** | **-** |

All other intangible assets are considered to have definite useful lives over which the assets are amortised, refer to Note 1.4. No indication of impairment is deemed to exist for these assets.

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## 2.3 Property, plant and equipment

### Accounting policies

Right-of-use assets, leasehold improvements, operating equipment and fixtures are measured at cost less accumulated depreciation and impairment losses.

Cost of leasehold improvements, operating equipment and fixtures comprises the acquisition price, costs directly related to the acquisition, and costs for preparing the asset up to the date when the asset is ready to be put into operation.

Cost of right-of-use assets comprises the following:

- The amount of the initial measurement of lease liabilities.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.

The depreciation base is the asset's cost net of its expected residual value after the end of its useful life. Assets are depreciated on a straight-line basis over their expected useful lives, refer to Note 1.4. It is assessed annually whether any changes to residual values and depreciation periods should be made.

Items of property, plant and equipment are reviewed annually for any indication of impairment. Impairment tests are carried out applying the same policies and assumptions as described above for goodwill. Neither this financial year nor last financial identified any indication of impairment.

| | **Right-of-use assets DKK'm** | **Leasehold improvements DKK'm** | **Operating equipment and fixtures DKK'm** |
|---|---|---|---|
| Cost at 01.06.2022 | 562.3 | 27.0 | 135.0 |
| Correction prior year | 9.5 | - | 0.4 |
| Additions from business combinations | - | - | 0.3 |
| Other additions | 78.2 | 1.0 | 39.7 |
| Disposals | (3.4) | - | (6.5) |
| **Cost at 31.05.2023** | **646.6** | **28.0** | **168.9** |
| Depreciation and impairment losses at 01.06.2022 | (272.0) | (14.5) | (104.0) |
| Correction prior year | (9.5) | - | (0.4) |
| Depreciation for the year | (89.7) | (2.8) | (16.0) |
| Impairment losses | (1.2) | - | - |
| Reversal regarding disposals | 3.4 | - | 4.5 |
| **Depreciation and impairment losses at 31.05.2023** | **(369.0)** | **(17.3)** | **(115.9)** |
| **Carrying amount at 31.05.2023** | **277.6** | **10.7** | **53.0** |
| Cost at 01.06.2023 | 646.6 | 28.0 | 168.9 |
| Correction prior year | (19.8) | - | - |
| Additions | 0.4 | 2.6 | 10.9 |
| Disposals | (62.9) | (4.9) | (61.4) |
| **Cost at 31.05.2024** | **564.3** | **25.7** | **118.4** |

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## 2.3 Property, plant and equipment (continued)

| | Right-of-use assets DKK'm | Leasehold improvements DKK'm | Operating equipment and fixtures DKK'm |
|---|---|---|---|
| Depreciation and impairment losses at 01.06.2023 | (369.0) | (17.3) | (115.9) |
| Correction prior year | 19.8 | - | - |
| Depreciation for the year | (88.6) | (2.7) | (17.2) |
| Reversal of impairment losses | 2.6 | - | - |
| Reversal regarding disposals | 31.0 | 3.0 | 54.1 |
| **Depreciation and impairment losses at 31.05.2024** | **(404.2)** | **(17.0)** | **(79.0)** |
| **Carrying amount at 31.05.2024** | **160.1** | **8.7** | **39.4** |

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## 2.4 Other non-current assets

### Accounting policies

Other non-current assets include investments in associates, deposits in connection with the inception of lease contracts, which are repaid when such contracts expire, other non-current receivables and for the parent financial statements also investments in subsidiaries. As a rule, the deposits are indexed on an annual basis. The deposits are recognised as collateral given and are measured at cost.

Deloitte Statsautoriseret Revisionspartnerselskab holds 20% of the shares in the associate Deloitte Nordic A/S and 40% of the shares in the associate Deloitte Nordic Holding ApS, both registered in Copenhagen. The purpose of these companies is for the Nordic Deloitte member firms to share investments and costs related to joint investments in activities, business development and development of market activities. These companies are therefore not expected to make either profits or losses. The companies are recognised according to the equity method, and Deloitte Statsautoriseret Revisionspartnerselskab's share of net profit in these companies amounts to DKK 0.0m for FY24 (FY23: DKK 0.0m). The share of the companies' total equity is DKK 0.1m (31 May 2023: DKK 0.1m), which has been recognised as investment in associate.

