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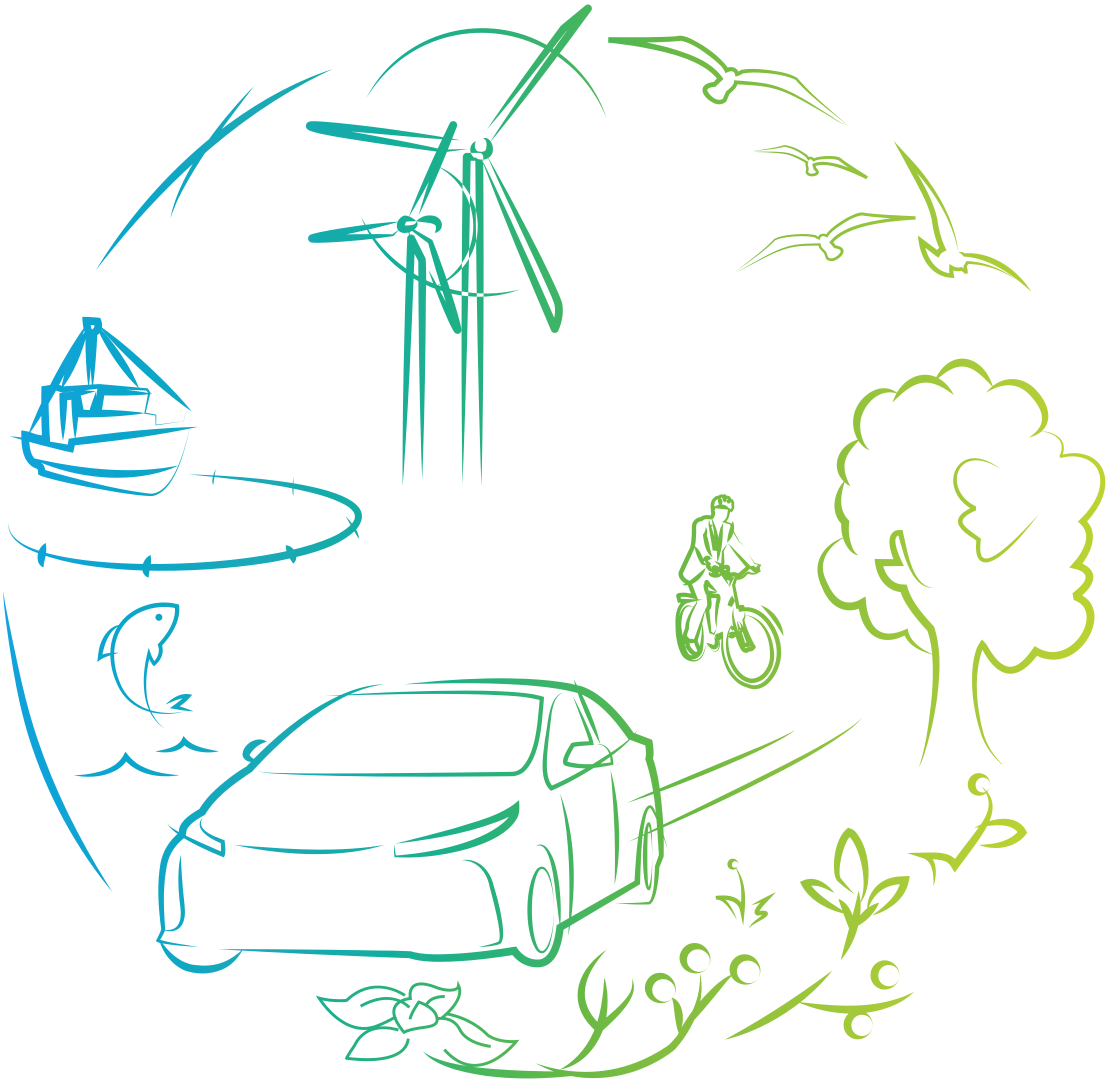

Annual report

FY22

Annual report for 21/22 - 1 June 2021 – 31 May 2022
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6 · 2300 Copenhagen S · CVR. no.: 33963556

Approved on 24 October 2022 at the annual general meeting
Chairman of the annual general meeting: Jesper Smedegaard Larsen

Building better futures

How to create sustainable lives, growth, and transformation

At the end of the rainbow is... a sustainable culture based on diversity in all its dimensions and a focus on well-being. Strong values, purpose, diversity, and social responsibility are what I believe a firm like Deloitte should help foster - within our firm, but also at our clients and in society. So, when we say we want more diversity in senior roles, we should try to affect the structural barriers that exist in society – not just in our firm. When our surveys show increasing pressure on the young generation, we need to work with societal institutions as well as our own leadership to bring mental health top of mind and help create healthier study and work environments for the next generation. And when I look back at the year that has passed, we have taken a great leap towards becoming just that.

Are we there yet? Definitely not, but I am immensely proud of the courage shown within our firm to insist on doing what is right even though it is not easy to drive changes.

This year has been another year of uncertainty. We made it through the pandemic and returned to work in a more flexible way. Then came the conflict between Russia and Ukraine, creating a

Anders Dons, CEO & Partner

whole new level of uncertainty that we had never imagined on European soil. On top of that, we are facing significantly higher inflation and economic uncertainty, and we must fight to reverse the urgent climate crisis - we cannot continue playing in overtime. For the sake of the next generations and their future, Deloitte is committed to addressing the climate crisis through our World*Climate* strategy and making a difference for 100 million futures by providing better learning opportunities through our World*Class* programme.

It was also a year of celebration! We celebrated Deloitte Denmark's 110th anniversary and held a huge party in the Royal Arena for all our employees from Denmark and Greenland. Celebrating our people and culture has never been more important than now.

Deloitte's purpose is still to create an impact for our clients, our people, and the society that we are part of. We aspire to be #1 in every business area we choose to play, and our Connect for Impact strategy outlines how we will achieve this goal. Our values are the guiding principles that show us how to create results, be inclusive and take care of each other - so we can foster sustainable lives, growth, and transformation. Our values should always serve as our moral compass and guide us in making the right decisions in difficult times.

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Sustainable lives

Our most valuable asset is our people. Without our people, there simply is no Deloitte. Therefore, it is worrying that the Danish society has seen alarming - and rising - stress levels, especially among the youth. Two years of on-and-off lockdown and isolation followed by the senseless war in Ukraine and the financial instability derived from it have meant that some of our people have been under mental pressure and some have experienced increased workloads. Our internal well-being survey also shows increasing stress levels, which we are very concerned about.

Our response to proactively mitigate the above has been to focus on creating more flexible working conditions and improving well-being, thereby helping our people to live sustainable lives. That is why we have increased the possibilities for flexible ways of working through hybrid working models; we have initiated a long-term well-being initiative around healthy living and workplace well-being, focusing on nutrition, sleep, exercise, walk-and-talks, virtual meditation, and much more.

The diversity agenda is still a must-win battle for us. We have seen a 40 per cent and 30 per cent uptake of women amongst our past two partner promotions, and we are now at a total of 16 per cent female partners and 35 per cent female directors and senior managers. So, we are moving in the right direction. But we are not there yet. To create an equal playing field, Deloitte introduced a new and improved parental leave policy this year. By giving mothers, fathers, and co-parents 24 weeks of paid leave, we want to help promote the structural change needed for a more equal distribution of parental leave – not just at Deloitte – but also in society in general.

Diversity is not only about gender. Diversity also means coming from different backgrounds, and we are proud to have 50 different nationalities at Deloitte Denmark – meaning that 10 per cent of our 3,200 people are foreign nationals. In the coming years, we will increase our focus on other kinds of diversity – including age and neurodiversity.

We have 50 different nationalities in Deloitte Denmark - meaning that 10 % of our 3,200 people are foreign nationals.

Sustainable growth

We have experienced a year with a record-breaking 19 per cent growth at Deloitte Denmark – resulting in a turnover of DKK 4.4 billion and the hiring of more than 1,000 new colleagues. The growth is evident across all of our five business units – Audit & Assurance, Consulting, Tax & Legal, Risk Advisory, and Financial Advisory. From high-profile audits to significant M&A deals, cyber risk management with large corporates, and an acceleration in climate services and digital transformation, our clients have been pushing the megatrend agendas faced by our society. We are proud to see that many of our offerings are market-leading - globally and locally - according to various external sources, including Gartner and IDC MarketSpace. This is exactly what we are aiming for; to be the market leader by delivering impactful solutions to our clients.

We continue to serve the public trust and build integrity in the Danish business community with our experienced and innovative audit business. We are proud to have won a prize for the most innovative digital audit solution. And we continue to invest so we can continue to drive innovation for our clients and industries as a whole. This year, we completed the acquisition of an SAP practice – and announced the acquisition of another one, which will be finalised in the beginning of FY23 – to strengthen our SAP capabilities and cement our position in the Danish and Nordic SAP market. We have also expanded our Climate & Sustainability practice to double size to cater for the enormous demand within this service area.

With a record-breaking revenue growth of 19 per cent, we have made a DKK 4.4 billion turnover in FY22.

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Sustainable transformation

Globally, Deloitte now has more than 415,000 employees, a revenue of USD 59 billion, and is by far the largest firm among the Big Four. We believe in our business model and will continue our journey towards a more integrated Nordic and global firm. As we become more global, we are able to work more borderless and seamless to better serve our clients by utilising centres of excellence and our global talent pool.

Society is transforming and adjusting to the new realities of climate change, inflation, and post-pandemic. With this agenda, we have been running our Small Great Nation initiative with think tank Kraka for five years now. Thus, in the past year, we have launched our ninth report about the labour market and the tenth report about the climate, and we have been on a roadshow across Denmark to explore some of our small great cities and their local strongholds. Through this, we have continued to shape the public agenda and facilitate a debate with PR stories and podcasts addressing our recent findings.

Globally, Deloitte now has more than 415,000 employees.

We are living in times of uncertainty and concern - and in times of opportunity. I have always believed the glass is half full and that every crisis is an opportunity for growth. What I am really excited about in the coming months is how we will continue to focus on how we can foster a sustainable business with our people at the heart of what we do. So, to best serve our clients, we must put our people first. Their well-being is a prerequisite for our ability to deliver innovation, top-of-industry solutions to our clients, and transform society.

In this year's Impact Report - our annual report - we have gathered some of the great stories of impact from the past year. I hope you will enjoy the read.

Anders Dons
CEO & Partner

This report constitutes the statutory CSR report, cf. Sections 99a and 99b of the Danish Financial Statements Act.

Our strategy

Connecting for impact in unprecedented times

At Deloitte, our strategic ambition is to be the market leader by being the most responsible, trustworthy, and influential firm of our industry. To achieve this, our Connect for Impact strategy has guided us for the past couple of years and enabled us to build the underlying culture that will empower us to fulfil our ambition.

This financial year - FY22 - has been a year beyond comparison. Global events have had a significant impact on the business environment and beyond. With the scale, frequency, and volatile nature of these events, it seems that unprecedented times have become the new normal and uncertainty has come to characterise the environment in which we operate.

At Deloitte, we responded to the best of our ability, guided by our strategy and core values. Our people have demonstrated that trust, agility, teamwork, and empathy are the best response in times of crisis. This behaviour reflects our Shared Values, which bind us together across Deloitte.

The final chapter of an extraordinary strategy period
During the coming year, we will accelerate what we set out to do in our FY23 ambition and go all-in to Connect for Impact and pursue Undisputed Leadership. At Deloitte Denmark, we will continue to move our businesses and borders closer within our global Deloitte network. This move will allow us to serve our clients in an even more seamless and borderless way and bring our global expertise to our local markets.

Our strategy is based on three pillars:

1 **Sustainable lives**
2 **Sustainable growth**
3 **Sustainable transformation**

Each pillar is essential to our success, and both prioritisation and execution will be key. The common denominator between all three pillars is sustainability. We will put greater emphasis on our people's work-life balance, development, and long-term career perspectives. We will also continue to value and protect our long-term client relationships and commitments and take a long-term view of our strategic choices.

1

Sustainable lives are fundamental to our strategy and core values. We learned a lot during the pandemic, and it has further sharpened our strategic priorities and focus on our greatest asset: our people. With new ways of working, well-being initiatives, and personal and professional development, we will accelerate our endeavours to become the best workplace for our current and future employees. Many initiatives have already been implemented, such as equal terms for parental leave and services to help improve physical and mental health and decrease stress.

Going forward, we will increase our focus on this important agenda. The end of the lockdown and the reopening of society also meant that we could resume internal training and courses. We will focus even more on creating development opportunities for our people during the next financial year, including cooperation with the Deloitte University EMEA, which will open in Paris in spring 2023 and provide our talents with international training facilities. Learn more about our leadership training programme and see the new Deloitte University here.

2

Sustainable growth addresses our approach to our clients. We strive to be the preferred transformation partner of our clients by helping global and local clients address the most important challenges they are facing – whether it is within audit, digital transformation, sustainability, mergers and acquisitions, cyber, or tax. By serving our clients as a comprehensive one-stop service provider, we demonstrate the breadth and depth of Deloitte through our portfolio of leading capabilities and industry expertise.

Through our two integrated market programmes, Industries and Private, and five business units, we have tailored our client approach to give our clients the best experience possible. Going forward, we will continue to focus on developing our clients' businesses as well as our own to live our purpose: to create an impact that matters.

3

Sustainable transformation addresses our ability to integrate across our businesses and borders and advance our digital backbone, both equally important to ensure global connectivity between our Deloitte member firms. Across the global Deloitte network, we will create digital platforms that will help us serve our clients in a more seamless and agile way, ensuring the best service experience for our clients. At the same time, we will continue our journey to invest in state-of-the-art technology to strengthen our digital infrastructure. Our internal transformation will be crucial in the time to come in order to be the best transformation partner to our clients.

Looking ahead

– continuing our path towards Undisputed Leadership

FY23 marks the final chapter of this strategy period. Our commitment and determination to progress and create an impact that matters for our people, clients, and society will remain. By investing in our future in line with our above-mentioned priorities, we will lay the path for a more sustainable future for our firm. For many years, we have nurtured our cross-border relationships, strengthened our trust in the market, and established a solid business on a strong cultural foundation. We are proud of what we have achieved so far, and we have a clear strategic path forward. A key strategic focus has been to combine our strong competencies across our five business units to deliver holistic solutions to our clients within prioritised areas. We will accelerate this further in the years ahead. During the next financial year, we will craft a new strategy for the coming years, in which we will keep bringing our global Deloitte network closer together to serve our clients seamlessly, deliver unique talent experiences, and make joint investments to stay at the forefront of our industry. Through this, we aim to raise the bar on our path towards being the most responsible, trustworthy, and influential firm. Towards becoming undisputed leaders.

Our business model and network

The main activity of Deloitte Denmark is to deliver audit and advisory services in Denmark and Greenland. Our firm is organised into five business units that deliver services within audit and assurance, consulting, financial advisory, risk advisory, and tax and legal. Our business units provide audit and advisory services to private and public clients across industries and sectors. Our main assets are our talented people and tried-and-tested business models and systems, and we deliver insights and transform our clients' businesses while serving the public trust. A core element in how we serve our clients is our deep sector and industry specialisation, allowing us to serve our clients with indepth specialist competencies from across our global network. Read more about our market programme here.

The Deloitte network is a globally connected network of member firms and their affiliates operating in 150 countries and territories. These separate and independent member firms operate under the same brand. Deloitte Statsautoriseret Revisionspartnerselskab is part of the Deloitte network through Deloitte North and South Europe (NSE).

Today, Deloitte NSE has over 65,000 people working across 28 countries in Europe and the Middle East. These integrations are part of the global strategy to transition into fewer globally aligned and integrated regions.

Within Deloitte NSE, the 28 countries still operate as separate independent legal entities and provide services in their respective jurisdictions following professional standards and our promise of creating an impact that matters. By joining forces, we can draw from an incredible diversity of skills, expertise and perspectives and provide global, consistent and seamless services to our clients. Our collective strength allows us to build centres of excellence, share deep specialist knowledge and service our clients with local experts on a global scale. Our ability to deliver the best competencies across borders and disciplines are catalysed by our market programmes focusing on collaborating with clients and through partnerships with other leading players.

By cooperating closely within our global Deloitte network, we have been able to deliver international projects at an unprecedented scale, which would never have been possible without the strength of our Deloitte NSE network.

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Our market programme

Making an impact with our clients

At Deloitte, our people are core to our success; without them, we would not be able to deliver the highest quality to our clients. Over the past years, we have worked dedicatedly to constantly increase the value we bring to our clients through deep industry expertise and committed teams – because we believe that the best way to help our clients navigate the turmoil that has characterised the world over the past years is to build even closer relationships.

Our clients are transforming at a rapid pace rarely seen before. Emerging challenges like cyber security, supply-chain resilience and sustainable transformation set new demands for companies, organisations, and Deloitte as advisors and auditors.

Throughout the past year, we have focused on enhancing our industry expertise across all sectors to ensure that our clients always receive the best professional service competencies wrapped in deep industry knowledge. In doing so, we have moved even closer to our clients and built tighter long-term relations – initiatives that are necessary in a rapidly changing world. Having the right industry knowledge allows us to tailor-make responses to emerging challenges in collaboration with our clients. Nurturing close relationships enhances our understanding of their specific challenges and opportunities and fosters collaborative partnerships. In combination, deep industry knowledge and trusted partnerships enable us to make an impact that truly matters to our clients.

Two client programmes **– one goal**

The unique client experience we strive to deliver at Deloitte is orchestrated through two client programmes with distinct responsibilities but shared goals: Industries and Private.

In our Industry programme, we service large corporates within the consumer industry, public sector, energy, resources and industrials, financial services, life sciences and health care, and technology, media and telecommunications.

In our Private programme, we service the SME segment in Denmark, including fast-growing companies, private companies in the midmarket, family-owned businesses, and private financial investors.

Through our two client programmes, we work as one firm towards one goal: to be the preferred and trusted advisor of our clients.

Dive into our client stories of impact

Business

Audit & Assurance

We are leading the transformation of our industry with people and business sustainability at the core.

Henrik Wellejus, Head of Audit & Assurance

Last year we stated: "The world is changing, and so are we," and this year is no different. Our mission to create a workplace where ambitions and life balance naturally co-exist is still our number one priority. We have lengths to cross, but we are proud to be leading the industry in both heart and mind.

While making a revenue growth of 6 per cent in Audit & Assurance in FY22, we continued our relentless focus on creating value for our clients, digitising our business, and sustaining market-leading quality.

We have continued executing on our vision to reimagine audit – and building a sustainable model for our people is essential to our success. At the beginning of the year, we discontinued engagements with a significant number of clients in the scale of 100,000 working hours.

