



Annual insights 2023

KPMG P/S Annual report

1 October 2022 – 30 September 2023

KPMG P/S

Dampfærgevej 28 · 2100 København Ø
Denmark · CVR no. 25 57 81 98

The annual report was presented and adopted at the
Company's annual general meeting on 25 January 2024

Chairperson of the meeting
25 January 2024

A handwritten signature in black ink, reading 'Henrik Bechgaard', is written over a thin horizontal line.

Henrik Bechgaard



Contents

Management's review	3	Statement by the Board of Directors and the Executive Board	46
Company details	3	Independent auditor's report	48
Financial highlights	4	Financial statements for KPMG P/S	50
Together we make the difference	5	Income statement	51
Key facts about KPMG in Denmark and our global network	8	Balance sheet	51
Happy People: Focusing on the individual to make a better KPMG	9	Statement of changes in equity	52
Our values	13	Cash flow statement	53
Elevating excellence with emerging technologies and sustainability insights	14	Notes to the financial statements	54
Advisory: Four pillars driving transformation	21		
Powered by passion for tax	28		
Reporting on Corporate Social Responsibility cf. section 99a of the Financial Statements Act	32		
Reporting on the underrepresented gender, cf. section 99b of the Financial Statements Act	40		
Reporting on KPMG's policy on Data Ethics, cf. section 99d of the Financial Statements Act	42		
Financial review	44		

Company details

KPMG P/S

Dampfærgevej 28
2100 København Ø

Telephone: +45 70 70 77 60
Website: kpmg.dk
Email: kpmgdanmark@kpmg.com
CVR no.: 25 57 81 98

Established: 11 December 2013
Financial year: 1 October – 30 September

Board of Directors

Klaus Rytz (Chair)
Henrik Barner Christiansen
Nikolaj Møller Hansen
Hans Jørgen Andresen
Jan Hove Sørensen

Executive Board

Mads Raahede

Leadership team

Mads Raahede, CEO and Senior Partner
Jon Beck, Head of Audit
Christian Max Hansen, Head of Advisory
Martin Povelsen, COO and Head of Digital Risk

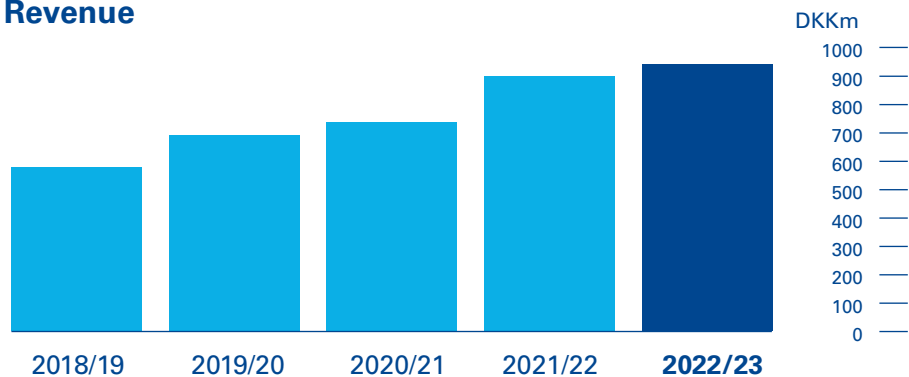
Auditor

Redmark
Company reg. no. 29 44 27 89
Godkendt Revisionspartnerselskab
Dirch Passers Allé 76
2000 Frederiksberg

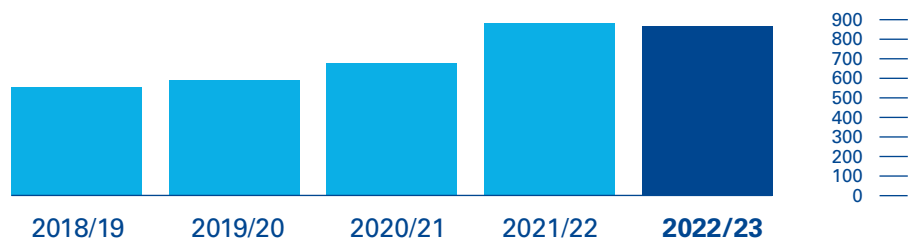
The format of this annual report is optimised for screen viewing, in an effort to reduce our carbon footprint.