Deloitte Statsautoriseret Revisionspartnerselskab has granted a long-term interest-bearing loan to Deloitte Nordic Holding ApS in the amount of DKK 33.4m, which will be repaid at par value when Deloitte Nordic Holding ApS recovers the underlying investment financed by this loan. The loan is at initial recognition designated as being measured at fair value through profit and loss. The fair value of the loan is estimated at DKK 16.2m based on the estimated time of repayment and an associated required return on the investment. The difference between the par value and the fair value of the loan, DKK 17.2m, is considered a deemed capital contribution to Deloitte Nordic Holding ApS which is presented as part of the investment in this associate.

In the Parent financial statements, investments in subsidiaries are recognised according to the equity method. This means that investments are measured at the pro rata share of the subsidiaries' equity value less unrealised intra-group profits. The Parent's share of the subsidiaries' profits or losses after elimination of unrealised intra-group profits is recognised in the statement of comprehensive income.

Subsidiaries with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity value to the extent the receivable is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised in provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise and expects to incur a loss due to such obligation.

**2.4 Other non-current assets (continued)**

For the Parent company, positive net revaluation of investments in subsidiaries and associates is transferred to reserve for net revaluation according to the equity method in equity.

The purchase method is applied in the acquisition of investments in subsidiaries; refer to the description in Note 4.1 to the consolidated financial statements.

| | **Parent** |
|---|---|
| | **Investments in subsidiaries DKK'm** |
| Cost at 01.06.2022 | 70.6 |
| Additions | 20.4 |
| Reclassification transferred businesses | (53.9) |
| **Cost at 31.05.2023** | **37.1** |
| Adjustment at 01.06.2022 | (8.8) |
| Share of profit for the year | (2.2) |
| **Adjustment at 31.05.2023** | **(11.0)** |
| **Carrying amount at 31.05.2023** | **26.1** |
| Cost at 01.06.2023 | 37.1 |
| Disposal | (6.5) |
| **Cost at 31.05.2024** | **30.6** |
| Adjustment at 01.06.2023 | (11.0) |
| Share of profit for the year | 0.1 |
| **Adjustment at 31.05.2024** | **(10.9)** |
| **Carrying amount at 31.05.2024** | **19.7** |

**Investments in subsidiaries comprise:**

- Deloitte PensionManagement Brokers P/S, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%
- Framework Digital P/S, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%
- Framework Digital Komplementar ApS, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%
- Deloitte ApS, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%

*Struensee & Co. Komplementar ApS and Struensee & Co. Management Consulting P/S have been dissolved during the year and their activities transferred to the parent company.*

## 2.5 Receivables

### Accounting policies

Receivables comprise trade receivables and other receivables.

On initial recognition, trade receivables are measured at the transaction price and other receivables at fair value and subsequently at amortised cost, which usually equals the nominal value less any loss allowance for bad debts. Loss allowance for trade receivables is recognised at an amount equal to lifetime expected credit losses (ECL).

### Significant accounting estimates

The expected credit losses are estimated using a provision matrix by reference to past default experience of the debtor, general economic conditions, and an assessment of both the current and the forecast direction of conditions at the reporting date. Refer also to Note 3.5 for a description of credit risks.

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| Trade receivables | 1,028.7 | 981.7 |
| Allowance for expected lifetime credit losses | (28.3) | (31.3) |
| **Net trade receivables** | **1,000.4** | **950.4** |
| | | |
| Not due for payment | 814.8 | 749.1 |
| Overdue less than 30 days | 101.3 | 134.4 |
| Overdue 31-60 days | 35.8 | 33.5 |
| Overdue 61-90 days | 12.2 | 8.0 |
| Overdue 91-120 days | 13.6 | 7.5 |
| Overdue more than 121 days | 51.0 | 49.2 |
| **Trade receivables** | **1,028.7** | **981.7** |
| | | |
| **Loss allowance for trade receivables** | | |
| Loss allowance at 01.06 | 31.3 | 29.0 |
| Additions | 5.1 | 7.9 |
| Reversals | (7.0) | (3.7) |
| Realised | (1.1) | (1.9) |
| **Loss allowance at 31.05** | **28.3** | **31.3** |