We reduced working hours and freed up time across the entire business, and although we still have more to do, we believe this initiative has created the foundation to create even more impact for our clients. And although we have not reached a sustainable balance yet, it was an important signal to change the work culture dominating our industry.

Deloitte is **Ranked #1**

- Danish Digital Awards 2022
- Best place to work in the industry (Universum)

Youthful insight and building trust in society

In January, we launched a Young Advisory Board to work with our leadership team on strategy and business development. Their perspectives on how to succeed with building a sustainable people model are insightful, necessary, and inspiring. The future of Audit & Assurance belongs to our talents, and we grow as we listen and learn from them.

Looking back at FY22 and the aftermath of the pandemic, we are proud of how we revitalised our role as guardians of trust in society. We helped keep the wheels of society turning with free counselling for businesses to manage bookkeeping in a challenging situation with little income, support from the Government and loans. We should never underestimate the importance of audits to inform trust and transparency in society – even though we live in a country where the level of corruption and fraud is very low.

Our Assurance business is growing. Given that new trends emerge, and society demands more and different services from audits, we have continued to develop our services to deliver on future demands and create more value for our clients. Especially within ESG, we expect our offerings to scale significantly in the future as we will help companies prepare for and report on sustainability measures.

As for our brilliant team in Audit & Assurance, we have grown in FY22 and expect to grow even further in FY23 to meet the demand. We continue to put our talents first because we need the best and brightest minds to deliver a client experience beyond the expected. Luckily for us, the future talents in Audit & Assurance acknowledge that and once again have placed us as the #1 place to work in the industry, according to Universum.

Consulting

Client impact is when our talents connect the dots between strategy and transformation

Martin Søegaard, Head of Deloitte Consulting

In FY22, Consulting was on a growth train to impressive results. Not only did we onboard more than 350 new employees and strengthened our capabilities as a team. We also saw a remarkable growth in revenue, largely fuelled by our strategically prioritised clients.

Embedding strategy and sustainability in digital transformation are becoming more important than ever. A digital transformation that narrowly concerns the technology is no longer enough, and our clients ask for transformational growth.

It has been a dynamic year marked by two acquisitions. Last summer, we onboarded and integrated the team from Syncronic, strengthening Deloitte's skills in supply chain demand which – since the acquisition – has been top of the agenda with most of our commercial clients. We recently added further to our technological and transformational skills by acquiring Framework Digital in May.

The alliance with our vendors grew closer in FY22 and we now offer a wide and deep range of tech-enabled consulting services in close cooperation with SAP, Salesforce, Service Now, AWS, Google, Kinaxis, Workday, and others. Alliances are increasingly important for us to deliver transformational impact to our clients.

Exceptional team on a growth sprint

As to the Consulting team, it is second to none. We have onboarded 353 employees on the team this year, and we have made an effort to make all the new talents feel welcome and socially integrated, e.g. with offsite events after a tiresome period of lockdown and social distancing.

I see our recruitment success as a testament to our world-class employee value proposition. We take pride in developing the consultants and leaders of tomorrow with all the skills demanded in the future. Developing our talents is our number one priority, and we focus on developing each of our talents individually within the strong and inclusive culture of Deloitte.

Our talents in Deloitte Consulting make a huge difference thanks to their combined technological and strategic capabilities. In this financial year, we cemented our position as the preferred business transformation partner of our clients.

After the pandemic, hybrid working has become permanent when working with our clients as well as internally on the team. The new way of working has increased team flexibility and allows for a more efficient and seamless service for clients.

Results and expectations

In terms of financial performance, FY22 has been nothing but outstanding, with a revenue growth of 29 per cent, which generally outperforms the market. This positive development results from prioritising strategically important clients more in terms of time and resources in alignment with our strategy.

The largest growth driver this year has been the M&A-enabled transformation services, in which we have helped clients through massive transactions, but also tech-enabled and front-end integration-enabled consulting services have driven significant growth. These areas are essential to our clients, and we expect our services within these areas to grow even more in FY23.

The sustainability agenda has come to stay but is not separated from our core business or strategy. Our clients expect us to embed sustainability in everything we do, and our focus is to enable our clients to transform sustainably throughout their business, whether it is within Strategy, Data & Analytics, Supply Chain, Finance or IT.

Consequently, we have a relentless focus on sustainability enabling all our offerings to bring tangible value to our clients on this agenda. We will continue to invest in sustainable, techno-logical, and transformational capabilities to stay ahead of the demand and provide exceptional consultancy services to our clients.

Awards

- Deloitte Consulting named #1 service provider worldwide by revenue according to Gartner® Market Share report
- Deloitte named a leader in the 2022 Gartner® Magic Quadrant for SAP S/4HANA Application Services worldwide
- Deloitte named a leader in the 2022 Gartner® Magic Quadrant for Public Cloud IT Transformation Services
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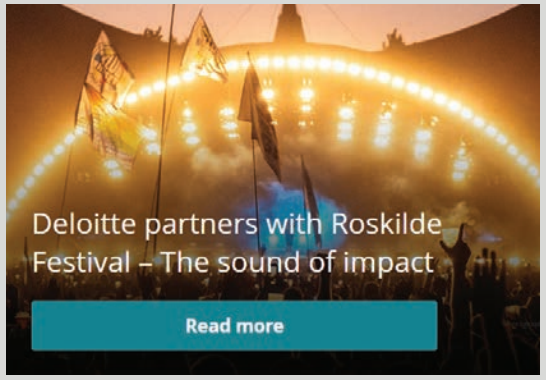

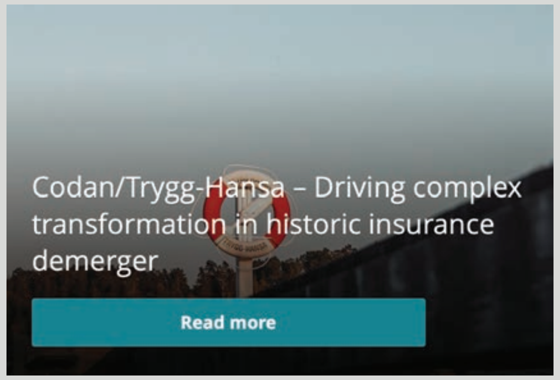

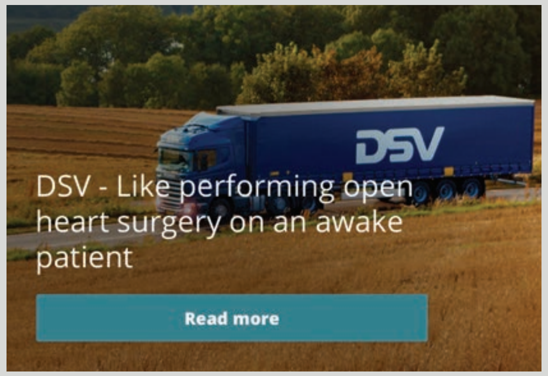

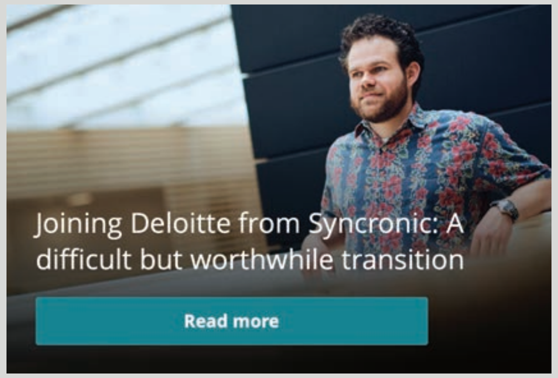

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Financial Advisory

Experienced market leaders with a dedicated industry focus

Sigurd Ersted Jensen, Head of Financial Advisory

A powerful and loyal team spirit is uniting our efforts in Financial Advisory, and there is no doubt that this – our caring high-five culture – in conjunction with a strong focus on industry expertise are the main reasons behind our best financial results ever. We are market leaders in mergers and acquisitions (M&A) and Forensic and continue to specialise further in key industries and sectors.

What a year to look back and reflect on! After the pandemic, we have grown even closer on the team. On Deloitte's Financial Advisory team, we take pride in taking care of each other and valuing our differences. The year has been one of high market activity, and equally so in our business unit, and in this hot and fast-paced environment, we managed to win several important landmark deals and projects.

It was a bold strategic choice when we decided to specialise our capabilities and focus deeply on specific industries. With a revenue growth of 31 per cent, we are proud to see that our efforts have paid off. Industry specialisation combined with a broad offering of services and seamless continuity towards the client place our services in a category of their own.

Transactions at an all-time high

In a boiling M&A market, we have succeeded in bringing our capabilities into play with a broad variety of listed, privately owned, and private equity companies. We are on top of the M&A league tables when it comes to both number and value of the transactions we advise on.

Forensic growth

In FY22, we successfully scaled up our financial crime advisory business, resulting in us signing contracts with the largest clients in the Nordic financial sector while at the same time maintaining our market-leading position within investigations, fraud prevention, and disputes.

The pandemic strengthened our flexibility and ability to work remotely and succeed together despite physical separation. Succeeding with transactions in a virtual environment is a demanding task for project leads as well as employees in relation to staying on target, communicating clearly, and being able to handle sudden changes.

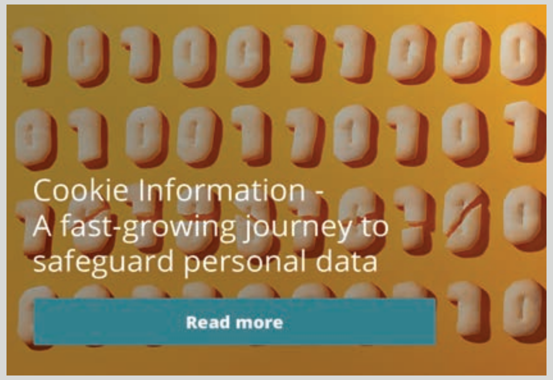
Team players

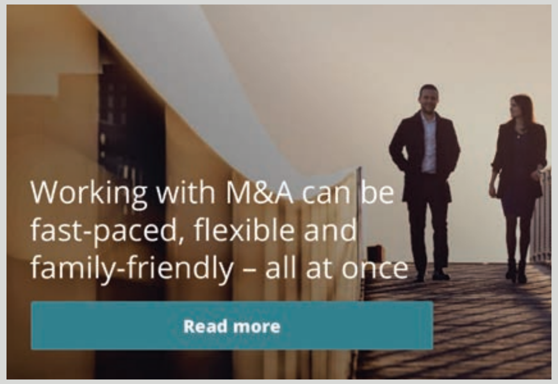
Our way of working has always been characterised by an equal playing field and a flat organisational hierarchy. We give our people the opportunity to influence their career pace, and we are dedicated to making sure that the M&A business is attractive to talents independent of gender, origin, educational background, etc. That is why our team is amongst the most diverse in the business, and this diversity of thought is of great value to our team and clients. On our team, we are known to give high-fives and help make each other stronger rather than competing against each other - which is also part of the reason why our employee churn is quite low. Moreover, when recruiting a new team member, it is the current team members who make the decision rather than the hiring manager.

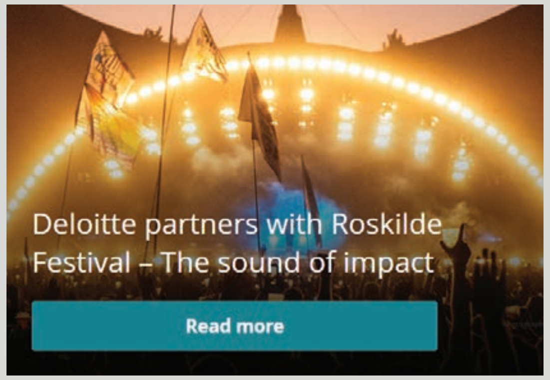
Opportunities and challenges on the horizon

We are fired up and ready for new challenges as the new financial year begins. The effects of the war in Ukraine impact economies massively, and the rising energy prices, food shortage, and inflation will likely affect the market we operate in.

Our focus, however, will stay on further industry specialisation, building of ESG (Environmental, Social, and Governance) advisory targeted at transaction services, and expansion of our Nordic M&A cooperation. Over the next years, we will further develop our Preventive Financial Crime advisory and strengthen our end-to-end M&A advisory so that clients can get the full consultancy package in the area.







Risk Advisory

In an uncertain world, navigating risks has moved into the core of organisations

Mette Kaagaard, Head of Risk Advisory

A revenue growth of 22 per cent in Risk Advisory is testimony to a market with increasing demand. Society and businesses are now facing more uncertainty due to the war in Ukraine as well as financial and political instability. The need for resilience is high, as is the ambition to integrate sustainability practices in all levels and business processes.

FY22 was one of high complexity and posed a lot of challenges to businesses. War in Europe, supply chain issues, financial insecurity, cyber attacks, lack of talents, and rising demands to deliver sustainable transformations are just some of the headlines in the last year.

In Risk Advisory, we saw a surge in demand for services that help build business resilience. Business leaders have come to realise that it is impossible to fence off all risks. When leaders force themselves to embrace risk and work with scenarios to stay in business in a situation where "all lights are out", it has a transformational effect on the entire organisation.

Sustainability and cyber

The remarkable development in FY22 was a general tendency away from simply complying with regulation to a more proactive and strategic approach to sustainability. Organisations increasingly incorporate sustainability technology in their operations to obtain a data-driven view on, for example, their carbon emissions and to be able to navigate throughout the year to reach the results communicated while helping our clients with taking their customers' risk profiles into account in a more consistent and transparent way than ever before.

EU legislation has put a massive focus on sustainability in the financial sector that now needs to steer funds towards green investments. We therefore expect to see a spill over effect on the pricing of investment activities in the financial sector.

The cyber agenda saw a massive growth during the pandemic with employees working from home in less cyber secure environments – a situation that escalated further as the war in Ukraine broke out. Along with physical warfare, the number of cyber attacks increased drastically and can be of a highly destructive nature. Navigating this type of risk has naturally become a top management focus, as is creating resilience in the business structure to cope with such risk.

Results and talents in Risk Advisory

Closing our books for FY22, it becomes clear that Risk Advisory has managed a smooth and gradual turnaround. Digital transformation continues to be at the core of our offerings, and all of our service lines have shown good results this year. We have improved our performance with a 22 per cent revenue growth.

The growth means that we are welcoming more talents on our team, and leaving FY22, we have added 30 skilled talents to accommodate the rising market demand. In a market with scarce resources, we welcome talents from all parts of the world, giving us rich cultural diversity. This is something we are particularly proud of, and we are happy to see that our talents are recognised internally as well as externally.

Team and talent well-being has grown significantly throughout the year, and we see talents who have previously left us returning to our team. A work culture characterised by more flexibility and balance was established during the pandemic, and I am sure this new foundation will help us attract and retain strong profiles in the future.

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Tax & Legal

Experienced market leaders with a dedicated industry focus

Niels Josephsen, Head of Tax & Legal

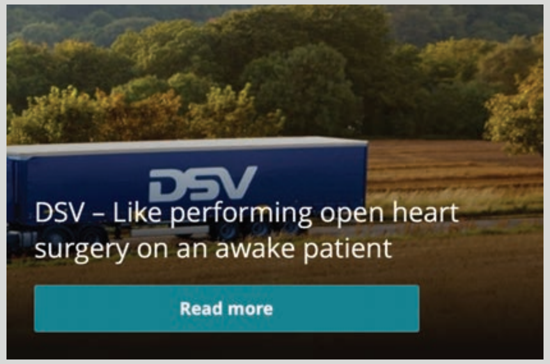
After the pandemic, Tax & Legal has managed to overperform in an incredibly busy and dynamic financial year. In FY22, we delivered our best results ever. Increased activity in mergers and acquisitions and new transfer pricing legislation are some of the main factors driving this growth.

It has been quite a remarkable year for Tax & Legal. Our footprint among big corporates has become larger, and our consultants continue to make an incredible impact locally and globally for those clients with employees around the world. We see a heated market within areas like mergers and acquisitions, digital transformations – including SAP S/4HANA – and sustainable business transformations. Consequently, we are proud to report a 14 per cent revenue growth this year.

Internally, it has also been a year to remember. We have expanded our competencies across the country and built a strong tax office in Aarhus, and quadrupled the headcount in our tax office in Odense in just five years. Our team has built competencies in new, more specialised areas, and we have succeeded in recruiting even senior employees and partners at a time when many experience recruitment difficulties. Moreover, the Tax & Legal team has benefited greatly from the lessons learned during the lockdown, leading to a hybrid work culture with increased flexibility, in which leaders and colleagues frequently check in with each other – both online and offline.

So, what does the future look like for Tax & Legal? While there is likely to be an impact from the war in Ukraine, rising inflation, and uncertainty among consumers, we expect to continue growing in the long run. We are currently shaping our global integration towards an even more integrated Nordic business for closer cooperation on large deals, especially within the transfer pricing area but also within technology.

Technology also continues to play a more important role in the tax field with increasing demand for applications, digital projects driven by SAP S/4HANA implementations, and other technology-enabled tax solutions. Adding to this, we anticipate new EU regulations within the area, forcing businesses and authorities to get up to speed with the new developments. In the time ahead, the challenge will be to attract the right expertise and talents in a time when the competition for skilled, specialised employees is intense all over the market. Nevertheless, we believe that our business is equipped to take on this recruitment challenge.



Environmental

Our journey towards net-zero

Mitigating the impacts of the climate crisis is a monumental task. But together, we can drive positive change. And it is vital that we all do so by taking urgent and immediate action. If we fail to do so, these complex challenges will evolve into an even broader range of risks for the environment, society, and businesses, including our own. But progress is possible if businesses and society act collectively.

Our environmental impact matters

Being the biggest professional services firm in the world, we know that the collective actions of Deloitte's 415,000 people can have an impact. And we must do our part to help the world achieve the goals of the Paris Agreement. Therefore, Deloitte launched World*Climate* - our strategy to drive responsible climate choices within our organisation and beyond - in FY20 to address the world's urgent climate crisis with achievable, measurable, and science-based actions. This strategy is a development of our commitment to contributing to the achievement of the United Nations' Sustainable Development Goals.

Collective action is essential to combat climate change. Therefore, our strategy focuses on three pillars: the actions we take, the actions we inspire our people to take, and the actions we take with others in our ecosystem. These efforts combined will enable us to accelerate the transition into a sustainable future.

To get there, we are embedding sustainability into policies and practices throughout the organisation. And we are empowering our people to make climate-friendly decisions and influence others to do the same. In doing so, we want to reduce the risks of further harm to our planet and people and to reduce the risks to our business. We want to continue working with clients and talents who share our vision of a sustainable future and who will also not accept inaction.