Financial highlights

Revenue



Number of employees and partners



DKK'000	2018/19	2019/20	2020/21	2021/22	2022/23
KPMG in Denmark Revenue*	829,331	1,009,737	1,111,559	1,365,279	1,485,901
Revenue KPMG P/S	578,113	690,406	735,513	897,045	939,287
Operating profit/loss	-240	7,779	4,604	10,509	806
Profit/loss from financial income and expenses	240	-1,585	-1,107	-961	264
Profit for the year	0	6,194	3,497	9,548	1,070
Total assets	266,831	353,201	304,689	334,550	353,237
Investments in property, plant and equipment	3,201	2,530	4,662	8,411	4,249
Equity	49,627	57,594	55,544	77,829	87,555
Cash flow from operating activities	13,947	110,418	-76,086	-4,604	21,140
Cash flow from investing activities	-3,311	-4,792	-7,424	-9,251	-6,926
Cash flow from financing activities	8,625	23	-3,297	11,987	6,406
Total cash flow	19,261	105,649	-86,807	-1,868	20,620
Revenue growth**	14%	19%	7%	22%	5%
Solvency**	19%	16%	18%	23%	25%
Number of employees and partners	555	593	678	885	869
Gender split (male/female) in%	67/33	66/34	63/37	62/38	60/40

* KPMG P/S, KPMG Acor Tax Partnerselskab and other Danish KPMG member firms combined as KPMG in Denmark.

** For definitions, see note 1, Accounting policies.

Management's review

Together we make the difference

FY23 was indeed a year filled with contrasts. The world is in turmoil, and we are experiencing war in both Europe and the Middle East, economic uncertainty, geopolitical shifts and groundbreaking technological leaps. These changes have the potential to reshape how we work and fundamentally alter our perspectives and actions. No one can tell how the way ahead is shaping up, and what we saw in 2023 was, once again, unprecedented.

At KPMG, this uncertainty has of course affected us as well. Much like many Danish and international businesses, we have been anticipating and preparing for a potential slowdown on growth and on focusing on ensuring sustainable and responsible development. Despite the circumstances, in FY23 we achieved a total revenue growth of 9% across Advisory, Audit and Tax. Overall, total revenue increased from DKK 1,365 million in 2021/22 to DKK 1,486 million in 2022/23.

Looking into another unpredictable year, we will do our best to continuously adapt our strategy and align with reality, always making sure that we continue to inspire confidence and empower our people, clients and society to cope with unpredictability and set a course for real change.

In the middle of FY23, we had a change in leadership where Morten Mønster stepped down as Senior Partner and CEO. Therefore I, Mads Raahede, have the honour to be addressing this Management's review, as the newly appointed Senior Partner and CEO of KPMG P/S.

Having been a part of the Leadership Team for two years, I am fully aligned with the task at hand. I am excited about the opportunity to chart the course for KPMG P/S, championing our Multidisciplinary Model that spans Audit, Advisory and Tax. We are steadfast in our dedication to delivering outstanding services to Denmark's top-tier companies within energy, financial services, digital transformation, M&A transactions, ESG reporting, compliance, assurance and more. We are pleased to announce a commendable overall Client Satisfaction Score of 4.35 out of 5 for FY23. Our clients' satisfaction remains at the core of our mission, and we look forward to further enhancing our partnerships in the years ahead.

Coming out of FY23, we are dedicated to show sustainable growth and proud to be a people-first company focusing on quality of life and quality of work. Together we make the difference.