### 2.5 Receivables (continued)

| | Expected default rate FY24 % | Expected default rate FY23 % | Balance FY24 DKK'm | Balance FY23 DKK'm | Loss allowance FY24 DKK'm | Loss allowance FY23 DKK'm |
|---|---|---|---|---|---|---|
| Not due for payment | 0.2 | 0.2 | 814.8 | 749.1 | 1.4 | 1.8 |
| Overdue less than 30 days | 1.4 | 1.9 | 101.3 | 134.4 | 1.4 | 2.5 |
| Overdue 31-60 days | 3.1 | 3.5 | 35.8 | 33.5 | 1.1 | 1.1 |
| Overdue 61-90 days | 5.1 | 6.3 | 12.2 | 8.0 | 0.6 | 0.5 |
| Overdue 91-120 days | 8.9 | 7.1 | 13.6 | 7.5 | 1.2 | 0.5 |
| Overdue more than 121 days | 44.3 | 50.4 | 51.0 | 49.2 | 22.6 | 24.9 |
| **Trade receivables** | | | **1,028.7** | **981.7** | **28.3** | **31.3** |

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### 2.6 Contract assets

**Accounting policies**

Contract assets are measured at the selling price of the work performed at the balance sheet date, net of amounts invoiced on account.

For time and materials arrangements, the Firm recognise revenue on the basis of time charged to date. This output method approach uses the practical expedient in IFRS 15 with the amount recognised as revenue reflecting the amount that the Firm has the right to invoice its customers for.

For fixed fee arrangements, the Firm uses an input method based upon the value of the hours charged to the engagement to date compared to the total expected inputs. Chargeable time for employees tends to be the most significant input and this is charged to individual contracts (and performance obligations) via timesheet reporting. Revenues are recognised as employee time is used to provide the services.

Contingent fees are recognised when the contingency is resolved.

Each contract asset is recognised in the balance sheet in receivables or liabilities, depending on whether the net asset value, calculated as the selling price less amounts invoiced on account, is positive or negative.

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**Significant accounting judgements and estimates**

The selling price of the work carried out at the balance sheet date is determined based on time spent and Management's assessment of the expected consideration to which the Firm will be entitled.

**2.6 Contract assets (continued)**

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| Contract assets at selling price | 3,604.0 | 3,470.1 |
| Invoiced on account | (3,335.6) | (3,206.6) |
| | **268.4** | **263.5** |
| Net value is recognised in the balance sheet as follows: | | |
| Contract assets | 410.9 | 390.3 |
| Contract liabilities | (142.5) | (126.8) |
| | **268.4** | **263.5** |

Impairment losses and loss allowances on contract assets are considered immaterial.

The table below summarises the key changes in the contract assets and liabilities of the Firm during the year:

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | Contract assets DKK'm | Contract liabilities DKK'm | Contract assets DKK'm | Contract liabilities DKK'm |
| At 01.06.2022 | 185.1 | 94.8 | 184.7 | 94.8 |
| Increase/decrease | 205.2 | 32.0 | 205.6 | 32.0 |
| **At 31.05.2023** | **390.3** | **126.8** | **390.3** | **126.8** |
| At 01.06.2023 | 390.3 | 126.8 | 390.3 | 126.8 |
| Increase/decrease | 20.6 | 15.7 | 20.3 | 15.7 |
| **At 31.05.2024** | **410.9** | **142.5** | **410.6** | **142.5** |

**Outstanding performance obligations**

In all business units apart from Audit & Assurance, both the customer and Deloitte generally have the right to terminate the contracts applying a notice period of up to three months. Therefore, as per IFRS 15, contracts in these business units are exempt from the requirement to disclose outstanding performance obligations, as the expected duration of the contracts is less than one year.

An analysis of the recognised revenue for previous years shows that only insignificant revenue of a given year's total revenue relate to contracts which were set up more than one year before the financial year in question. For this reason, no further disclosure of outstanding performance obligations is considered necessary.

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## 2.7 Employee liabilities

**Accounting policies**

Employee liabilities comprise amounts payable under bonus plans etc., incl. residual payments to partners, holiday pay obligations and provisions for jubilee benefits etc.

**Provisions for jubilee benefits etc.**

It is the Firm's policy to grant a jubilee benefit on 25-year and 40-year anniversaries of employment with Deloitte corresponding to 1 and 1½ month's salary, respectively. Expected future jubilee benefits for the Firm's partners and employees are recognised based on an actuarial calculation of the present value of expected jubilee benefits based on the current salary levels, expected future salary increases and time of termination of service.

**Long-term vacation allowance**

In 2019, the Danish Holiday Act was amended. As a result, holiday pay earned by the employees from 1 September 2019 to 31 August 2020 is deferred and settled only when the employees retire. The long-term vacation allowance is measured at the present value of the amount being payable when the employee is expected to retire. The vacation allowance is presented as a current or a non-current employee liability depending on the estimated retirement date.