Deloitte's near-term (2030) greenhouse gas (GHG) reduction goals have been validated by the Science-Based Targets initiative (SBTi) as 1.5 degrees Celsius-aligned, science-based targets. Deloitte has also committed itself to setting long-term emissions reduction targets using the SBTi's Net-Zero Standard (2021).

World*Climate*

Our near-term goals are to:

1. Reduce absolute Scope 1 and 2 GHG emissions 70% by 2030 from a 2019 base year
2. Reduce Scope 3 GHG emissions from business travel 50% per FTE by 2030 from a 2019 base year
3. Reduce waste production 50% per FTE by 2030 from a 2019 base year
4. Make our car fleet 100% electric by 2030
5. Engage with our major suppliers with the goal of having 67% (by emissions) set science-based targets by 2025
6. Invest in meaningful market solutions for emissions we cannot eliminate.

Carbon neutrality

Net-zero is our long-term objective. This objective will require us to reduce our emissions as fast as we can, in line with the SBTI Corporate Net-Zero Standard. While we decarbonise our business, we will maintain carbon neutrality by sourcing 100 per cent renewable electricity where available and financing ICROA-approved (The International Carbon Reduction and Offset Alliance) carbon-offsetting projects to compensate for our residual emissions.

Our 2021 carbon-financing portfolio focused on projects with strong social impacts that aligned with our Purpose agenda. With net-zero in mind, 20 per cent of these credits came from carbon removal projects. Over time this proportion will increase.

“Taking action on climate change and sustainability is not a choice. It’s an imperative. And everyone has a role to play. And the business community is well-positioned to lead the way - we have the resources, skills, and influence to help build stronger and more sustainable communities. And it’s our collective environmental and societal footprint that has the potential to make or break this decade of action.”

Anders Dons, CEO & Partner

Helping clients transition into a sustainable future

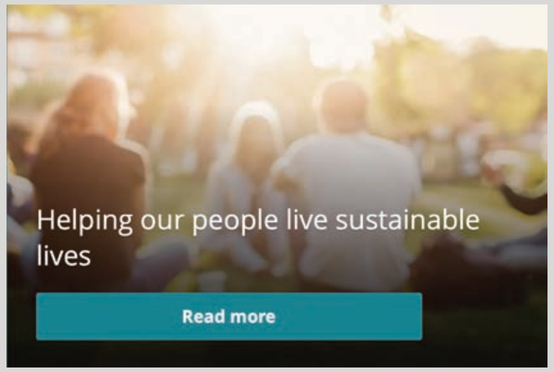
While we fully acknowledge the importance of our actions, the sustainable impact we can generate through our client work exceeds that of our operations. That is why we continue to invest significantly in our sustainability and climate offerings across our business areas. At the end of this financial year, Deloitte announced a significant expansion of our global Sustainability & Climate practice, including a USD 1 billion investment to improve our capabilities, services and assets.

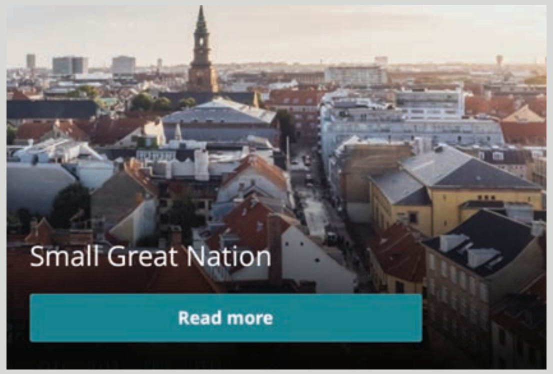
One of our investments is in our global Deloitte Centre for Sustainable Progress (DCSP). In collaboration with leading academic, policy, business, and governmental organisations, the DCSP network will focus on holistic, results-oriented thought leadership, data-driven analysis, and accountability reporting to guide organisations through their sustainability journeys.

In Denmark alone, we have doubled the number of sustainability and climate experts in our practice in the past year to cater for the enormous demand for assistance and solutions. We support our clients in addressing their environmental impacts, managing climate and human rights risks, integrating sustainability goals into their business, measuring performance and impact, meeting new disclosure requirements, financing sustainable transformations across their value chains, and much more. Learn more about our sustainability and climate services here.

Driving sustainable change from within

Deloitte’s global Responsible Business Practices outline our specific goals and commitments to reduce emissions, preserve biodiversity, conserve resources, and reduce waste within our operations. At Deloitte Denmark, we promote and implement these commitments through our local policies and initiatives.





Business travel

As business travel accounts for a significant part of our CO_2 emissions, we have committed ourselves to reducing our travel emissions by 50 per cent per full-time employee by 2030 compared to FY19 levels, as described in our World*Climate* strategy. This means we cannot return to the same travel habits as before the pandemic. However, in many cases, travelling is a key enabler for our work with clients and collaboration across member firms. We have, therefore, been tracking our travel habits closely in the past year to comply with our newly implemented travel policy, encouraging more sustainable behaviours such as travelling by train instead of plane when possible and choosing economy instead of business class, as well opting for video and phone conferencing whenever possible.

During FY22, we observed an increase in travel activities compared to the previous year, which was heavily affected by travel restrictions and lockdowns. As countries and offices have reopened, an increase in travel was expected, as both clients and employees had an instinctive need to meet physically after the pandemic. Despite the increase, our travel emissions for the year are still below the 2030 target objective. However, we see an upward trend in terms of the number of flight bookings and CO_2 emissions accordingly, which we will monitor closely.

As such, we will continue to help our people make smarter, more carbon-conscious travel choices and leverage hybrid ways of working to maintain the same high levels of service and quality. To support this, we are planning an internal campaign on how to deliver our services to clients in a more sustainable way in FY23. Additionally, we are transitioning towards the target of having a car fleet that is 100 per cent electric by 2030.

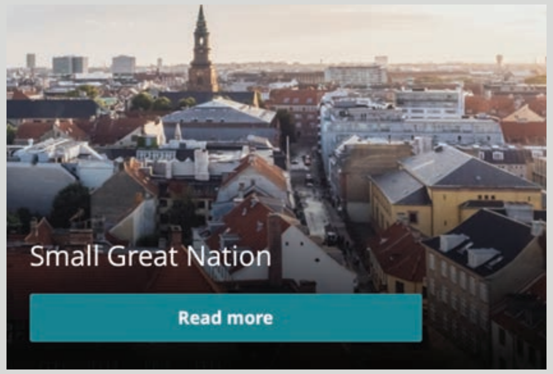
Educating our people

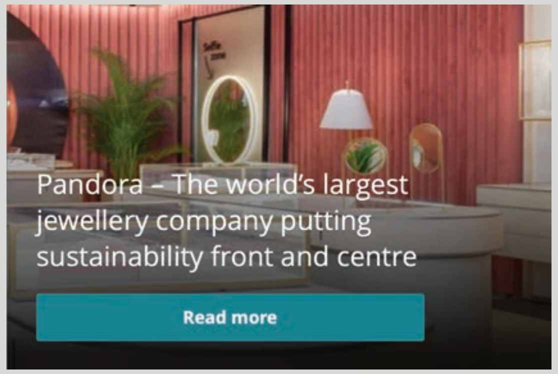
An important pillar in our World*Climate* strategy is to empower individuals. By engaging and educating our employees on climate change impacts – decisions about what they consume, use, and buy – we want to enable our people to make positive climate choices at home and at work. To do so, we have rolled out the World*Climate* e-learning programme 'Rewrite our Future' to all Deloitte employees worldwide. The 45-minute course aims to inform, challenge and inspire our people to create a more sustainable world.

In FY22, we also held the first Sustainability Learning Week across Deloitte North and South Europe (NSE). The programme was designed to boost knowledge and empower our people to use their existing expertise to address sustainability challenges. Throughout the week, employees could interact with our experts and client executives to learn about basic sustainability terms, environmental sustainability, the EU Green Deal, the EU Taxonomy, circular economy, and sustainable strategies, among many other themes

Educating our society

As part of our Small Great Nation social impact initiative, we launched our second climate report this year. The report – 'Green cows, Russian gas and CO2 - myths and realities' – takes stock of the current Danish climate strategy and investigates how Denmark can reach its ambitious CO2 reduction goals with a particular focus on the current energy crisis and agriculture. By facilitating a fact-based discussion through reports, events, podcasts, and press activities, we educate and engage the public in the debate about their future - read more about the initiative here.





Greening our operations

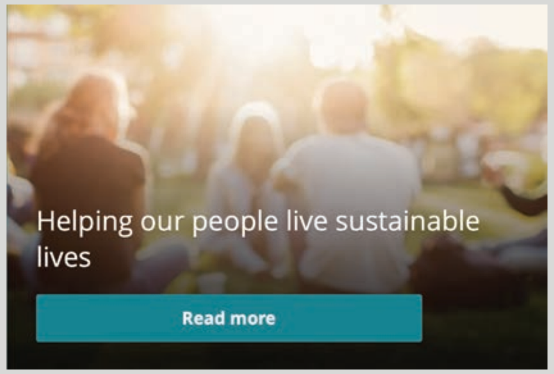
While we have taken some significant steps in previous years, we continue to search for ways to make our operations more environmentally sustainable – from reducing food waste to increasing biodiversity. Below we have gathered some of the highlights from the past year.

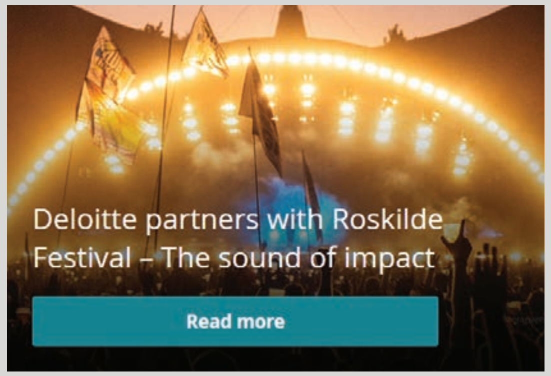
Internal sustainability initiatives FY22

- As described, we have implemented a new travel policy that aims to reduce our travel emissions by 50 per cent per full-time employee by 2030 compared to FY19 levels.
- Green outdoor areas have been established at our office in Copenhagen to increase biodiversity for the benefit of bees, insects, and employees.
- To limit food waste from our canteen buffets, we have partnered up with Too Good To Go – an app that enables employees to buy surplus food directly from our canteen. In the first six months since launching the app in January 2022, we have saved 668 meals from becoming waste and 1.67 tons of CO2e.
- In collaboration with our national canteen supplier Meyers, we have decreased our CO2 consumption per kilo of food by 22 per cent from last year by focusing on low-carbon food items.
- We have expanded our company bike fleet to reduce emissions from short-distance business travel.
- In our quest to eliminate the last remains of single-use plastics in our offices, we have replaced items such as bags and dry-cleaning bags with recycled and reusable ones.

Going forward, we will continue to impose greater sustainability requirements on our suppliers to reduce the negative environmental, social, and economic impacts of our supply chain.

We believe we are progressing towards our targets, but we also know we can and must do more to accelerate our efforts. And we will!





Our carbon footprint

We continuously work to include additional data and improve the data quality to get a more complete greenhouse gas inventory. As a result, we have expanded the scope of reporting to include purchased goods and services this year, which, understandably, have increased our total emissions.

Our carbon measurements for FY22

- At Deloitte Denmark, we emitted a total of 10,561 tons of CO2 equivalent in FY22, equalling 3.91 tons of CO2 per employee.
- A significant part of our emissions derive from purchased goods and services, which include real estate-related services, contingent labour, IT hardware, events, etc. As a result of the growing number of employees and the reintroduction of physical meetings and events among other things, our emissions from have increased. However, we are still below our pre-pandemic FY19 levels.
- While business travel traditionally accounted for a larger part of our emissions, most of FY22 was affected by travel restrictions caused by the pandemic. However, as restrictions lifted at the end of the year, our business travel emissions have increased significantly. Although we are below our 2030-travel emission target, we are seeing an upward trend, which we will monitor closely to ensure that we live up to our travel policy and, thereby, our World*Climate* goals.
- Deloitte North and South Europe (NSE), which Deloitte Denmark is part of, has purchased Energy Attribute Certificates for all electricity, thereby making it our third year to source 100 per cent renewable electricity.
- Deloitte has purchased Certified Emission Reductions at NSE level, thus offsetting our carbon footprint and making our operations and value chain carbon neutral.

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 owned electric vehicles.
- Scope 3 includes our emissions from business travel, and our purchased goods and services.

This disclosure relates to Deloitte Denmark. For a review of our North & South Europe member firm, see the Deloitte NSE GHG Statement.

CARBON EMISSIONS		FY20	FY21	FY22
Scope 1	**tCO2**	**0**	**0**	**0**
Scope 2	**tCO2**	**723**	**754**	**824**
Electricity Generation, Market-based	tCO2	0	0	0
Electricity Generation, Location-based	tCO2	711	683	458
District Heating	tCO2	723	754	824
GROSS OPERATIONAL EMISSIONS	**tCO2**	**723**	**754**	**824**
Scope 3	**tCO2**	**9,217**	**6,055**	**8,347**
Business Travel - Air (without RF forcing)	tCO2	1,559	68	597
Business Travel - Air (with radiative forcing)	tCO2	2,948	128	1,129
Business Travel - Other	tCO2	825	451	658
Business Travel - Hotels	tCO2	591	135	425
Purchased Goods and Services	tCO2	6,242	5,402	6,667
GROSS TOTAL EMISSIONS	**tCO2**	**9,940**	**6,809**	**9,171**
Certified Emission Reductions (Offsets)	tCO2	3,697	6,809	9,171
NET TOTAL EMISSIONS	**tCO2**	**6,242**	**0**	**0**
Emissions per FTE	**tCO2/FTE**	**3.90**	**2.74**	**3.39**

Limited assurance was provided by BDO LLP at a consolidated Deloitte NSE 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 market-based electricity data, district heating, business travel data without radiative forcing, and purchased goods and services. Location-based electricity data and business travel data with radiative forcing are included in the table to increase transparency of our reporting.

**Includes retrospective emissions from homeworking and commuting, which was added in FY22.*

For the details of our methodology, please refer to these footnotes and Deloitte North & South Europe's GHG Emissions Basis of Reporting.

Social

Helping our people live sustainable lives

Globalisation, technology, the 24/7 marketplace, and COVID-19 have changed how we work. After two years of lockdown and isolation followed by the senseless war in Ukraine and an uncertain economic outlook, we find ourselves facing a new reality.

We strive to create a sustainable working environment for everyone and give our people the best conditions to make work and ambitions a positive aspect of life while minimising the risk of stress and burnout as much as possible. Our internal survey shows that, on average, three out of four feel they have a good work-life balance, while approximately one out of four feels stressed more than half of all workdays and some almost every day. We want to change this and support our people in achieving a good work-life balance and reducing risks to their health and our business through the untimely loss of talented people. Therefore, we have increased our focus on cultivating a sustainable workplace where each and every one of us can thrive. Our talented people remain our most important asset. Without our people, there is no Deloitte.

Introducing a new, family-friendly parental leave policy

Becoming a parent changes your life. However, in general, parenthood affects men and women in the workforce differently. In Denmark, women take 90 per cent of the parental leave. This uneven distribution of parental leave is a key reason for the continued inequality between women and men in the Danish labour market.

To contribute towards attaining a more equal playing field, we have introduced a new and improved parental leave policy this year. By giving mothers, fathers, and co-parents 24 weeks of paid leave, we want to help promote the structural change needed for a more equal distribution of parental leave – not just at Deloitte – but also in society in general. And we are happy to see that many other organisations have also decided to introduce equal parental leave terms.

Better parental leave conditions and policies are part of Deloitte's Happy Parents programme, which has been running for four years. The Happy Parents programme also ensures that our talents are prepared for their parental leave and, after becoming parents, continue to thrive in their jobs upon returning to Deloitte. For instance, we have introduced flexible return days to ease the transition.

In the top five

Our people are core to Deloitte, and we want to continue attracting and retaining top talents. Thus, we are proud that students persistently perceive Deloitte as one of Denmark's best places to work. Once again, in 2022, we were in the top five of the most attractive workplaces for business students according to the annual Universum ranking.

The ranking places us at the very top of the audit industry, and is testimony to the fact that we continue to offer a workplace with a worthwhile purpose, excellent career opportunities, lifelong learning, caring colleagues, and a strong community

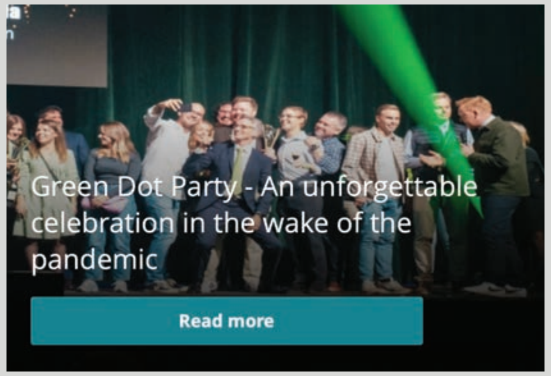
for life. However, although we are proud of our results, we know the journey is ongoing, pledging to continue to do more every day.

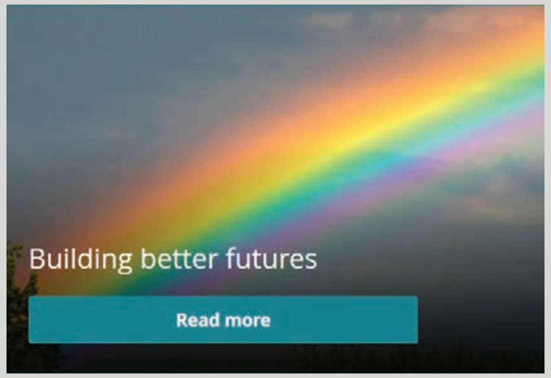
Increasing focus on well-being

Every day, we live our purpose of 'making an impact that matters'. The well-being of all employees is indeed a cornerstone of our purpose. It is especially relevant as we have grown from a total of 2,802 employees last year to 3,186 at the end of this financial year. This entails a lot of onboarding and changes for our employees.

The past year, we have increased our focus on employee well-being and taken initiatives to improve work-life balance. These include the well-being project and its recurring emphasis on healthy living, including guidance about exercise, a healthy diet, and getting enough rest. We have been inspired by health experts, served energy-boosting and anti-inflammatory foods, and offered the well-being app, AIO, for free to all employees. AIO is a science-based health guide that focuses on breathing, hydration, sleep, exercise, mindfulness, and nutrition. We have also held online meditation sessions three times a week, encouraged walk-and-talk meetings - which were kicked off with free beverages to bring along on your walk, and we have hosted physical training sessions including running, circuit training, and brisk walks. And we continued to raise awareness about identifying and addressing the early signs of stress and burnout.