**Short-term vacation allowance and other employee liabilities**

Short-term vacation allowance represents the amount the Firm expects to pay to the employee when absent due to vacation. Other short-term employee liabilities consist of payable bonusses, residual payments to partners, termination benefits, etc.

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| Provisions for jubilee benefits at 01.06 | 8.8 | 7.6 |
| Adjustment for the financial year (recognised as 'Other staff costs') | 0.6 | 0.5 |
| Interest expenses (recognised as 'Other staff costs') | 0.2 | 0.2 |
| Actuarial (gains)/losses (recognised as 'Other staff costs') | (1.6) | 0.8 |
| Jubilee benefits paid | (0.9) | (0.3) |
| Transfer to short-term jubilee benefits | (0.8) | (0.9) |
| **Provisions for jubilee benefits at 31.05** | **6.3** | **7.9** |
| Long-term vacation allowance | 203.7 | 196.1 |
| **Long-term employee liabilities at 31.05** | **210.0** | **204.0** |
| Short-term jubilee benefits | 0.8 | 0.9 |
| Short-term vacation allowance | 181.5 | 173.3 |
| Other short-term employee liabilities | 567.3 | 631.0 |
| **Short-term employee liabilities at 31.05** | **749.6** | **805.2** |

## 2.8 Provisions

### Accounting policies

Provisions comprise expected costs in connection with known professional liability claims.

Provisions for professional liability claims are measured as the best estimate of the costs required to settle the claims on the balance sheet date, based on Management's assessment of the specific circumstances in each case and after offsetting any insurance cover.

Estimated net costs expected to be incurred more than one year after the balance sheet date are discounted to present value if this has a material effect on the measurement of the liability.

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| Professional liability claims at 01.06 | 1.0 | 0.3 |
| Used in the financial year | (1.0) | (0.3) |
| Provisions in the financial year | 17.1 | 1.0 |
| **Professional liability claims at 31.05** | **17.1** | **1.0** |
| | | |
| **Provisions at 31.05** | **17.1** | **1.0** |

The Firm is a party to various lawsuits and disputes. The outcome and timing of settlement of professional liability claims is inherently uncertain but most of the claims are assessed as being closed in full within the next few years. Fees for legal assistance etc. in connection with handling the claims are recognised when the services are received and not included in the provision. The liabilities are presented after offsetting any insurance cover, as information about expected claims etc. is considered to seriously prejudice the position of the Firm.

# 3. Capital structure and financing

### 3.1 Share capital

| | FY24 DKK | FY23 DKK |
|---|---|---|
| The share capital is made up of: | | |
| A-shares, 132 shares at a nominal value of DKK 0.4m | 52,800,000 | 45,600,000 |
| B-shares, 40 shares at a nominal value of DKK 0.0m | 4,000 | 3,000 |
| **Nominal value at 31.05** | **52,804,000** | **45,603,000** |

No shares have special rights, except that at the annual general meeting, both each A share (nominal value DKK 0.4m) gives one vote, as well as each B share (nominal DKK 0.0m). Shareholders of B shares are not entitled to dividend.

§ **3.2 Dividend**
**Accounting policies**
Dividend is recognised as a liability at the time of declaration at the Annual General Meeting.

For the financial year FY24, the Board of Directors has proposed a dividend of DKK 75.9m (FY23: DKK 65.6m), equivalent to DKK 0.6m per share (FY23: DKK 0.6m per share), which will be paid to the equity partners after the Firm's Annual General Meeting on 30 October 2024, provided that the Annual General Meeting adopts the Board of Directors' proposal. Each equity partner holds directly or indirectly one A-share in the Firm. As the dividend is conditional upon adoption by the Annual General Meeting, it has not been recognised as a liability in the balance sheet at 31 May 2024.

§ **3.3 Financial liabilities**
**Accounting policies**
Financial liabilities comprise debt instruments, payables to credit institutions and other lenders, deferred consideration for business acquisitions, accounts payable and other payables.

On initial recognition, financial liabilities are measured at fair value, which usually corresponds to the proceeds received, less any transaction costs. Subsequently, contingent consideration for business acquisitions is measured at fair value through profit or loss, while other financial liabilities are measured at amortised cost.
.

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| VAT, A tax and social security expenses | 97.3 | 104.9 |
| Other expenses payable | 16.4 | 14.4 |
| **Other liabilities at 31.05** | **113.7** | **119.3** |
| | | |
| Other financial liabilities at 01.06, refer to Note 3.5 | 411.3 | 412.8 |
| Net borrowings in long-term other financial liabilities | (2.3) | (2.1) |
| Net borrowings in short-term other financial liabilities | (48.3) | 0.6 |
| **Other financial liabilities at 31.05, refer to Note 3.5** | **360.7** | **411.3** |

### 3.3 Financial liabilities (continued)

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| Contingent consideration for business acquisitions at 01.06, refer to Note 3.5 | 15.1 | 14.5 |
| Deferred consideration in long-term | - | (9.6) |
| Deferred consideration in short-term | (15.1) | 10.2 |
| **Contingent consideration for business acquisitions at 31.05, refer to Note 3.5** | **-** | **15.1** |

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### 3.4 Lease liabilities

**Accounting policies**

the Firm recognise right-of-use assets and corresponding lease liabilities with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating cost on a straight-line basis over the term of the lease. For recognised right-of-use assets, refer to Note 2.3.

Lease liabilities are measured at amortised cost and include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date.

Lease payments to be made under reasonably certain extension options are included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Firm's leases, the Firm´s incremental borrowing rate ('IBR') is used, being the rate that the Firm would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Firm is exposed to potential future increases in variable lease payments based on an index or rate that are not included in the lease liability until they take effect. When such adjustments to lease payments take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Firm remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset, when (a) the lease term changes; (b) the lease payments change; or (c) a lease contract is modified, and the lease modification is not accounted for as a separate lease.

**3.4 Lease liabilities (continued)**

**Amounts recognised in the income statement relating to lease contracts:**

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| Depreciation and write-downs on right-of-use assets (included in 'Depreciation and amortisation') | 86.0 | 90.9 |
| Interest expenses on lease liabilities (included in 'Financial expenses') | 2.9 | 3.7 |
| Costs relating to low-value assets (included in 'External expenses') | 21.9 | 24.4 |
| Income from sub-leasing right-of-use assets (included in 'External expenses') | (2.4) | (2.3) |
| | **108.4** | **116.7** |

The total cash outflow for leases in the year ended 31 May 2024 was DKK 95.8m (FY23: DKK 95.7m).

Lease liabilities consist of DKK 84.8m long term (FY23: DKK 205.8m) and DKK 88.7m short term (FY23: DKK 91.9m).

**3.5 Financial instruments and risks etc.**

**Categories of financial instruments**

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| Trade receivables | 1,000.4 | 950.4 |
| Receivables from associates | 37.9 | - |
| Other receivables | 10.9 | 8.9 |
| Cash and bank balances | 202.0 | 209.1 |
| **Financial assets measured at amortised cost** | **1,251.2** | **1,168.4** |
| Receivables from associates, refer to Note 2.4 | 16.2 | 10.2 |
| **Financial assets measured at fair value** | **16.2** | **10.2** |
| Lease liabilities (short term and long term combined) | 173.5 | 297.7 |
| Other financial liabilities | 360.7 | 411.3 |
| Trade payables | 238.8 | 232.7 |
| Payables to associates | 10.0 | 5.9 |
| Other liabilities | 113.7 | 119.3 |
| **Financial liabilities measured at amortised cost** | **896.7** | **1,066.9** |
| Contingent consideration for business acquisitions | - | 15.1 |
| **Financial liabilities measured at fair value through profit or loss** | **-** | **15.1** |

The fair value of financial instruments measured at amortised cost is estimated to be equivalent to the carrying amount.

### 3.5 Financial instruments and risks etc. (continued)

**Policy for managing financial risks**

Management continuously monitors the Firm's financial risks and coordinates its cash management, including funding. The Firm is not considered exposed to significant financial risks, see below.

**Currency risks**

The Firm's sales transactions are mainly conducted in DKK. 15% (FY23: 15%) of total revenue is denominated in foreign currencies including transactions to memberfirms, primarily in USD, EUR and GBP.

Services purchased abroad, such as insurance, and services purchased from other Deloitte member firms primarily take place in USD, EUR and GBP. In the financial year, services purchased in USD totalled DKK 137m, in EUR they totalled DKK 605m, and in GBP they totalled DKK 167m (FY23: DKK 127m in USD, DKK 512m in EUR, and DKK 95m in GBP).

At the balance sheet date, the Firm has net receivables of DKK 17m in USD (FY23: net receivables of DKK 44m), net receivables of DKK 154m in EUR (FY23: net receivables of DKK 195m) and net payables of DKK 2m in GBP (FY23: net receivables of DKK 17m).