We have also launched Deloitte's Code of Distributed Work to support our people in maintaining a flexible working life wherever and whenever possible. The Code includes having the flexibility to work from home or more formalised flexibility such as working part-time hours.





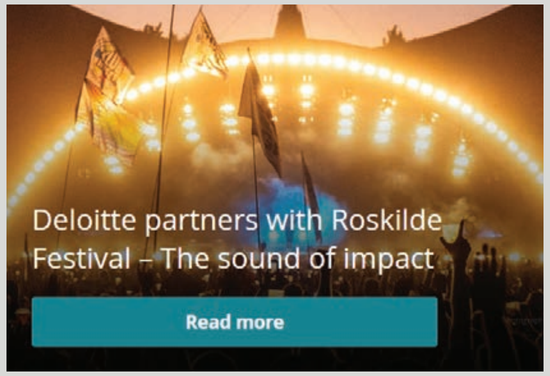
Striving for gender diversity in leadership positions

Representation matters. And we have a long-standing focus on gender balance in leadership positions. Although we have progressed and increasingly do so, gender representation in middle and top-level management has been and continues to be unsatisfactory. We have devoted significant resources to a wide range of efforts as we are working relentlessly on increasing the share of women in all positions, while focusing particularly on levels from managers to partners. These measures include firm criteria for our talent pipeline to ensure that the gender distribution continues to reflect the talent pool as talents move up the ladder - in general as well as in our talent programmes for high-performing talents. Furthermore, we have instituted clear gender diversity targets for commercial roles in our market programmes and, based on learning from our pilot year, we have expanded our female sponsor programme to ensure the continued development of our female talents.

Besides training our leaders in how to become aware of their unconscious biases, e.g. in leading, hiring, and promoting employees, we have introduced a procedure that helps leaders determine if they have the right talents on the right development tracks and programmes or if they have overlooked skilled candidates. In addition, we have updated our Happy Parents programme with several initiatives, including five flexible days off to ease the return from parental leave, updated the content and form of training offered to leaders with talents going on leave, and reduced targets for our parents returning from leave. As mentioned above, our newly introduced parental leave gives all parents equal leave terms and includes initiatives to ease the transition from parental leave back to work to create a workplace that embraces work-life balance, even for parents.

Amongst the elected board members, our target is to have at least 25 per cent female or male board members. With only 20 per cent women, there is still room for significant improvement. However, our two employee-elected board members are also women. The Board is also diverse in terms of professional backgrounds, geography, and international experience to ensure we reflect a global view. As determined by the Danish Act on Approved Auditors and Audit Firms, most board members are state-authorised public accountants.

Women in leadership	2018	2019	2020	2021	2022
Partner-elected board members	25%	25%	0%	25%	**20%**
Management team (Executive)	20%	20%	20%	10%	**20%**
Partners	9.5%	10.6%	12.1%	13,3%	**15.8%**
Senior Managers and Directors	30.8%	31.7%	31.8%	34%	**35.2%**



Delivering through diversity and by fostering inclusion

At Deloitte, we encourage and value diversity in all its shapes and sizes. Today, we have 50 different nationalities working at Deloitte Denmark. We deeply value this diversity and recruit accordingly. We believe that a welcoming and inclusive culture is integral to people doing their best. Inclusion and diversity empower business innovation, and we believe diverse groups deliver stronger and more innovative solutions to our clients. Furthermore, we need diverse perspectives, backgrounds, and experiences to reflect the society we are part of.

Therefore, we strive for an inclusive and diverse organisation and aim to achieve this by nurturing, appreciating, and strengthening the diversity of gender, background, education, culture, age, and thought. We want all talents to feel welcome, valued, respected, and included in our professional and social communities across Deloitte. We are working to achieve a more balanced composition of people with different ethnic and educational backgrounds, as well as cultural, LGBTQ+, and religious backgrounds.

We take pride in a workplace where everybody can feel safe, thrive, and grow. Our recently updated anti-harassment policy reflects this and is sent to all new employees as part of our employee handbook. Our approach reflects our commitment to create a workplace free of harassment, sexism, and discrimination, where each person is treated with courtesy, dignity, and respect, and where there is an equal opportunity for all to succeed. The message is unambiguous. Any form of sexual, gender-based, or psychological harassment is unacceptable.

Aiming for more diversity

As mentioned above, we have more than 50 different nationalities at Deloitte Denmark today. This number means that one out of ten employees are international. In Risk Advisory alone, more than a third of all employees have an international background, representing 30 different nationalities.

Meet three of our ambitious colleagues who are fighting for gender diversity and inclusion in "I'll be your damn quota".

During the year, we celebrated Deloitte's first Diversity & Inclusion week. Over that week, we participated in various national events and debates and sponsored KVINFO's yearly International Women's Day celebration. We also had two internal events - one focusing on gender identities in the workplace hosted by GLOBE, our internal LGBT+ community, and another on the benefits and challenges of working in diverse teams. On a more practical level, we have made it possible for employees to include pronouns in their e-mail signatures. Also, we have converted all our toilets into gender-neutral toilets to create a more inclusive environment for our colleagues who identify as non-binary or transgender.

In addition, we teamed up with the Danish NGO Professional Women of Colour (ProWoc) that works to increase the visibility and impact of women of colour in Denmark. As part of this collaboration, ProWoc has helped Deloitte build an internal diversity network and supported us with other initiatives to advance our respect and inclusion agenda.

When the annual Copenhagen Pride Festival took place, we took part in the celebration by hosting an open-air party with debates and music for all our LGBT+ colleagues and allies. We also communicated through our senior leaders the importance of diversity and inclusion to emphasise to our people that we live our values - they are not just empty words.

Apart from offering Danish language and culture courses, we are also conducting a range of projects to improve the experience of working in Denmark for international talents - including an international network. We also continue our Embracing Diversity project, a buddy programme for international new hires who team up with an experienced international buddy to help them settle in. In the coming year, we plan a cultural awareness campaign to help our people be considerate towards colleagues from different cultures.

In addition, when it was time to observe Ramadan, we promoted Deloitte Denmark's Muslim Network and raised awareness around the purpose and different sacred aspects of Ramadan. Furthermore, we promoted how to be inclusive and considerate towards our Muslim colleagues observing the fast and upholding their worship.

With all these initiatives, we aim to create a culture of belonging amongst our employees. Belonging in the sense of feeling secure, accepted, and included. It has a positive effect on your performance and personal life, and it is critical to improving engagement and overall business goals in a people business like ours.

Developing and training our leaders

When it comes to leadership, our ambition is to cultivate inclusive leaders who are empowered to develop and grow our talents. To continue our progress, our Leadership Academy has been redesigned with a strong focus on personal development, as well as working with strengths and development points individually and in teams. Our training provides our leaders with concrete leadership tools that can be used in day-to-day situations and furthermore enable a focus on both physical and mental well-being. During the past year, we have expanded our courses and targeted the individual programmes to different talents to support the development of top senior talents, upcoming partners, and newly appointed partners.

Based on research and own experience, we know that leaders who are physically and mentally well are much better and more engaging leaders. That is why we have integrated scientific evidence on sleep, diet, physical exercise, and mindfulness with individual treatments and coaching in our leadership training. And in so doing, we have added a vital component to building the foundation for a healthy, grounded approach to life and work.

Our Leadership Academy also includes international programmes that allow leaders to build networks while sharing best practices and common experiences with peers and leading specialists. While collaborating with established universities globally, we also have our own learning facilities - the Deloitte University. The new location of the Deloitte University EMEA (Europe, Middle East and Africa) is currently under construction outside of Paris. The Deloitte University allows us to gather our people across member firms and give them an exceptional development experience while strengthening the Deloitte culture.

Digital learning also took off in the past year, in which we began to leverage our digital learning platform CURA even more. Digital courses proved to be valuable during COVID-19, and with the flexibility and opportunity to tailor learning to different needs and interests across our international Deloitte network, this is the kind of learning that continues to be relevant and attractive within specific areas.

Governance

Sustainable growth, lives, and transformation

Guided by our shared values

Deloitte is a people business. Our people are our greatest asset. That is why our Shared Values are core to our culture and our success. Without them, we would never have been able to gather more than 415,000 people worldwide and build the biggest professional services firm in the world.

These values bind us together across Deloitte, guiding our collective behaviours and uniting us around one shared purpose: to make an impact that matters for our people, clients, and the communities we are part of, so we can build better futures.

These values help us live our purpose. Our Global Principles of Business Conduct describe our ethical commitments, and our Commitment to Responsible Business Practices covers the responsible business principles we believe in and the commitments we have made. Together they shape our policies and guide our decision-making.

With our reach and capabilities come responsibilities, and we are committed to continuing to use ours to foster a more sustainable future for our people, clients, and society.

Our Shared Values

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

A business built on ethics, trust, and transparency

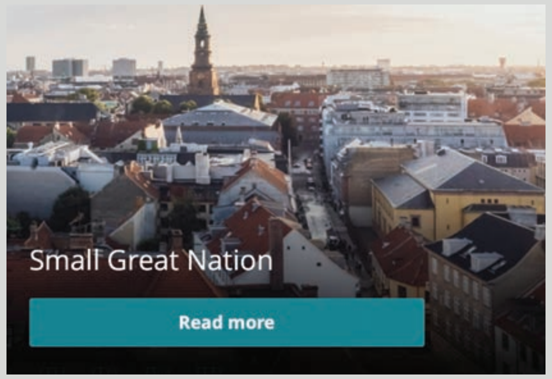
Deloitte's reputation is one of our greatest assets. It is built on trust and by our people. It distinguishes Deloitte in the marketplace, differentiating us from the competition and enabling us to attract the world-class talent that is our hallmark.

A responsibility we take very seriously at Deloitte is upholding the public trust while ensuring objectivity and providing transparency across the organisations we serve. It 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. Learn more about our ethics and information security policies here

Ethics and information security

Read more



Small Great Nation

Read more

Coping with COVID-19 and the after-effects

As we started our financial year in June 2021, COVID-19 had finally begun to lose its grip, and the Government launched a plan for a full reopening of society. As restrictions were lifted, we were happy to return to a more normal everyday life with physical meetings and social gatherings. Fortunately, this also meant that we could again serve our clients face to face, and as travel restrictions were slowly lifted, business travel also became possible.

Travelling is, in many cases, a key enabler for our work with clients and collaboration across member firms. Therefore, as restrictions were lifted, we saw a rise in travelling due to a natural need to meet physically with clients and teams post COVID-19. But as business travel accounts for a significant part of our CO2 emissions, we have launched a new travel policy to ensure that we do not return to the same travel habits as before the pandemic - read more about our climate initiatives under Environmental.

The pandemic changed the way we work, making flexible and hybrid ways of working the new normal. Based on the learnings from COVID-19 and focus group interviews with employees, we developed Deloitte's Code of Distributed Work to support our people in maintaining a flexible working life. In addition, to ensure a good physical working environment, we continue to offer all employees home office equipment - an initiative that was introduced last year but will remain, as many of our people appreciate more flexible ways of working. Unfortunately, COVID-19 restrictions have taken their toll on our people's well-being with increasing stress levels. Therefore, we have initiated several well-being initiatives, which you can read more about under Social.

We will continue in FY23 to monitor the pandemic's impact on our people closely and be ready to respond and support as needed.

On a more social level, we celebrated that we could finally gather all our colleagues across our offices and boosted social cohesiveness by throwing an epic 'Green Dot Party' in the Royal Arena in Copenhagen with concerts by leading Danish artists, a festival vibe, food and drinks - the first social gathering for the whole of Deloitte Denmark in years, but hopefully not the last.

Contributing to a more sustainable society

As a professional services business comprised of 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 Deloitte's global World*Class* ambition, in which we focus on developing job skills, improving educational outcomes, and expanding opportunities. We do so by enabling our professionals to help those from underrepresented segments of society. In collaboration with leading educational organisations, we aim to provide quality education and opportunities for 100 million people worldwide by 2030. Since we started measuring our global impact in 2018, we have reached 33.6 million individuals worldwide.

Throughout FY22, we reached 13.6 million lives globally and invested a total of USD 284 million in helping communities build better futures.

World*Class* - our societal impact

In May 2021, Deloitte launched the World*Class* Education Challenge in collaboration with the World Economic Forum to advance education solutions. The joint initiative invites educators, entrepreneurs and innovators to work alongside Deloitte professionals to advance solutions that will support access to quality education for more students worldwide

In FY22, we selected 12 winners from Africa, India, Southeast Asia, and Australia. All winners had submitted novel educational approaches to advancing learning during the pandemic through the UpLink platform. Over the next year, they will receive up to USD 1 million in professional services on a pro bono basis, financial grants, a dedicated relationship manager to support the organisations' collaboration with Deloitte, and participation in selected World Economic Forum and Deloitte events, projects, and communities.

UpLink is a free and open digital platform which Deloitte designed and developed in collaboration with the Forum and Salesforce. It seeks to address the world's most pressing issues, as outlined by the Sustainable Development Goals, by connecting the most promising submissions to the expertise, resources, and networks which can scale the venture and accelerate their impact.

World*Class* in Denmark - our local impact

In addition to our global initiatives, we have several local World*Class* initiatives that support our ambition - including those described below. Through our various World*Class* initiatives in Denmark, we have reached 2,450 people this year.

Small Great Nation is our main social impact initiative. Small Great Nation is a collaboration with think tank Kraka to create a fact-based discussion about Denmark's strengths, opportunities, and challenges as a country. Through analyses, events, podcasts, and press activities, we have engaged business leaders, politicians, organisations, the public sector, and the broader society in discussions about Denmark's future. During the past year, we launched our ninth report 'The labour market of tomorrow - a party for everyone?', which investigates the structural challenges faced by the labour market and how they can be addressed without leaving anyone behind. And we launched our tenth report 'Green cows, Russian gas and CO2 - myths and realities', which explores how Denmark can achieve its ambitious climate targets. We also went on a Small Great Nation roadshow across Denmark where we discussed local strengths and challenges, focusing particularly on climate, education, and building sustainable cities. By sharing these research-based findings, we engage communities and educate people across Denmark to participate in the public debate. Read more about Small Great Nation here.

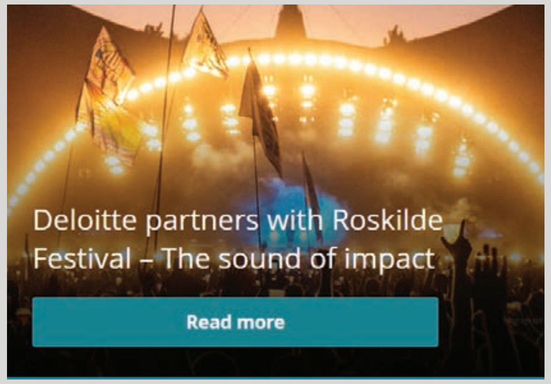
Human Practice Foundation

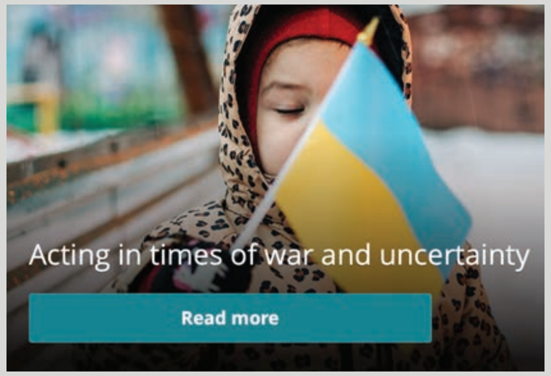
During FY22, we initiated a collaboration across the Nordics to inspire each other and work together to expand the number of Nordic futures on which we have a positive impact. Each of the Nordic countries has partnered with organisations that work to enhance education and job opportunities in society. For example, in Denmark, we have formed a close partnership with the Danish NGO Human Practice Foundation, which creates schools, quality education, and entrepreneurial projects for children and communities in Nepal, Kenya, and Denmark.

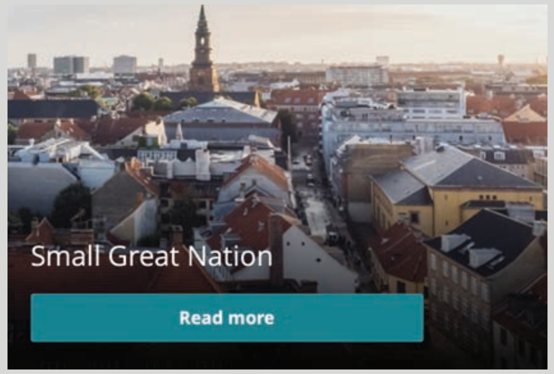
Deloitte supports the Human Practice Foundation in their operations with advisory and auditing services – including organising their fundraisings. All our work is pro bono, and today the Human Practice Foundation is a successful and fast-growing NGO that brings about positive change for children by building and restructuring schools in developing countries and helping vulnerable school children in Denmark.

Additionally, we collaborate with the organisation VELKOMMEN HJEM (Welcome Home), which helps Danish veterans transition from military service to the civilian labour market through a well-planned course that uncovers the veterans' competencies and matches them with a mentor from a private company. This collaboration is to ensure that we, as a society, leverage the veterans' military competencies and experiences while transitioning back to civilian life as smoothly as possible. Deloitte supports VELKOMMEN HJEM by making a number of mentors available to the participating veterans.

To contribute to the education of high school students and expand opportunities, members of our Audit & Assurance practice have held 'Audit Masterclasses' in high schools around Denmark. By teaching final-year students about auditing and working at Deloitte, they have provided fun learning experiences and expanded the students' views on future career possibilities, as many of these students come from areas where they might not be exposed to a diverse range of career opportunities.







Ethics and information security

Deloitte is committed to conducting business with transparency, honesty, and the utmost professionalism. To ensure this, we have set clear standards for professional practice and behaviour, which we will unfold below.

We measure and report on our progress in these areas, not only to hold ourselves accountable but also to transparently demonstrate the connection between responsible governance and operational success.

Our ethical commitments - living our values
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 our firm stand against bribery, corruption and fraud, our support for efforts to eradicate corruption and financial crime, as well as our commitment to respecting human rights. Furthermore, we communicate clearly about our employees' rights, their human rights, their ethical obligations as employees, and how Deloitte manages human rights risks and protects these rights through our culture and our daily activities. Deloitte strives to be an ethical company that meets or exceeds the demands and expectations of society and clients.

Our culture must be open and honest, we must treat each other equally and respectfully, and we must never bring our professional and individual integrity into question through corrupt and unethical behaviour. 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 have different channels for consultation and reporting of 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 behaviour. In these and other ways, we strive to minimise human rights risks.