All things being equal, earnings and equity would be negatively affected by DKK 0m (FY23: DKK 0m), if the USD exchange rate had increased by 10% at the balance sheet date. If the GBP exchange rate had increased by 10%, it would have a negative impact on earnings and equity by DKK 0m (FY23: DKK 1m). If the exchange rates had increased, it would have a similar positive impact on earnings and equity. Reasonably possible changes in the EUR exchange rate would only have an insignificant impact on the Firm’s earnings and equity.

**Interest rate risks**

As a result of its financing activities, the Firm is exposed to fluctuations in interest rate levels in Denmark. The interest rate risk has not been hedged.

The Firm's net interest-bearing debt at the balance sheet date (excluding lease liabilities) consists of floating-rate liquid assets (bank deposits) of DKK 202m (FY23: DKK 209m) and financial liabilities of DKK 361m (FY23: DKK 426m).

Interest rate risk mainly related to interest-bearing debt and cash and cash equivalents. An increase in relevant rate of 0.5%-point would have a negative net impact on earnings and equity of DKK 1m for FY24 (FY23: DKK 1m).

**Credit risks**

As a result of its operations, the Firm is exposed to credit risks, which mainly relate to trade receivables, contract assets and bank deposits. The maximum credit risk is consistent with the carrying amount of these items.

The bank deposits, which are placed with well-established credit institutions, are not considered to be subject to particular credit risk.

Trade receivables and contract assets are monitored on an ongoing basis, including an individual assessment of the risk of bad debts.

Before write-down, trade receivables amount to DKK 1,000m at 31 May 2024 (31 May 2023: DKK 982m). These receivables have been written down by a total of DKK 28m (31 May 2023 DKK 31m) to match the lifetime expected credit loss, refer to Note 2.5. Impairment losses amount to an average of 2.7% of the total receivables (31 May 2023: 3.2%).

### 3.5 Financial instruments and risks etc. (continued)

**Liquidity risks**

The Firm has primarily financed its activities through overdraft facilities with credit institutions with related undrawn credit facilities and other short-term and long-term financial liabilities.

The Firm's activities are not deemed to involve any particular liquidity risk, and its borrowing and credit facilities are not subject to special terms or conditions.

The Firm's financial liabilities fall due as specified below, where the amounts reflect the non-discounted nominal amounts that fall due in accordance with the contracts entered into, including future interest payments calculated based on current market conditions.

Because of, for example, seasonal fluctuations in the Firm's activities, its liquidity requirements vary over the financial year. Allowance is made for these seasonal fluctuations by securing sufficient credit facilities etc. In addition, the equity partners' remuneration is profit-related, and the Firm's liquidity requirements to settle this remuneration is, therefore, dependent on the results realised by the Firm.

| | 0-1 years DKK'm | 1-5 years DKK'm | > 5 years DKK'm | Total 31.05 DKK'm | Carrying amount 31.05 DKK'm |
|---|---|---|---|---|---|
| **FY23** | | | | | |
| Lease liabilities | 95.0 | 193.4 | 16.1 | 304.4 | 297.7 |
| Contingent consideration for business acquisitions | 15.1 | - | - | 15.1 | 15.1 |
| Other financial liabilities | 144.0 | 289.7 | 14.2 | 447.9 | 426.3 |
| Trade payables | 232.7 | - | - | 232.7 | 232.7 |
| Other liabilities | 119.3 | - | - | 119.3 | 119.3 |
| Employee liabilities | 805.2 | 5.2 | 198.8 | 1,009.2 | 1,009.2 |
| **Financial liabilities etc.** | **1,411.3** | **488.3** | **229.1** | **2,128.6** | **2,100.3** |
| **FY24** | | | | | |
| Lease liabilities | 90.3 | 85.5 | - | 175.8 | 173.5 |
| Contingent consideration for business acquisitions | - | - | - | - | - |
| Other financial liabilities | 78.2 | 291.1 | 11.7 | 381.0 | 360.7 |
| Trade payables | 238.8 | - | - | 238.8 | 238.8 |
| Other liabilities | 113.7 | - | - | 113.7 | 113.7 |
| Employee liabilities | 749.6 | 5.3 | 204.7 | 959.6 | 959.6 |
| **Financial liabilities etc.** | **1,270.6** | **381.9** | **216.4** | **1,868.9** | **1,846.3** |

**Optimal capital structure**

It is the Firm's policy to distribute earnings on a regular basis, if possible, with due consideration of the need for consolidation, to its equity partners as profit-related remuneration which is recognised in staff costs in the financial statements. Management regularly monitors the Firm's capital structure.