"We promote a culture and working environment where our employees treat each other with respect and consideration, and where everyone has equal opportunities. We have a zero-tolerance for sexism, racism or any other form of discrimination in our working environments." **Anders Dons,** CEO & Partner

Annual report FY22

Acting in times of war and uncertainty

After the pandemic, it was clear that the world had entered a new era where uncertainty was the new normal, but few of us had imagined that a war on European soil would be probable. Nevertheless, we are witnessing a meaningless and heartbreaking war in Ukraine. In times like these, our values have helped us take the tough but necessary decisions about Deloitte's operations in Ukraine, Russia, and Belarus. And Deloitte stands unequivocally with the people of Ukraine. We have been very clear on this position and the dilemmas embedded in the war in both external and internal communication, with our CEO as our primary spokesperson.

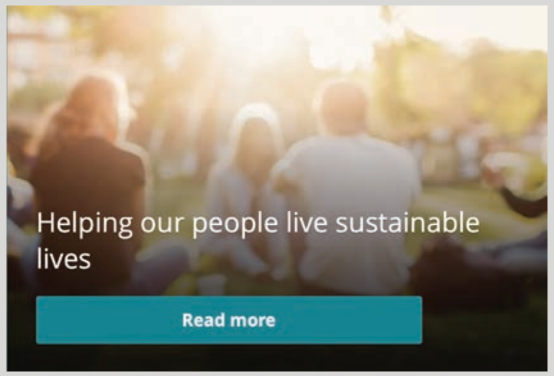
Russia's invasion of this sovereign nation is an indefensible act of aggression that echoes the darkest days in European history. Our overriding concern is the well-being of our colleagues in Ukraine and their families. For the time being, Deloitte has suspended business operations and client service in Ukraine to allow them to focus on their loved ones. We support our people with relocation where needed, including immigration assistance, transport and accommodation, as well as financial and psychological support. On a global scale, Deloitte has committed nearly USD 7 million in financial donations to support the humanitarian needs of those impacted by the war in Ukraine.

Exiting Russia
After the Russian invasion, we decided to separate our practice in Russia and Belarus from the global network of Deloitte member firms. As a result, Deloitte no longer operates in Russia and Belarus. While we know this is the right decision, it impacts the 3,000 now-former Deloitte professionals in Russia and Belarus who have no voice in the actions of their government.

From a client perspective, Deloitte Denmark has many clients with business operations in Ukraine, Russia, or Belarus. Since the invasion, we have worked very closely with them to support and help them navigate the risks to and impacts on their respective businesses.

110 years of making an impact

Read more



Helping our people live sustainable lives

Read more

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.

Last year, Deloitte conducted a human rights assessment regarding the risk of child, forced, and compulsory labour in our supply chains. We established that our highest risks exist in the areas of office construction, IT hardware, facility management, and hospitality services. Risks 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.

During the past year, we have launched a new policy on familial and personal relationships to ensure that no working relationship can create or appear to create conflicts of interest that impact objectivity, independence, confidentiality, morale, or our inclusive culture. In our annual Ethics Survey, we asked our people to share how they experience our culture, including our focus on human rights, professional conduct, and conflicts of interest. According to the FY22 survey, 99 per cent of respondents agreed or strongly agreed that Deloitte is an ethical place to work, and 97 per cent believed that action would be taken if unethical conduct was reported.

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. 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 FY23 to ensure that our culture and conduct always reflect our purpose and Shared Values.

Information and cyber security

Information security controls are a core element of our workplace culture. We continually reinforce and communicate our information security policy 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 focus has become only more pertinent as we have seen a significant increase in cyber attacks against Western targets since the war broke out in Ukraine.

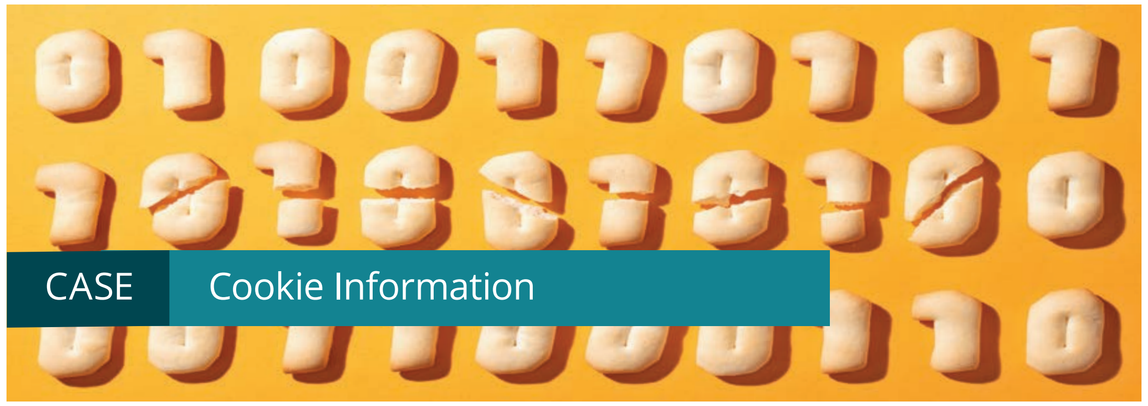
For the second year, we have run our extensive cyber culture programme. Within the programme, we have had campaigns and mandatory e-learning that covered a broad array of security areas, including data security and how to spot phishing e-mails, phone calls and texts. We also held Cyber Security Awareness weeks where we focused on different ways of staying cyber secure, focusing particularly on the risks involved in working remotely.

In FY22, we ran several phishing drills followed by articles on how to spot phishing to ensure that all employees are aware of cyber risks. Each year, all employees complete mandatory e-learning courses on cyber security. The courses raise awareness of the risks relating to confidentiality, privacy, and security, of reducing the risk of security breaches, and ensuring compliance with the General Data Protection Regulation (GDPR) and other requirements.

In FY22, we updated and reinforced our risk control systems and – after passing both internal and external audits – we had our Nordic ISO27001 certification renewed. The certification demonstrates our com-mitment 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 above-mentioned activities are all part of our extensive risk control system at Deloitte, which we continue to advance. If and when breaches come to light, we take swift action ranging from warnings to termination of employment.

Annual report FY22



A fast-growing journey to safeguard personal data

As technology evolves and the analogue world turns digital, our personal data becomes increasingly exposed on the internet. Every day, consumers are tracked by online cookies without their consent and with no guarantee that their data is in safe hands. Cookie Information – a Danish fast-growing privacy-tech SaaS (Software as a Service) company – is set out to solve this problem and offers a software solution to help companies protect their customers from the harness of personal data.

Karsten Rendemann and Jonas Andersen founded Cookie Information with a clear mission to help organisations comply with privacy laws and safeguard personal data by providing a best-of-breed Consent Management Platform (CMP). Today, Cookie Information's CMP is implemented on more than 250,000 websites globally and collects more than 40 billion consents from consumers every year.

With a rapidly growing client portfolio and a huge potential, Cookie Information has the vision to become the preferred choice of CMP for privacy-conscious organisations globally. To help fulfil the vision, the owners set out to find a strong financial partner.

"The demand was increasing at a level where we did not have the corresponding organisational capacity. Denmark and the rest of the Nordics were first movers on data security, and now the rest of the world is following suit. By continuing without a strong financial partner, we would risk ending up as an insignificant local player in an increasingly global market - not realising the potential of our firm."
Karsten Rendemann,CEO and Founder of Cookie Information

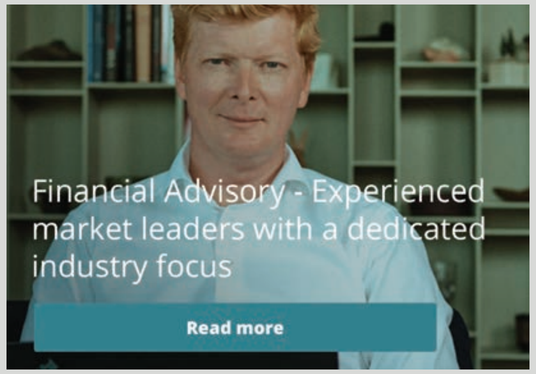
A true top-tier investor
At Deloitte, we have a Fast-Growing Companies team, consisting of experts who support companies with exponential growth throughout their transition and growth period – companies like Cookie Information with ambitions and a business model to go that extra mile. As a result of our Fast-Growing Companies networking activities, Cookie Information established relations with Deloitte and thus invited us to pitch on the engagement of assisting the company in identifying possibilities and finding the right investor.

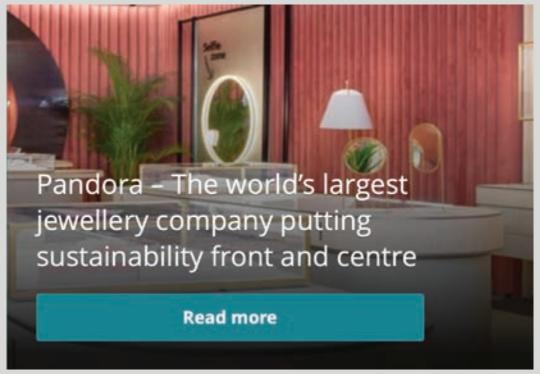
Deloitte's Corporate Finance team dedicated to projects within the technology, media and telecommunications (TMT) industry was formally engaged in the summer of 2021. The team worked closely with Karsten and Jonas over the next six months to prepare the process by defining the strategic direction, building the business plan, and preparing the required documentation.
In early 2022, Deloitte identified multiple potential partners and facilitated meetings with management teams. Ultimately, 15 investors submitted offers, which left Cookie Information with many attractive partnership opportunities.

One of the suiters was the LEGO family's investment company Kirk Kapital, endorsing the societal purpose of facilitating trust on digital platforms. Kirk Kapital's strong culture, team spirit, and long-term focus on value creation made up a perfect match for Cookie Information. The transaction was signed and completed in a highly efficient period leading up to Easter of 2022 – on the exact date set out in the original timetable dating back to the summer of 2021.

"Deloitte has been invaluable in organising a structured process that enabled us to find the right partner for our journey going forward. The Deloitte team was the best advisors one could ever have asked for – highly competent, motivated, and serving with integrity. I feel in my gut that we are in the best possible position to scale our business. In fact, we are now the second largest third-party internet service provider to the 100 biggest Danish websites – only surpassed by Google."
Karsten Rendemann,CEO and Founder of Cookie Information

Assisting Cookie Information in reaching such a milestone has been an exciting challenge. We are pleased to continue supporting the company in its growth journey towards becoming the preferred CMP provider globally.





CASE Codan/Trygg-Hansa

Driving complex transformation in historic insurance demerger

In 2022, a historic transaction was completed in the insurance industry as Tryg and the Canadian insurance company Intact took over the RSA Insurance Group – a transaction that entailed a complex transformation for all parties involved.

While Intact acquired RSA's business in the UK, Tryg acquired its business in Norway (Codan) and Sweden (Trygg-Hansa). The acquisition led to a necessary carve-out of Codan Forsikring in Denmark, which was then acquired by Alm. Brand following the transition.

Given the scope of the demerger, numerous stakeholders and interests were involved. One task was to ensure that business continued to run smoothly in the respective companies, providing an unaffected customer experience. Another was to guide hundreds of employees through the uncertainties of belonging to one large organisation which had been sold to different owners.

"The level of complexity was unlike anything we had experienced before. We had no best practices to guide us, which meant we needed to design our own solutions to deliver and meet the hard deadline."
Vivian Lund, former CEO of Codan/Trygg-Hansa

To support them through the process, Codan and Trygg-Hansa chose Deloitte as their transformation partner. Together, the team established a transformation programme and governance set-up to ensure a smooth handover of activities between the parties.

Nordic collaboration ensured cross-border success

A cross-border project requires cross-border solutions. Consequently, in addition to the Danish team leading the programme, Deloitte drew on competencies from Norway and Sweden, and they all worked together on various aspects of the demerger, leveraging expertise across the Nordic firm and providing a one-stop service.

"Deloitte brought the right competencies into play at the right times. The result was a united team that did not feel divided between advisors and clients. A team that could execute and transform in a transparent and trustworthy manner that ultimately resulted in a very successful demerger."
Vivian Lund, former CEO of Codan/Trygg-Hansa

Throughout the entire process, detailed planning, proactivity, communication, and strong governance were key to ensuring a smooth integration that allowed each party to uphold its value in terms of customers, employees, processes, and systems.

Deloitte is proud to have steered the complex demerger in close collaboration with all parties involved.

CASE DSV

Like performing open heart surgery on an awake patient

With freight moving 24/7 all over the world, the message from DSV, one of the world's largest transport and logistics companies, was clear: The upgrade of its vital and global SAP platform had to be completely smooth and hassle-free.

Whether you need to fly lions from Korea to the USA, transport 385,000 tons of concrete parts through the streets of Copenhagen, or ship sensitive equipment to Alaska, DSV is ready to help you. Since 1976, DSV has grown from a group of small hauliers to one of the world's largest transport and logistics companies.

Like any large and global company, DSV manages its day-to-day business finances from an enterprise resource platform. Such platform ensures that all data and financial management rest in one place.

Digitalisation is key to DSV, entailing always to ensure that the finance platform is prepared for the future. Thus, last year, DSV reached out to Deloitte for assistance with a technical upgrade of the platform to SAP S/4HANA.

"We chose to work with Deloitte on this project as we found they had a good balance between technical competencies and understanding of our business and the way we work. Deloitte's project team and management have an excellent approach to problem-solving when issues occur, which is unavoidable in projects like this."
Michael Ebbe, *Group CFO, DSV*

Timely delivery

DSV allocated approximately 200 people to the project to test that everything worked according to plan. At the same time, Deloitte established a team of 35 dedicated SAP and IT consultants in Denmark, Norway, Sweden, and Iceland, as well as a group of migration experts in Portugal who worked alongside the DSV IT team throughout the project.

"Upgrading might sound simple. But it is not like upgrading an app on your iPhone. It is like upgrading the operating system of your iPhone. For DSV, it is the main financial system used globally," elaborates Palle Juhl Andersen, Partner in Deloitte.

The first step was to draw a road map of who should do what – and when. Then the consultants began digging into the technical parts, touching DSV's most fundamental data. And on 12 February 2022, the new SAP S/4HANA solution was ready to go live.

"It is like performing open heart surgery on a patient who is awake. You are shutting the whole system down, so being on time is crucial. We promised DSV that everything would be ready on 12 February at midnight. The system was up and running two minutes past midnight."
Palle Juhl Andersen, Partner in Deloitte

After the platform was live, the consultants stayed on for a couple of months to ensure that the system worked during the monthly and quarterly reporting.

"One of the keys to this success was the DSV top management, who was actively involved in the project to ensure that the right decisions were made at the right time. This involvement enabled us to pursue an ambitious timeline and follow it."
Palle Juhl Andersen, Partner in Deloitte

CASE Novo Nordisk

Raising the bar for audits in Denmark's most valuable company

For almost 100 years, Novo Nordisk has helped millions of people who have diabetes or other serious chronic illnesses. By developing and expanding pharmaceuticals and subsequently making them accessible, Novo Nordisk meets the medical needs of patients all around the world who live with chronic illnesses posing some of the most pressing health challenges in today's society.

In a dynamic and evolving life science industry, innovation, digitalisation, and technology are some of the key concepts that enable Novo Nordisk to live its purpose: to drive change to defeat chronic illnesses. These concepts must imbue the entire organisation – and Novo Nordisk invited Deloitte to be part of this journey as its external auditor.

"We are focused on the power of digitalisation and connected healthcare. We are evolving from a molecule-focused pharmaceutical company to a patient solutions-oriented enterprise where drug, device, digital, diagnostics and data are fully integrated to deliver leading treatment solutions to patients."
Novo Nordisk 2021 Annual Report

Global expertise and diversity bring transition that creates value
Since the collaboration began, Deloitte has worked to perform an audit that is reimagined, digitally enabled, and brings the right business insights through insight reporting and benchmarks that ensure continuous improvements.

"As Novo Nordisk is listed on the New York Stock Exchange, the audit is performed under Public Company Accounting Oversight Board (PCAOB) standards. Thus, as external auditors, we are required to provide an opinion on both the financial statements and the internal control environment, making Novo Nordisk one of the most complex audits in Denmark. Onboarding a global audit like this also provides a key learning experience for our people in how to scale fast on the financial, IT, and ESG audits."
Anders Dons, CEO of Deloitte

By establishing a diverse and strategically developed audit team with a global outlook, the ambition from day one has been to create value and bring fresh perspectives to the table during the transition. The audit approach is reimagined by leveraging capabilities, including a global network and expertise through collaboration with life science experts in the United States.

"Our transition to Deloitte and our first-year audit have been professional and insightful. Deloitte's insights have provided us with a fresh pair of eyes that assists us in driving continuous improvement and helps us raise the bar."
Karsten Knudsen, CFO of Novo Nordisk

Since the beginning of the collaboration, the goal has been to strive for excellence and raise the bar for audits. With deep pharma experience and an audit tailored to Novo Nordisk and enabled by people and technology, Deloitte is delivering the quality and consistency that stakeholders increasingly demand – a reimagined audit that ensures compliance, quality, and efficiency in Denmark's most valuable company.

CASE Pandora

The world's largest jewellery company putting sustainability front and centre

From a small jeweller's shop in modest surroundings in Copenhagen to the world's largest jewellery company, Pandora has manifested itself as a global brand, offering hand-finished jewellery made from high-quality materials at affordable prices.

As a major player in the industry, Pandora is highly committed to leading the way as a responsible business – by crafting jewellery with respect for both people and the planet.

Sustainability and responsible practices have been part of Pandora's way of doing business since the very beginning. Today, the company has set out priorities to become a low-carbon, circular business which is inclusive, diverse, and fair.

Sustainability has been integrated into the company's overarching business strategy, "Phoenix", serving as a foundational element supporting Pandora's growth ambitions and aligned with the company's activities and values.

"Placing sustainability at the core of our business strategy is a natural path for Pandora as a responsible and leading global brand – and a crucial step to future-proofing our company."
Marissa Saretsky, Director of Global Corporate Sustainability at Pandora

Taking responsible business to the next level
In recent years, Pandora has taken significant steps to strengthen its performance on sustainability throughout the business – with the ultimate goal of becoming an industry leader in sustainability.

The company has announced its commitment to source only recycled gold and silver for all products by 2025. Moreover, it has presented a new industry-leading climate change strategy that aims to reach net-zero by 2040 – including a science-based target to reduce its greenhouse gas emissions by 50 per cent by 2030 from a 2019 baseline.

To support translating the commitment into action, Pandora invited Deloitte to join its sustainability journey last year.

Since then, Deloitte's sustainability team in Risk Advisory has assisted Pandora on various projects, from seizing low-carbon opportunities to preparing for the company's Science-Based Target approval.

"Deloitte has been a trusted partner that we have been able to work with side-by-side on the execution against our sustainability strategy."
Marissa Saretsky, Director of Global Corporate Sustainability at Pandora

Deloitte is honoured to assist a global and influential brand like Pandora on its sustainability journey – together making an impact that matters.

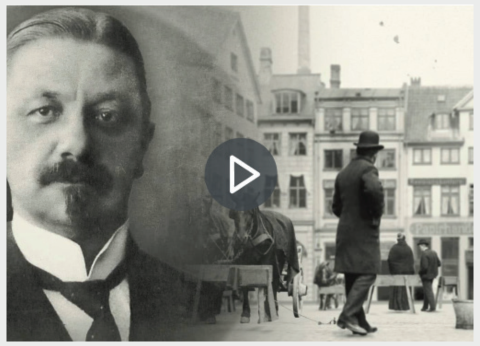
SPOTLIGHT 110 years of making an impact

1 April 2022 was a special day. It marked Deloitte Denmark's 110th anniversary. One hundred and ten years ago a young banker from Jutland by the name of Jens Hassing-Jørgensen founded Revisions- og Forvaltnings-Institutet (RFI) – a small accounting firm located in the heart of Copenhagen. This firm was the beginning. Then followed the merger with Schøbel & Marholt, Arthur Andersen, and many other proud firms that joined and established what we know today as the largest audit and advisory firm in the country: Deloitte.

Deloitte has prevailed through two world wars, financial crises and most recently a global pandemic. Over the years, more than 35,000 people have entered the doors to join Deloitte and become part of a community for life. Today, we are almost 3,200 people across Denmark and Greenland working for the same purpose: to make an impact that matters for our people, clients, and society. We insist on being the most responsible, trustworthy, and influential firm.

We celebrated Deloitte's anniversary across the country in all our offices. To mark the day and Deloitte's history properly, we went into the archives – our own and the Royal Danish Library's – and created a brand new exhibition that tells the history of our firm through textual and visual elements. Learn more in the video below or explore the full story in Danish or English here.

Deloitte. 1912 2022 110 TH ANNIVERSARY



SPOTLIGHT Green Dot Party

An unforgettable celebration in the wake of the pandemic

In 2020, during the first wave of the COVID-19 pandemic, we launched a series of 'Green Dot Live Shows' - consisting of virtual entertainment broadcasted every second Friday to employees across the country. While the concept boosted social cohesion amongst our colleagues in times of social distancing, we naturally longed to gather in person. Therefore, we decided to celebrate the lifting of the last restrictions with a grand 'Green Dot Party', gathering all our colleagues across Denmark and Greenland for the first time in many years.

After six months of planning, 2,300 of our colleagues flocked to the Royal Arena in Copenhagen on 30 October 2021 for a night they would never forget. The theme was 'everything you missed out on during COVID-19' - all in one night. The arena had been transformed into a wedding party with champagne and canapes, a festival with street food and 'beer bowling', an after-skiing area with goulash, a Jägerbomb bar, and a DJ in lederhosen. Not to mention the game room with Packman, shuffleboards, and foosball tables.

On top of this festive set-up, we also had fantastic concerts by Lukas Graham, Lord Siva, Drew Sycamore, and other artists, who contributed to creating an incredible night for us all. Another highlight of the evening was the launch of the Deloitte People Awards. Before the event, our people had been asked to look back on the past year and nominate colleagues that had:

- **Delivered an impact beyond the expected,**
- **been a fantastic colleague,**
- **been an inspirational leader, or**
- **delivered a remarkable team effort.**

At the Green Dot Party, the winners within each category were announced by Anders Breinholt and celebrated on stage.

SPOTLIGHT Small Great Nation

Deloitte Denmark and think tank Kraka collaborate on engaging Danish businesses, organisations, and the public sector to discuss and co-create solutions for a better Denmark based on our research-based findings about our society – including the climate, labour market, and social cohesion. We call this Small Great Nation and have been running the initiative for five years.

If last year was the year in which the Youth Panel launched its 2040-vision for Denmark, then one of the biggest highlights this year was our Small Great City Tour. We visited Odense, Esbjerg, Aalborg, and Aarhus and engaged mayors, business leaders, academia, the youth, and the local community around a discussion on local strongholds. The ambitions in all cities are high, and topics such as climate solutions, education, and how to attract businesses and students were on the agenda.

A cornerstone of Small Great Nation is to bring new and relevant data to the public discussion. So, in the autumn of 2021, we launched the ninth report about the labour market, including a focus on how to close the gender gap in leadership positions and how to transition the labour market to ensure that it develops the competencies that the future calls for.

In the spring of 2022, we launched the tenth report about climate, focusing particularly on how to reach Denmark's CO2 goals, make agriculture green, and break free from Russian gas supplies. Both reports have been launched at events and have created great media debate.

Another highlight is the Small Great Nation podcast. With ten new episodes, we have engaged leaders, such as national soccer coach Kasper Hjulmand, Vestas CEO Henrik Andersen, and Danish Industry Association CEO Lars Sandahl, in meaningful discussions about our country's future. We have also continued to engage our three advisory boards consisting of leading CEOs and chairs in Denmark to help shape the future of the project and be ambassadors for the findings.

Last but not least, we have continued to shape the public agenda with PR stories and social media campaigns addressing our recent findings.

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SPOTLIGHT Roskilde Festival

Deloitte partners with Roskilde Festival - The sound of impact

Three years ago, Deloitte and Roskilde Festival decided to partner around a common purpose of bringing people toget-her through strong communities and giving back to society.

Roskilde Festival is the biggest festival in the Nordics and the second biggest festival in Europe. Roskilde Festival is part of a 100 per cent non-profit organisation, the Roskilde Festival Group, with the strategic ambition to be a sustainable community that moves people, inspires the outside world, and leads the way to make a difference. This year, Roskilde Festival celebrated festival number 50. With 100,000 participants and 290 per-forming artists, it was a year to remember.

A partnership with the Roskilde Festival Group starts with a match in culture and values. And it means putting the partners' competencies into play so they contribute to the positive development of society, which the Roskilde Festival Group supports. Deloitte's purpose is to make an impact that matters for people, clients, and society. The partnership with Roskilde Festival is an excellent example of how we engage our people and clients around a common societal goal - read more here.

The partnership holds the five pillars:

- Digital strategy
- Developing bottom lines for social, environmental, and artistic sustainability
- Volunteering at work
- The Small Great Nation Youth Panel
- Client impact day

The Roskilde Festival Group is a non-profit organisation. Our purpose is to make an impact and pave the way for change. However, we cannot achieve that alone, and that is why partnerships with other companies, organisations, and institutions make up an important part of how we work. It is about working towards a joint cause and with common values – and it is also about bringing different competencies into play so that partners can learn from each other. I believe our partnership with Deloitte is an excellent example of such a partnership.
Signe Lopdrup, CEO, Roskilde Festival

Contents

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 and Financial Advisory.

Statement of comprehensive income
We have continued our strong growth and consolidation of our position as a market leading audit and advisory firm in Denmark with 19% growth in revenue compared to last year. Revenue totals DKK 4,442m compared to DKK 3,748m in FY21. All business units have experienced an increased level of activity as described below..

Staff costs, including remuneration to the partners, total DKK 2,973m, which is an increase of 15% compared to last year. The increase is mainly due to the increased level of activity and an accompanying increase in headcount. Of the total staff at 31 May 2022, 260 were partners (31 May 2021: 251).

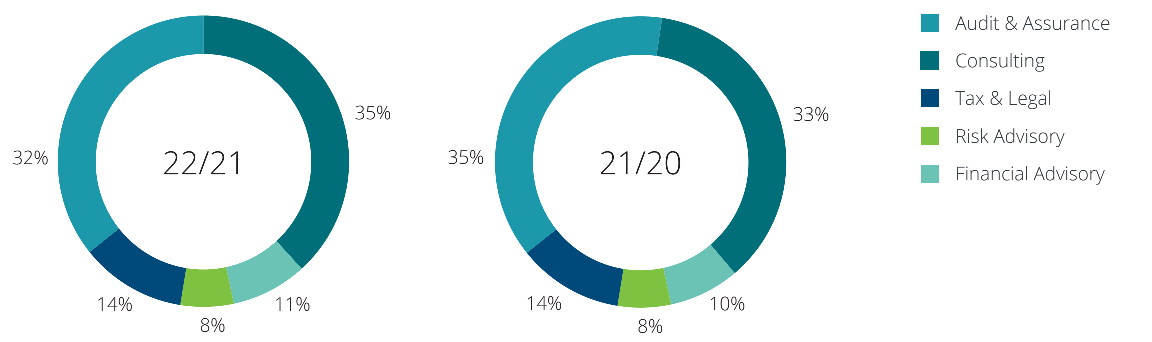
External expenses have increased by 31% to DKK 1,245m. The increase is mainly due to employees returning to the office after COVID-19. We experience increases in travel expenses, electricity, training, and office supply etc.

Profit for the year amounts to DKK 64m, which is DKK 9m higher than last year's profit and expectations expressed in the annual report for FY21, and revenue for the year exceeds the expressed expectations of an increase in revenue of 5%. We refer to the information above for further details. In assessing the results, it should be considered that the remuneration to equity partners has been recognised in staff costs.

Audit & Assurance
In FY22, Audit & Assurance has continued the transformational journey of Reimagine Audit by accelerating the use of technology, sustaining market-leading quality, and continuing to change our delivery models. Revenue went up by 6% compared to last year based on significant wins of new audit clients, high demand for our services in general, and especially post-COVID-19-related services, and continued growth in Assurance Offerings.

Consulting
Consulting has increased revenue by 29% in FY22. The strong performance is the outcome of a deliberate and continued focus on helping our clients with larger-scale business transformations, either M&A or technology-enabled or driven by the need for interacting differently with their customers.

Revenue by business unit



Annual report FY22

This high growth is enabled by a remarkable culture and hard work carried by Consulting's talents, and also supported by the successful acquisition and integration of Syncronic within the supply chain area.

Tax & Legal
Tax & Legal has continued its strong revenue growth from previous years and in FY22 realised a growth rate of 14%. The growth has been driven particularly by M&A, Global Employer Services, Business Tax, and Transfer Pricing.
The activities in the M&A market have been very high in FY22 and with our increased footprint with the largest Danish multinationals and Private Equity we have had significant growth in M&A. Increased advisory services have been the growth driver in Global Employer Services. Focus on hiring senior people with key competencies in the last couple of years has contributed to the growth in Business Tax. The growth in Transfer Pricing has been driven by client demand due to primarily new reporting requirements.
In FY22, we have had focus on developing our Legal practice and services within Managed Services and S/4 Hana further to meet growing market demand.

Risk Advisory
During FY22, revenue has increased by 22%, as the demand for risk, cyber and compliances-related services is increasing significantly. Risk Advisory has continued the transformational journey of investing in existing and new fast-growing business areas to meet future market opportunities, while at the same time divesting a legacy business area.

Financial Advisory
Financial Advisory has significantly increased revenue in FY22 with a growth rate of 31%. All service lines within Financial Advisory have increased compared to last year. However, Corporate Finance activities represent the by far highest increase due to the closing of a significant number of transactions.

Balance sheet and cash flow statement
The balance sheet total is DKK 2,716m compared to DKK 2,801m last year, of which equity amounts to DKK 578m, equalling an equity ratio of 21% (FY21: 21%).

Net contract assets and trade receivables have decreased by DKK 76m to DKK 999m. This significant decrease is due to an increase in advance billings compared to last year.

Investments in intangible assets and property, plant and equipment amount to DKK 83m, which primarily relates to goodwill and intellectual property rights from business combinations (i.e., acquisition of Syncronic) and further developments of our ERP platform, which was implemented in the beginning of 2021.

Distributed dividend amounts to DKK 60m, which is the same as in FY21. For FY22 the dividend is also proposed to be DKK 60m.

Lease liabilities have decreased by DKK 77m to DKK 308m. The significant decrease is due to lease payments made during the year.

Trade payables have decreased by DKK 81m due to timing differences compared to last year.

Short-term employee liabilities have gone up by DKK 98m, primarily arising from increases in bonuses and remuneration to partners and employees compared to previous year.

Operating cash flow before working capital changes amounts to DKK 234m in FY22 compared to DKK 261m in FY21. The decrease is mainly due to changes in employee liabilities. Furthermore, other financial liabilities have decreased by DKK 39m.

These factors have led to an increase in cash by DKK 62m, improving the cash position to stand at DKK 404m by the end of 2021/22.

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.

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 continued improvements to our ERP platform mentioned above, 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 FY23.

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 a 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 Deloitte acquired the business Framework Digital for a total purchase price of DKK 99m. Framework Digital's main activity is to provide consulting service with focus on SAP solutions primarily for digital transformations and business development. The effect of the acquisition is an expected increase in revenue by approximately DKK 100m for FY23.

Furthermore, it has been agreed to increase the share capital by a nominal share amount of DKK 3.6m by way of a cash contribution.

The acquisition and the capital increase have not influenced the evaluation of this annual report.

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

Outlook FY23
Performance in the form of revenue and earnings for the coming year are expected to be on a par with this year.

Financial highlights

	2021/22 DKK'm	2020/21 DKK'm	2019/20 DKK'm	2018/19 DKK'm	2017/18 DKK'm
Key figures					
Revenue	4,442	3,748	3,588	3,732	3,429
Operating profit*	84	72	80	102	92
Net financials	(20)	(16)	(20)	(9)	(4)
Profit for the year*	64	55	60	93	87
Trade receivables and net contract assets	999	1,075	973	1,244	1,026
Equity	578	575	580	580	547
Balance sheet total	2,716	2,801	2,542	2,137	1,799
Investment in intangible assets	63	22	67	114	11
Investment in property, plant and equipment	20	38	25	34	11
Net interest-bearing debt excl. lease liabilities	23	115	229	524	329
Net interest-bearing debt incl. lease liabilities	330	500	693	-	-
Cash flows from operating activities	301	301	542	(37)	(21)
Average no. of full-time employees	2,680	2,581	2,642	2,575	2,513
Ratios					
Operating margin (%)	1.9	1.9	2.2	2.7	2.7
Equity ratio (%)	21.3	20.5	22.8	27.1	30.4
Revenue per average full-time employee (DKK'm)	1.7	1.5	1.4	1.4	1.4
Financial gearing excl. lease liabilities (%)	0.0	0.2	0.4	0.9	0.6
Financial gearing incl. lease liabilities (%)**	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.

** In 2019/20, IFRS 16 Leases was implemented. Comparative figures for 2018/19 and previous years have not been restated.

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

Definitions

Operating margin	Operating profit * 100 / Revenue
Equity ratio	Equity * 100 / Balance sheet total
Revenue per average full-time employee	Revenue (DKK'm) / Average no. of full-time employees
Financial gearing excl. lease liabilities	Net interest-bearing debt incl. lease liabilities * / Equity
Financial gearing incl. lease liabilities	Net interest-bearing debt incl. lease liabilities * / Equity

*Net interest-bearing debt consist of cash, other investments, and financial liabilities.

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Deloitte Statsautoriseret Revisionspartnerselskab for the financial year 1 June 2021 to 31 May 2022.

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 2022 and of the results of their operations and cash flows for the financial year 1 June 2021 to 31 May 2022.

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, 1 September 2022

Executive Board

Anders Vad Dons

Board of Directors

Gustav Jeppesen
Chairman

Therese Kjellberg

Michel Denayer

Jesper Smedegaard Larsen

Lars Kronow

Nidha Rizwan

Mette-Katrine Hviid

Annual report FY22

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 01.06.2021 to 31.05.2022, 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 31.05.2022 and of the results of their operations and cash flows for the financial year 01.06.2021 to 31.05.2022 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, 1 September 2022

BDO
Statsautoriseret Revisionspartnerselskab
Business Registration No. 20 22 26 70

Ole C. K. Nielsen
State-Authorised Public Accountant
MNE no. 23299

Statement of comprehensive income for 2021/22

	Consolidated		Parent	
	2021/22 DKK'm	**2020/21 DKK'm**	**2021/22 DKK'm**	**2020/21 DKK'm**
Revenue (1.1)	4,442.0	3,748.3	4,426.6	3,734.6
Staff costs (1.2)	(2,972.7)	(2,589.6)	(2,958.6)	(2,572.2)
External expenses (1.3)	(1,244.7)	(950.3)	(1,244.1)	(955.0)
Depreciation and amortisation (1.4)	(146.7)	(147.3)	(146.1)	(146.5)
Other operating income (1.5)	5.8	10.6	5.8	10.6
Operating profit	**83.7**	**71.7**	**83.6**	**71.5**
Income from investments in subsidiaries	-	-	0.0	0.0
Financial income (3.7)	1.0	0.1	1.0	0.0
Financial expenses (3.8)	(20.8)	(16.5)	(20.7)	(16.2)
Profit for the year	**63.9**	**55.3**	**63.9**	**55.3**
Comprehensive income for the year	**63.9**	**55.3**	**63.9**	**55.3**

Balance sheet at 31.05.2022

	Consolidated		Parent	
	2022 DKK'm	2021 DKK'm	2022 DKK'm	2021 DKK'm
Goodwill (2.1)	630.7	586.7	576.8	532.8
Intellectual property rights (2.2)	8.2	23.4	8.2	22.7
Completed development projects (2.2)	52.9	65.2	52.9	65.2
Development projects in progress (2.2)	4.1	1.7	4.1	1.7
Intangible assets	**695.9**	**677.0**	**642.0**	**622.4**
Right-of-use assets (2.3)	290.3	367.1	290.3	367.1
Leasehold improvements (2.3)	12.5	17.0	12.5	17.0
Operating equipment and fixtures (2.3)	31.0	38.3	31.0	38.3
Property, plant and equipment	**333.8**	**422.4**	**333.8**	**422.4**
Investments in subsidiaries (2.4)	-	-	61.8	61.8
Investments in associates (2.4)	12.6	11.7	12.6	11.4
Deposits and other financial assets (2.4)	42.1	43.3	42.1	43.8
Receivables from associates	14.2	10.8	14.2	10.8
Prepayments	21.1	21.1	21.1	21.1
Other non-current assets	**90.0**	**86.9**	**151.8**	**148.9**
Non-current assets	**1,119.7**	**1,186.3**	**1,127.6**	**1,193.7**
Trade receivables (2.5)	908.7	894.0	908.7	893.9
Contract assets (2.6)	185.1	248.9	184.7	248.4
Receivables from subsidiaries	-	-	1.0	0.4
Receivables from associates	16.9	20.9	16.9	20.9
Other receivables	3.4	25.0	1.0	22.7
Prepayments	77.8	83.6	77.7	83.6
Receivables	**1,191.9**	**1,272.4**	**1,190.0**	**1,269.9**
Cash and bank balances	**403.9**	**341.8**	**393.2**	**337.2**
Current assets	**1,595.8**	**1,614.2**	**1,583.2**	**1,607.1**
Assets	**2,715.5**	**2,800.5**	**2,710.8**	**2,800.8**