### 3.6 Cash and cash equivalents

**Accounting policies**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and end of the year. Cash flows from operating activities are presented using the indirect method.

Cash and cash equivalents comprise cash and bank balances.

### 3.7 Financial income

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| Interest income | 9.3 | 3.0 |
| **Financial income** | **9.3** | **3.0** |

### 3.8 Financial expenses

| | FY24 DKK'm | FY23 DKK'm |
|---|---|---|
| Interest expenses on lease liabilities | 2.9 | 3.7 |
| Other interest expenses | 32.7 | 23.7 |
| **Interest from financial liabilities measured at amortised cost** | **35.6** | **27.4** |
| Net foreign currency translation adjustments | 2.1 | 3.4 |
| **Financial expenses** | **37.7** | **30.8** |

# 4. Other notes

### § 4.1 Acquisition and divestment of businesses
**Accounting policies**

***Acquisition of businesses***
Businesses acquired from third parties are recognised in the financial statements from the time of acquisition, which is the date when control of the business is actually obtained, and by using the purchase method under which the newly acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date.

Cost of businesses acquired before 1 June 2010 has been calculated at fair value of the agreed consideration plus the costs directly attributable to the acquisition of the business.

For businesses acquired on or after 1 June 2010, cost is calculated as the fair value of the agreed consideration, including any contingent consideration. Costs directly attributable to the acquisition of the business are recognised in profit or loss as and when incurred.

If the final amount of the consideration agreed is conditional on one or more future events, the consideration payable is recognised at fair value at the acquisition date. Subsequent changes therein are recognised as financial income or expenses in profit or loss.

Positive differences between cost of the acquired business and fair value of the acquired assets, liabilities and contingent liabilities are recognised as goodwill which is allocated to the relevant cash-generating units, which are consistent with the Firm's business units. This allocation serves as a basis for the subsequent impairment test, refer to Note 2.1.

Business combinations within the Group are recognised using the book value method, according to which goodwill, assets and liabilities are recognised at book value at the transaction date.

***Divestment of businesses***
Businesses and activities that are divested are recognised in the financial statements until the time of divestment, which is the date of actual transfer of control of the business.

Profits on the divestment of businesses and activities are calculated as the difference between fair value of the sales proceeds and carrying amount of net assets in the business at the date of divestment, including a proportionate share of goodwill associated with the relevant cash-generating unit. Profits or losses are recognised in profit or loss at the date of divestment.

### 4.1 Acquisition and divestment of businesses (continued)

**FY24**

On 1 December 2023, all activities in Audit & Assurance associated with the Esbjerg office and the Health Care segment was divested. This is a result of Audit & Assurance conducting a strategic client focus with the aim of moving up in the market, reducing complexity in the business, and freeing up time to acquire the right clients. The total divestments during the year resulted in other operating income at DKK 83m hereof DKK 75m related to the Esbjerg office and the Health care segment.

| | Total DKK'm |
|---|---|
| Goodwill | 18.0 |
| Non-current assets | 37.8 |
| Receivables | 12.6 |
| Lease liabilities | (37.4) |
| Employee liabilities | (4.4) |
| **Net assets disposed of** | **26.6** |
| | |
| Cost related to the sale | 14.6 |
| Gain on disposal | 83.4 |
| **Total consideration** | **124.6** |
| | |
| Satisfied by: | |
| Cash and cashequivalents | 127.6 |
| Deferred consideration | (3.0) |
| **Total consideration transferred** | **124.6** |

### 4.1 Acquisition and divestment of businesses (continued)

**FY23**

With effect from 1 July 2022 the Firm acquired the Danish SAP service provider Framework Digital P/S. With the strategic acquisition of the consultancy company, Deloitte strengthened its position in the Danish SAP market, within project management, and solutions to support digital transformation. As the acquired activities have been fully integrated into existing activities in the consulting segment, it is considered impracticable to disclose revenue and profit from the acquired business.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed in the acquisition are set out in the table below:

| | Total DKK'm |
|---|---|
| Goodwill | 103.1 |
| Order backlog | 0.2 |
| **Intangible assets** | **103.3** |
| Operating equipment and fixtures | 0.4 |
| **Property, plant and equipment** | **0.4** |
| Deposit | 0.6 |
| **Other non-current assets** | **0.6** |
| **Non-current assets** | **104.3** |
| Trade receivables | 13.8 |
| Other receivables and prepaid expenses | 8.9 |
| **Receivables** | **22.7** |
| **Current assets** | **22.7** |
| **Assets** | **127.0** |
| **Equity** | **115.5** |
| Trade payables | 1.7 |
| Employee liabilities | 6.6 |
| Other liabilities | 3.0 |
| **Current liabilities** | **11.3** |
| **Deferred tax liabilities** | **0.2** |
| **Equity and liabilities** | **127.0** |