Balance sheet at 31.05.2022 (continued)

	Consolidated		Parent	
	2022 DKK'm	2021 DKK'm	2022 DKK'm	2021 DKK'm
Share capital (3.1)	42.0	42.0	42.0	42.0
Reserve for equity method	-	-	0.0	0.0
Reserve for development projects	-	-	56.8	66.6
Retained earnings	536.3	532.8	479.5	466.2
Equity	**578.3**	**574.8**	**578.3**	**574.8**
Lease liabilities (3.4)	213.2	296.7	213.2	296.7
Contingent consideration for business acquisitions (3.5)	9.6	0.0	9.6	0.0
Other financial liabilities (3.5)	290.5	292.9	290.5	292.9
Employee liabilities (2.7)	194.6	191.3	192.4	188.9
Provisions (2.8)	0.3	0.0	0.3	0.0
Non-current liabilities	**708.2**	**780.9**	**706.0**	**778.5**
Lease liabilities (3.4)	94.3	88.2	94.3	88.2
Contingent consideration for business acquisitions (3.5)	4.9	5.6	4.9	5.6
Other financial liabilities (3.5)	122.3	159.0	122.3	159.0
Employee liabilities (2.7)	836.3	738.3	834.5	737.2
Contract liabilities (2.6)	94.8	68.2	94.8	68.2
Trade payables (3.5)	148.0	228.6	147.9	228.4
Payables to subsidiaries	-	-	0.4	3.6
Other liabilities (3.3)	128.4	156.9	127.4	157.3
Current liabilities	**1,429.0**	**1,444.8**	**1,426.5**	**1,447.5**
Liabilities	**2,137.2**	**2,225.7**	**2,132.5**	**2,226.0**
Equity and liabilities	**2,715.5**	**2,800.5**	**2,710.8**	**2,800.8**

Consolidated statement of changes in equity for 2021/22

	Share capital DKK'm	Retained earnings DKK'm	Total DKK'm
Equity at 31.05.2020	**42.0**	**537.9**	**579.9**
Profit for the year	-	55.3	55.3
Comprehensive income for the year	**-**	**55.3**	**55.3**
Dividend paid	-	(60.4)	(60.4)
Equity at 31.05.2021	**42.0**	**532.8**	**574.8**
Profit for the year	-	63.9	63.9
Comprehensive income for the year	**-**	**63.9**	**63.9**
Dividend paid	-	(60.4)	(60.4)
Equity at 31.05.2022	**42.0**	**536.3**	**578.3**

Parent statement of changes in equity for 2021/22

	Share capital DKK'm	Reserve for development projects DKK'm	Reserve for equity method DKK'm	Retained earnings DKK'm	Total DKK'm
Equity at 31.05.2020	**42.0**	**68.7**	**-**	**469.2**	**579.9**
Profit for the year (restated 0.2)	-	(2.1)	-	57.4	55.3
Comprehensive income for the year	**-**	**(2.1)**	**-**	**57.4**	**55.3**
Dividend paid	-	-	-	(60.4)	(60.4)
Restated equity at 31.05.2021	**42.0**	**66.6**	**-**	**466.2**	**574.8**
Profit for the year	-	(9.8)	-	73.7	63.9
Comprehensive income for the year	**-**	**(9.8)**	**-**	**73.7**	**63.9**
Dividend paid	-	-	-	(60.4)	(60.4)
Equity at 31.05.2022	**42.0**	**56.8**	**-**	**479.5**	**578.3**

Cash flow statement for 2021/22

	Consolidated		Parent	
	2021/22 DKK'm	2020/21 DKK'm	2021/22 DKK'm	2020/21 DKK'm
Operating profit	83.7	71.7	83.6	71.5
Adjustments for non-cash items:				
Depreciation and amortisation (1.4)	146.7	147.3	146.1	146.5
Increase/decrease in provisions (2.8)	0.3	(3.0)	0.3	(3.0)
Increase/decrease in long-term employee liabilities (2.7)	3.3	44.9	3.5	43.6
Operating cash flow before working capital changes	**234.0**	**260.9**	**233.5**	**258.6**
Increase/decrease in short-term employee liabilities	91.5	230.5	90.8	230.3
Increase/decrease in trade payables and other liabilities	(109.1)	(4.4)	(113.6)	(3.9)
Increase/decrease in trade receivables and contract assets	75.7	(101.9)	75.5	(102.0)
Increase/decrease in other receivables etc.	28.0	(68.2)	27.6	(67.0
Operating cash flow before financial income and expenses	**320.1**	**316.9**	**313.8**	**316.0**
Interest income etc. received (3.7)	1.0	0.1	1.0	0.0
Interest expenses etc. paid (3.8)	(20.5)	(16.4)	(20.5)	(16.2)
Cash flows from operating activities	**300.6**	**300.6**	**294.3**	**299.8**
Purchase of intangible assets (2.2)	(15.7)	(18.4)	(15.7)	(18.3)
Sale of intangible assets	1.5	0.0	1.5	0.0
Purchase of property, plant and equipment (2.3)	(9.6)	(24.9)	(9.6)	(24.2)
Sale of property, plant and equipment	4.8	0.9	4.8	0.0
Acquisition of businesses (4.1)	(26.4)	0.0	(26.4)	0.0
Acquisition of subsidiaries and capital increase (4.1)	0.0	0.0	0.0	0.0
Investment in associates	(0.9)	0.0	(1.2)	0.0
Investment in other financial assets, net	1.2	1.2	1.7	0.8
Cash flows from investing activities	**(45.1)**	**(41.2)**	**(44.9)**	**(41.7)**

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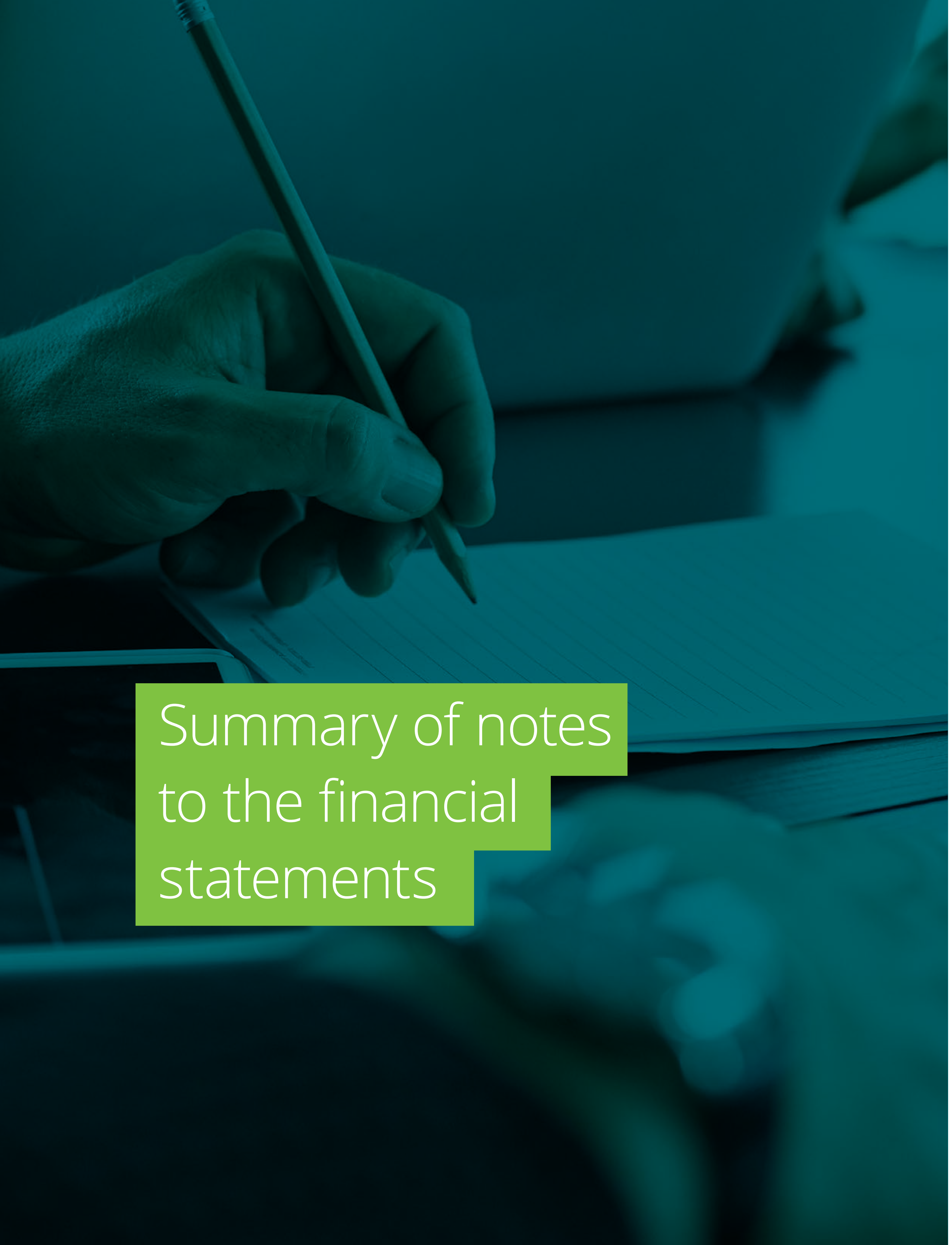
Cash flow statement for 2021/22 (continued)

	Consolidated		Parent	
	2021/22 DKK'm	2020/21 DKK'm	2021/22 DKK'm	2020/21 DKK'm
Repayment of lease liabilities	(88.3)	(85.7)	(88.3)	(85.7)
Draw downs and repayments of financial liabilities (3.3)	(44.7)	52.4	(44.7)	52.4
Dividend paid	(60.4)	(60.4)	(60.4)	(60.4)
Cash flows from financing activities	**(193.4)**	**(93.7)**	**(193.4)**	**(93.7)**
Increase/decrease in cash and cash equivalents	**62.1**	**165.7**	**56.0**	**164.4**
Cash and cash equivalents at 01.06.2021	341.8	176.1	337.2	172.8
Cash and cash equivalents at 31.05.2022 (3.6)	**403.9**	**341.8**	**393.2**	**337.2**



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

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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 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.

§ **0.2 Changes in accounting policies**
In accordance with recent IFRIC Interpretations, the Company has changed the accounting policy regarding recognition and measurement of expenses related to configuration and customisation in connection with software-as-a-service arrangements. So far, all expenses related to configuration and customisation of software have been capitalised as intangible assets if the criteria in IAS 38, Intangible Assets, were met. In compliance with the recent IFRIC Interpretations, 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.

The change in accounting policy has been applied retrospectively which means that the implementation is based on the new accounting policy already applied before this financial year, resulting in the following restatements of comparative figures for FY21:

	Before DKK'm	Change DKK'm	Restated
Depreciation Expenses	(148.2)	0.9	(147.3)
External Expenses	(949.4)	(0.9)	(950.3)
Profit for the year	**55.3**	**0.0**	**55.3**
Completed developments projects	98.0	(32.8)	65.2
Prepayments	71.9	32.8	104.7
Assets	**2,803.5**	**0.0**	**2,803.5**

As a consequence of the change, cash outflows of DKK 32.8m have been reclassified from cash flows from investing activities to cash flows from operating activities in the cash flow statements.

In addition to the above, minor reclassifications have been made in the balance sheet regarding presentation of receivables and debt to associates and contingent considerations for business acquisitions.

A number of other new and amended Standards and Interpretations have come into force for financial years beginning on or after 1 June 2021. 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

§ **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 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 selling price 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 FY22 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 2022. These Standards and Interpretations have, therefore, not been applied in the preparation of the consolidated financial statements for the current year.
The new and amended Standards and Interpretations, including IAS 37 regarding onerous contracts, are not expected to have any significant impact on future consolidated financial statements.

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 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 dis-closures are generally identical for the Parent and the Group or with only immaterial deviations between the Parent's and the Group's disclosures.

As a consequence of this, Management has decided to provide note disclosures for the Parent only to the extent this is deemed to provide additional, relevant information compared to what is provided in the consolidated financial statements.

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1. Operating profit or loss

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. The bulk of the Firm's revenue arises from services provided in Denmark.

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:

- 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.

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§ **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.

Selling price 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 in measuring progress satisfying the performance obligations and establishing when contingencies are satisfactorily resolved.

1.1 Revenue from contracts with customers (continued)
At 31 May 2022, the amount of contract assets recognised at selling price totalled DKK 2,434.9m before offsetting of amounts invoiced on account (31 May 2021: DKK 2,301.4m).

	Consolidated		Parent	
	2021/22 DKK'm	2020/21 DKK'm	2021/22 DKK'm	2020/21 DKK'm
Revenue Revenue from contracts with customers is broken down by business unit as follows:				
Audit & Assurance	1,407.6	1,326.9	1,407.6	1,319.1
Consulting	1,581.3	1,221.9	1,565.9	1,216.0
Tax & Legal	626.0	548.1	626.0	548.1
Risk Advisory	346.6	283.6	346.6	283.6
Financial Advisory	480.5	367.8	480.5	367.8
	4,442.0	**3,748.3**	**4,426.6**	**3,734.6**

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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 the costs in the financial year for jubilee benefits.

Key Management includes the Firm's management team (Executive), incl. the Executive Board.

	Consolidated		Parent	
	2021/22 DKK'm	2020/21 DKK'm	2021/22 DKK'm	2020/21 DKK'm
Salaries to employees and remuneration to partners	2,826.7	2,502.0	2,813.3	2,489.9
Long-term employee liabilities, refer to Note 2.7	0.4	0.5	0.4	0.5
Defined contribution plans	29.0	19.1	28.8	18.9
Other social security expenses	22.7	19.9	22.6	19.8
Other staff costs	93.9	48.1	93.5	43.1
	2,972.7	**2,589.6**	**2,958.6**	**2,572.2**
No. of average full-time employees	2,680	2,581	2,666	2,566
No. of full-time employees at year-end	3,007	2,636	2,991	2,621
Total remuneration to Key Management incl. remuneration to the Executive Board	**152.8**	**117.4**	**152.8**	**117.4**

Remuneration to Key Management consists of remuneration to equity partners on the management team, including the Executive Board. No specific directors' fees were paid to members of the Firm's Board of Directors. Remuneration to the Executive Board for FY22 and FY21 is not disclosed 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.

	2021/22 DKK'm	2020/21 DKK'm
Work carried out by subcontractors, including other Deloitte member firms	**674.6**	**504.2**

§ 1.4 Depreciation, amortisation and write-downs

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 on a straight-line basis. The depreciation starts at the commencement date of the lease.

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

	2021/22 DKK'm	2020/21 DKK'm
Depreciation, amortisation and write-downs		
Intellectual property rights	7.9	10.6
Completed development projects	21.1	25.0
Right-of-use assets	87.5	89.2
Leasehold improvements	3.2	3.3
Operating equipment and fixtures	13.7	17.8
Profit or loss on sale of non-current assets	6.4	(2.5)
Loss from write-downs of non-current assets	6.9	3.9
	146.7	**147.3**

1.5 Other operating income

Accounting policies

Other operating income is 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.

	2021/22 DKK'm	2020/21 DKK'm
Profit on disposal of client relationships and activities	5.0	4.2
Fair value adjustments of earn-out obligations	0.8	6.4
	5.8	**10.6**

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. The adjustments are made due to changed expectations for future revenue from the acquired businesses.

2. Operating assets and liabilities

2.1 Goodwill

Accounting policies

On initial recognition, goodwill is recognised and measured as described in Note 4.1, A*cquisition 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.

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 630.7m at 31 May 2022 (31 May 2021: DKK 586.7m). Neither this financial year nor last financial year identified any indication of impairment of 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 01.06.2020	586.7	532.8
Cost at 31.05.2021	**586.7**	**532.8**
Carrying amount at 31.05.2021	**586.7**	**532.8**
Cost at 01.06.2021	586.7	532.8
Additions from business combinations	44.0	44.0
Cost at 31.05.2022	**630.7**	**576.8**
Carrying amount at 31.05.2022	**630.7**	**576.8**

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	
	2022 DKK'm	2021 DKK'm	2022 DKK'm	2021 DKK'm
Goodwill				
Audit & Assurance	383.5	383.5	383.5	383.5
Consulting	180.3	136.3	126.4	82.4
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
	630.7	**586.7**	**576.8**	**532.8**

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 period 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 and Tax & Legal is 11.6% (FY21: 9.2%). For Consulting, Risk Advisory and Financial Advisory, the discount rates used are 12.5%, 12.4% and 13.0% (FY21: 9.2%, 9.7% and 9.9%), 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.

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 is 1.5% (FY21: 1.5%).

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§ **2.2 Other intangible assets**

Accounting policies

Other intangible assets comprise completed and development projects in progress and acquired intellectual property rights in the form of software rights, client contracts and brands.

Development projects on clearly defined and identifiable systems and processes etc., for which the technical utilisation rate, sufficient resources and future economic benefits can be established and where the intention is to complete the project and use the intangible asset, are recognised as intangible assets, which are amortised over their expected useful lives. Other development costs are recognised as costs in profit or loss when incurred.

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.

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 01.06.2020	89.2	158.0	38.0
Other additions	0.0	0.6	20.9
Transfer	0.0	56.4	(56.4)
Disposals	(1.7)	(5.9)	(0.8)
Cost at 31.05.2021	**87.5**	**209.1**	**1.7**
Amortisation and impairment losses at 01.06.2020	(55.2)	(122.6)	0.0
Amortisation for the year	(10.6)	(25.0)	0.0
Reversal regarding disposals	1.7	3.7	0.0
Amortisation and impairment losses at 31.05.2021	**(64.1)**	**(143.9)**	**0.0**
Carrying amount at 31.05.2021	**23.4**	**65.2**	**1.7**
Cost at 01.06.2021	87.5	209.1	1.7
Additions from business combinations	3.4	0.0	0.0
Other additions	0.2	0.0	15.5
Transfer	0.0	11.4	(11.4)
Disposal	(19.4)	(13.9)	(1.7)
Cost at 31.05.2022	**71.7**	**206.6**	**4.1**
Amortisation and impairment losses at 01.06.2021	(64.1)	(143.9)	0.0
Amortisation for the year	(7.9)	(21.1)	0.0
Write-downs	(2.5)	(2.5)	(1.7)
Reversal regarding disposals	11.0	13.8	1.7
Amortisation and impairment losses at 31.05.2022	**(63.5)**	**(153.7)**	**0.0**
Carrying amount at 31.05.2022	**8.2**	**52.9**	**4.1**

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.

§ 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 01.06.2020	548.4	25.3	131.3
Other additions	6.5	4.6	27.1
Disposals	0.0	(0.5)	(27.5)
Cost at 31.05.2021	**554.9**	**29.4**	**130.9**
Depreciation and impairment losses at 01.06.2020	(94.7)	(9.6)	(97.1)
Depreciation for the year	(89.2)	(3.3)	(17.8)
Write-downs	(3.9)	0.0	0.0
Reversal regarding disposals	0.0	0.5	22.3
Depreciation and impairment losses at 31.05.2021	**(187.8)**	**(12.4)**	**(92.6)**
Carrying amount at 31.05.2021	**367.1**	**17.0**	**38.3**
Cost at 01.06.2021	554.9	29.4	130.9
Additions	10.7	0.9	8.7
Disposals	(3.3)	(3.3)	(4.6)
Cost at 31.05.2022	**562.3**	**27.0**	**135.0**

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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 01.06.2021	(187.8)	(12.4)	(92.6)
Depreciation for the year	(87.5)	(3.2)	(13.7)
Write-downs	0.0	(0.2)	0.0
Reversal regarding disposals	3.3	1.3	2.3
Depreciation and impairment losses at 31.05.2022	**(272.0)**	**(14.5)**	**(104.0)**
Carrying amount at 31.05.2022	**290.3**	**12.5**	**31.0**

§

2.4 Other non-current assets

Accounting policies

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 amounts are recognised as collateral given and are measured at cost.

Investments in associates are recognised according to the equity method and in the parent financial statements, investments in subsidiaries are recognised according to the equity method as well.
This means that investments are measured at the pro rata share of the associates and subsidiaries' equity value less unrealised intra-group profits.

The share of the associates and subsidiaries' profits or losses after elimination of unrealised intra-group profits is recognised in the statement of comprehensive income.

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

For the Parent, 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 associates and subsidiaries; refer to the description in Note 4.1 to the consolidated financial statements.

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2.4 Other non-current assets (continued)

	Parent	
	Investments in associates DKK'm	Investments in subsidiaries DKK'm
Cost at 01.06.2020	11.5	70.6
Additions	0.2	0.0
Cost at 31.05.2021	**11.7**	**70.6**
Adjustment at 01.06.2020	0.0	(8.8)
Share of profit for the year	0.0	0.0
Adjustment at 31.05.2021	**0.0**	**(8.8)**
Carrying amount at 31.05.2021	**11.7**	**61.8**
Cost at 01.06.2021	11.7	70.6
Additions	0.9	0.0
Cost at 31.05.2022	**12.6**	**70.6**
Adjustment at 01.06.2021	0.0	(8.8)
Share of profit for the year	0.0	0.0
Adjustment at 31.05.2022	**0.0**	**(8.8)**
Carrying amount at 31.05.2022	**12.6**	**61.8**

Investments in associates

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 FY22 (FY21: DKK 0.0m). The share of the companies' total equity is DKK 0.1m (31 May 2021: DKK 0.1m), which has been recognised as investments in associates.

Deloitte Statsautoriseret Revisionspartnerselskab has granted a long-term interestbearing loan to Deloitte Nordic Holding ApS in the amount of DKK 26.7m which will be repaid at par value when Deloitte Nordic Holding ApS recovers the underlying investment financed by this loan. The loan is classified as "Fair Value Through Profit and Loss". The fair value of the loan is estimated at DKK 14.2m 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 12.5m, is considered a deemed capital contribution to Deloitte Nordic Holding ApS which is presented as part of the investment in this associate.

Investments in subsidiaries comprise:

- Struensee & Co. Komplementar ApS, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%
- Struensee & Co. Management Consulting P/S, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%
- Deloitte PensionManagement Brokers P/S, Weidekampsgade 6, 2300 Copenhagen, Denmark, 100%

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 expected lifetime 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.

	2022 DKK'm	2021 DKK'm
Trade receivables	937.7	921.0
Allowance for lifetime expected credit losses	(29.0)	(27.0)
Net trade receivables	**908.7**	**894.0**
Not due for payment	756.1	700.4
Overdue less than 30 days	102.8	112.3
Overdue 31-60 days	19.2	31.2
Overdue 61-90 days	11.5	14.8
Overdue 91-120 days	8.7	27.0
Overdue more than 121 days	39.4	35.3
Trade receivables	**937.7**	**921.0**
Loss allowance for trade receivables		
Loss allowance at 01.06.	27.0	29.6
Additions	9.5	8.7
Reversals	(4.5)	(1.5)
Realised	(3.0)	(9.8)
Loss allowance at 31.05.	**29.0**	**27.0**

2.5 Receivables (continued)

	Expected default rate 2022 %	Expected default rate 2021 %	Balance 2022 DKK'm	Balance 2021 DKK'm	Loss allowance 2022 DKK'm	Loss allowance 2021 DKK'm
Not due for payment	0.3	0.2	756.1	700.4	2.0	1.5
Overdue less than 30 days	2.2	2.0	102.8	112.3	2.3	2.3
Overdue 31-60 days	4.2	3.9	19.2	31.2	0.8	1.2
Overdue 61-90 days	7.0	7.8	11.5	14.8	0.8	1.1
Overdue 91-120 days	12.6	11.3	8.7	27.0	1.1	3.0
Overdue more than 121 days	55.8	50.7	39.4	35.3	22.0	17.9
Trade receivables			**937.7**	**921.0**	**29.0**	**27.0**

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 recognises 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.

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 fee value thereof.

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2.6 Contract assets (continued)

	2022 DKK'm	2021 DKK'm
Contract assets at selling price	2,434.9	2,301.4
Invoiced on account	(2,344.6)	(2,120.7)
	90.3	**180.7**
Net value is recognised in the balance sheet as follows:		
Contract assets	185.1	248.9
Contract liabilities	(94.8)	(68.2)
	90.3	**180.7**

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 01.06.2020	247.2	45.7	246.5	45.7
Increase/decrease	1.7	22.5	1.9	22.5
At 31.05.2021	**248.9**	**68.2**	**248.4**	**68.2**
At 01.06.2021	248.9	68.2	248.4	68.2
Increase/decrease	(63.8)	26.6	(63.7)	26.6
At 31.05.2022	**185.1**	**94.8**	**184.7**	**94.8**

The net decrease in contract assets in FY2 reflects our increased focus during the year on timely and regular invoicing.

Outstanding performance obligations
In all business units apart from Audit & Assurance, both the customer and Deloitte generally have the right to terminate the contract applying a notice period of up to a maximum of six 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 current contracts is less than one year.

An analysis of the recognised revenue for previous years shows that only insignificant revenue only an insignificant portion of a given year's total revenue relates 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.

§ 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.

	2022 DKK'm	2021 DKK'm
Provisions for jubilee benefits at 01.06.	7.7	7.6
Adjustment for the financial year (recognised as 'Other staff costs')	0.6	0.5
Interest expenses (recognised as 'Other staff costs')	0.0	0.1
Actuarial (gains)/losses (recognised as 'Other staff costs')	(0.2)	(0.1)
Jubilee benefits paid	(0.5)	(0.4)
Transfer to short-term jubilee benefits	(0.2)	0.0
Provisions for jubilee benefits at 31.05.	**7.4**	**7.7**
Long-term vacation allowance	187.2	183.6
Long-term employee liabilities at 31.05.	**194.6**	**191.3**
Short-term jubilee benefits	0.2	0.0
Short-term vacation allowance	158.7	155.6
Other short-term employee liabilities	677.4	582.7
Short-term employee liabilities at 31.05.	**836.3**	**738.3**

§ 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.

	2022 DKK'm	2021 DKK'm
Professional liability claims at 01.06.	0.0	3.0
Used in the financial year	0.0	(2.9)
Reversed in the financial year	0.0	(0.1)
Provisions in the financial year	0.3	0.0
Professional liability claims at 31.05.	**0.3**	**0.0**
Provisions at 31.05.	**0.3**	**0.0**

The Firm is 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 handling the claims are recognised when the services are received and not included in the provision. The liabilities are presented net of any insurance cover, as information about expected claims etc. is considered to seriously prejudice the position of the Firm.

Capital structure and financing

3. Capital structure and financing

3.1 Share capital

	2022 DKK'm	2021 DKK'm
The share capital is made up of:		
A shares, 105 shares at a nominal value of DKK 0.4m	42.0	42.0
B shares, 20 shares at a nominal value of DKK 0.0m	0.0	0.0
Nominal value at 31.05.	**42.0**	**42.0**

No shares carry special rights, except that at the Annual General Meeting, each A share (nominal value of DKK 0.4m) carries one vote, as does each B share (nominal value of 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 FY22, the Board of Directors has proposed a dividend of DKK 60.4m (FY21: DKK 60.4m), equivalent to DKK 0.6m per share (FY21: DKK 0.6m per share), which will be paid to the equity partners after the Firm's Annual General Meeting on 24 October 2022, provided that the Annual General Meeting adopts the Board of Directors' proposal. 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 2022.

§ **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.

	2022 DKK'm	2021 DKK'm
VAT, A tax and social security expenses	107.6	88.2
Other expenses payable	20.8	68.7
Other liabilities at 31.05.	**128.4**	**156.9**
Other financial liabilities at 01.06., refer to Note 3.5	451.9	383.8
Net borrowings in long-term other financial liabilities	(2.4)	70.0
Net borrowings in short-term other financial liabilities	(36.7)	(1.9)
Other financial liabilities at 31.05., refer to Note 3.5	**412.8**	**451.9**

3.3 Financial liabilities (continued)

	2022 DKK'm	2021 DKK'm
Contingent consideration for business acquisitions at 01.06., refer to Note 3.5	5.6	21.3
Deferred consideration in long-term	9.6	0.0
Deferred consideration in short-term	(0.7)	(15.7)
Contingent consideration for business acquisitions at 31.05., refer to Note 3.5	**14.5**	**5.6**

§ **3.4 Lease liabilities**

Accounting policies

As from 1 June 2019, the Firm has recognised 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.

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.

Amounts recognised in the income statement relating to lease contracts:

	2022 DKK'm	2021 DKK'm
Depreciation and write-downs on right-of-use assets (included in 'Depreciation and amortisation')	87.5	93.1
Interest expenses on lease liabilities (included in 'Financial expenses')	4.3	5.3
Costs relating to low-value assets (included in 'External expenses')	24.1	17.9
Income from sub-leasing right-of-use assets (included in 'External expenses')	(3.0)	(3.5)
	112.9	**112.8**

The total cash outflow for leases in the year ended 31 May 2022 was DKK 92.5m (FY21: DKK 91.0m).

§ **3.5 Financial instruments and risks etc.**
Categories of financial instruments

	2022 DKK'm	2021 DKK'm
Trade receivables	908.7	894.0
Receivables from associates	31.1	31.7
Other receivables	3.4	25.0
Cash and bank balances	403.9	341.8
Financial assets measured at amortised cost	**1,347.1**	**1,292.5**
Lease liabilities	307.5	384.9
Other financial liabilities	412.8	451.9
Trade payables	148.0	228.6
Other liabilities	128.4	156.9
Financial liabilities measured at amortised cost	**996.7**	**1,222.3**
Receivables from associates	0.0	0.0
Financial assets measured at fair value through profit or loss	**0.0**	**0.0**
Contingent consideration for business acquisitions	14.5	5.6
Financial liabilities measured at fair value through profit or loss	**14.5**	**5.6**

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

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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 exposed to significant financial risks, see below.

Currency risks
The Firm's sales transactions are mainly conducted in Danish kroner. 7% of total revenue is denominated in foreign currencies (FY21: 16%), 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 260.0m, in EUR they totalled DKK 410.0m, and in GBP they totalled DKK 66.6m (FY21: DKK 284.4m in USD, DKK 292.8m in EUR, and DKK 78.8m in GBP). At the balance sheet date, the Firm has net receivables of DKK 135.3m in USD FY21: net payable of DKK 5.1m), net receivables of DKK 95.0m in EUR (FY21: net receivables of DKK 76.9m) and net receivables of DKK 5.7m in GBP (FY21: net payable of DKK 1.8m). All things being equal, earnings and equity would be affected by DKK 1.6m (FY21: DKK 1.4m), 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 an impact on earnings and equity by DKK 0.1m (FY21: DKK 0.8m). 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 403.9m (FY21: DKK 341.8m) and financial liabilities of DKK 427.3m (FY21: DKK 457.5m). All things being equal, earnings and equity would be affected by DKK 1.9m (FY21: DKK 1.9m), if the interest rate would increase by 0.5 percentage points.

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 937.7m at 31 May 2022 (31 May 2021: DKK 921.0m). These receivables have been written down by a total of DKK 29.0m (31 May 2021: DKK 27.0m) to match the expected lifetime credit loss, refer to Note 2.5. Impairment losses amount to an average of 3.1% of the total receivables (31 May 2021: 2.9%).

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.

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3.5 Financial instruments and risks etc. (continued)
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.

Based on the forecast for FY23 and the sensitivity analysis of the impact of COVID-19, the assessment is that the Firm has sufficient credit facilities available.

	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
2021					
Lease liabilities	92.4	273.5	34.4	400.3	384.9
Contingent consideration for business acquisitions	5.6	0.0	0.0	5.6	5.6
Other financial liabilities	161.0	279.9	19.1	460.0	451.9
Trade payables	228.6	0.0	0.0	228.6	228.6
Other liabilities	156.9	0.0	0.0	156.9	156.9
Employee liabilities	738.3	11.7	179.6	929.6	929.6
Financial liabilities etc.	**1,382.8**	**565.1**	**233.1**	**2,181.0**	**2,157.5**
2022					
Lease liabilities	94.3	197.9	22.8	315.0	307.5
Contingent consideration for business acquisitions	4.9	9.6	0.0	14.5	14.5
Other financial liabilities	123.8	280.6	15.3	419.7	412.8
Trade payables	148.0	0.0	0.0	148.0	148.0
Other liabilities	128.4	0.0	0.0	128.4	128.4
Employee liabilities	836.3	7.3	187.3	1,030.9	1,030.9
Financial liabilities etc.	**1,335.7**	**495.4**	**225.4**	**2,056.5**	**2,042.1**

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 expenses

	2021/22 DKK'm	2020/21 DKK'm
Interest income	1.0	0.1
Financial income	**1.0**	**0.1**

3.8 Financial expenses

	2021/22 DKK'm	2020/21 DKK'm
Interest expenses on lease liabilities	4.3	5.3
Other interest expenses	15.0	10.6
Interest from financial liabilities measured at amortised cost	**19.3**	**15.9**
Net foreign currency translation adjustments	1.5	0.6
Financial expenses	**20.8**	**16.5**

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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.

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.

FY22
With effect from 1 July 2021, Deloitte strengthened its consulting business with the acquisition of assets, activities, rights, and liabilities in Syncronic ApS, and took a decisive step towards becoming the leading supply chain consulting firm in the Nordics. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	Total DKK'm
Intangible assets	3.4
Employee assurance engagements	(6.5)
Total identifiable net assets	**(3.1)**
Goodwill	**44.0**
Total consideration	**40.9**
Satisfied by:	
Cash	26.4
Deferred and contingent consideration	14.5
Total consideration	**40.9**

The deferred contingent consideration could be a nominal maximum amount of DKK 15m and a minimum amount of DKK 0 depending on retention of employees and the achievement of the uplifted gross profit from the acquired businesses.

Goodwill relates primarily to employee capabilities etc. that could not be recognised as separate assets.

FY21
No acquisition or divestment of businesses has taken place in FY21.

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	
	2021/22 DKK'm	2020/21 DKK'm	2021/22 DKK'm	2020/21 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	0.4	0.4
Other assurance engagements	0.2	0.1	0.2	0.0
	0.7	**0.6**	**0.6**	**0.4**

4.4 Related parties
Related parties
No party has control of the Firm.

Related party transactions
Remuneration to Key Management is disclosed in Note 1.2.

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

Interest-bearing debt to Key Management at 31 May 2022 amounts to DKK 5.3m (31 May 2021: DKK 5.7m). The related interest expenses amount to DKK 0.1m for FY22 (FY21: DKK 0.1m).

Receivables from associates at 31 May 2022 total DKK 31.1m (31 May 2021: DKK 31.7m). The related interest income amounts to DKK 0.9m for FY22 (FY21: DKK 0.4m).

Deloitte General Partner ApS is a general partner of the Firm and has received a payment of DKK 10k for its general partner liability for the financial year FY22 (FY21: DKK 3k).

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 1 September 2022. The annual report will be submitted to the Firm's equity partners for adoption at the Annual General Meeting on 24 October 2022.

4.6 Events after the balance sheet date
On 1 June 2022, it has been agreed to increase the share capital by a nominal share amount of DKK 3.6m by way of a cash contribution.

With effect from 1 July 2022, the Firm acquired the Danish SAP company Framework Digital. Framework Digital had a revenue of DKK 84.4m in their last calendar year. With the strategic acquisition of the consultancy company, Deloitte strengthens its position in the Danish SAP market, within project management, and solutions to support digital transformation.

	Total DKK'm
Goodwill	81.6
Order backlog	0.7
Intangible assets	**82.3**
Operating equipment and fixtures	0.4
Property, plant and equipment	**0.4**
Investments in group enterprises	9.6
Deposit	0.6
Other non-current assets	**10.2**
Non-current assets	**92.9**
Trade receivables	17.9
Other receivables and prepaid expenses	0.2
Receivables	**18.1**

4.6 Events after the balance sheet date (continued)

	Total DKK'm
Cash and bank balances	**4.7**
Current assets	**22.8**
Assets	**115.7**
Equity	**99.0**
Corporate tax payable	0.5
Intercompany balances	0.0
Non-current liabilities	**0.5**
Trade payables	4.1
Employee liabilities	9.5
Other liabilities	2.4
Current liabilities	**16.0**
Deferred tax liabilities	**0.2**
Equity and liabilities	**115.7**

The initial accounting for the business combination is not complete at the date of the approval of the annual report.

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.

Apart from this, no events have occurred from the balance sheet date and until the date of issue that would influence the evaluation of this annual report.

Deloitte offices in Denmark

Esbjerg
Dokken 8
6700 Esbjerg
Phone +45 79 12 84 44
esbjerg@deloitte.dk

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

Nuuk
Imaneq 33, 6th-7th floor
3900 Nuuk
Phone +299 32 15 11
nuuk@deloitte.dk

Deloitte.