The deferred contingent consideration could be a nominal maximum amount of DKK 4m and a minimum amount of DKK 0 depending on retention of employees.

Goodwill relates primarily to employee capabilities etc. that could not be recognised as separate assets and are allocated to the consulting segment.

### 4.2 Contingent liabilities etc.

The Firm is party to various lawsuits and disputes. Provisions have been made for estimated costs related to settlement of known claims for damages incurred, refer to Note 2.8.

#### 4.3 Fees to the auditor elected at the Annual General Meeting

| | Consolidated | | Parent | |
|---|---|---|---|---|
| | **FY24 DKK'm** | **FY23 DKK'm** | **FY24 DKK'm** | **FY23 DKK'm** |
| Other external expenses include fees to the Group's auditor elected at the Annual General Meeting in the amount of: | | | | |
| Statutory audit | 0.5 | 0.5 | 0.5 | 0.5 |
| Other assurance engagements | 0.2 | 0.2 | 0.2 | 0.2 |
| | **0.7** | **0.7** | **0.7** | **0.7** |

#### 4.4 Related parties

**Related parties**

No party has control of the Firm.

**Related party transactions**

Remuneration to Key Management Personnel is disclosed in Note 1.2.

Key Management Personnel has as equity partners directly or indirectly received dividend, refer to Note 3.2.

Interest-bearing debt to Key Management Personnel on 31 May 2024 amounts to DKK 6.5m (31 May 2023: DKK 6.9m). The related interest expenses amount to DKK 0.2m for FY24 (FY23: DKK 0.2m).

Receivables from associates on 31 May 2024 total DKK 54.1m (31 May 2023: DKK 10.2m).
The related interest income amounts to DKK 0.5m for FY24 (FY23: DKK 0.5m).

Deloitte Denmark General Partner ApS is a general partner of the Firm and has received a payment of DKK 25k for its general partner liability for the financial year FY24 (FY23: DKK 10k).

Apart from receivables from and liabilities to subsidiaries, which are presented in the balance sheet, refer to Note 2.4, and income from subsidiaries, which are presented in the statement of comprehensive income, the only significant transaction between the parent company and the subsidiaries have been the reclassification of goodwill related to businesses transferred from the subsidiaries to the parent company at book value, refer to Note 2.4.

#### 4.5 Authorisation of the annual report for issue

The Board of Directors has authorised this annual report for issue at the Board meeting on 5 September 2024. The annual report will be submitted to the Firm's equity partners for adoption at the Annual General Meeting on 30 October 2024.

#### 4.6 Events after the balance sheet date

After the balance sheet date, as of 30 June 2024 and as a part of the strategic focus on serving fewer clients more comprehensively, Deloitte Denmark has made the decision to divest Deloitte Pension Management the independent life insurance brokers who work with life, pension, and health insurance. The divestment will not have a significant effect on the annual report for either FY24 or going forward.

Besides the above no events have occurred from the balance sheet date and until the date of issue that could influence the evaluation of this annual report.

# Deloitte offices in Denmark

**Kolding**
Egtved Allé 4
6000 Kolding
Phone +45 75 53 00 00
kolding@deloitte.dk

**Copenhagen**
Weidekampsgade 6
2300 Copenhagen S
Phone +45 36 10 20 30
koebenhavn@deloitte.dk

**Odense**
Tværkajen 5
5100 Odense C
Phone +45 63 14 66 00
odense@deloitte.dk

**Silkeborg**
Papirfabrikken 26
8600 Silkeborg
Phone +45 89 20 70 00
silkeborg@deloitte.dk

**Aalborg**
Østre Havnepromenade 26, 4th floor
9000 Aalborg
Phone +45 98 79 60 00
aalborg@deloitte.dk

**Aarhus**
City Tower
Værkmestergade 2
8000 Aarhus C
Phone +45 89 41 41 41
aarhus@deloitte.dk

Deloitte.