The people shape our company

As a company, KPMG is still growing and in FY23, we maintained a diverse workforce comprising 45 different nationalities among our exceptional employees. Now more than ever we need to be inclusive, focus on well-being and provide opportunities for personal and professional growth within fields that resonate with each individual.

As an example, in FY23 we further enhanced our internal Ally groups to now consist of five groups: **Parent Group**, **Gender Balance**, **Footprint Group**, **MindSpace** and **QueerSpace**, our well-renowned group through many years focusing on creating an inclusive workspace irrespective of sexuality or gender. These groups are made up of passionate employees and supported by leadership.

To continuously strive to do better, we launched our new Koach framework to further improve our people leadership. In a sports team, it is up to the coach to ensure that every player reaches their full potential, plays effectively with others and is given opportunities to develop. The same goes for our KPMG Koaches. Koaches are people leaders with the responsibility to develop and

motivate. In FY23, we successfully trained more than 150 internal Koaches. After the training, 96% of the participants felt considerably more proficient in handling their daily tasks and navigating people leadership responsibilities more effectively.

We also strive to have a positive impact on society. One way to achieve this is through our sponsorship of Team Rynkeby, for the sixth year in a row. No less than four of our employees chose to bike to Paris to support children with critical diseases. We recognise our responsibility to contribute to education and give back to society. In line with this commitment, we have sustained our partnership with Velkommen Hjem - an organisation that supports formerly deployed veterans in their transition back to a civilian life.

We believe that some of these initiatives are the reason why 80% of our people express that they are proud to work for KPMG and would recommend KPMG as a great place to work, despite the uncertain times.

AI is starting to realise its full potential

2023 showed us that AI is operational on a practical scale, and we are proud to continue being one of the leading advisors on building and implementing AI in Danish organisations, as well as serving as advisors to

The Confederation of Danish Industry on AI's impact on business and society.

Bringing potential to life through digital transformation while maintaining trust is a true reflection of our way of thinking and working in KPMG. We challenge the status quo, while striving towards excellence in all we do. As part of the global KPMG network, we have officially joined the IBM Quantum network to further explore the potential of quantum computing. We have also expanded our global alliance with Microsoft to put AI at the forefront of professional services.

As another result of our tireless work with digital transformation, we are also pleased to note that our efforts and, more importantly, our exceptional talent within new technology have played a part in moving us up the ladder as a preferred employer among IT professionals. We will continue to help our clients unlock the potential of digital transformation, as it will continue to play a pivotal role in the success of businesses, both inside and across borders.

As a technology, AI is also driving another agenda. We are proud to have partnered up with the organisation Women in AI, where we showcase some of the female frontrunners in this booming field. The seats are packed at the events, and we are delighted to be a central part of both the tech and equality agenda.

Raising our voice on ESG

Achieving net zero will be one of the greatest challenges in the 21st century, and young people have a vital role to play in driving climate action. Therefore, we launched our Leaders 2050 network in the spring of FY23. A professional network led by KPMG for future leaders who have an interest in net zero and sustainability, with a focus on diversity and inclusion. The network's mission is to equip the next generation with the skills, networks and purpose needed to drive towards a more sustainable future.

We are currently hosting Leaders 2050 events and have ambitious plans for the upcoming year, including collaborative initiatives with organisations such as the UN and with a focus on COP28. Our network expanded by more than 360 new members – all committed to making a change and providing a platform for knowledge sharing to ensure that we build the leaders of tomorrow. We look forward to growing the network in FY24.

At KPMG, inspiring senior leaders to effectively address and drive the ESG (Environmental, Social and Governance) agenda forward is a key priority for us. We therefore hosted two events in FY23 focusing on sustainable leadership which turned out to be some of the biggest ESG events we have hosted. Across Copenhagen and Aarhus, we inspired over 250 participants to engage in discussions on how to approach the new leadership challenges.

We also embarked on an exciting new collaboration with FINANS, resulting in the establishment and successful launch of the FINANS IMPACT Award show. This prestigious event aims to recognise companies and organisations that are truly making a positive impact in the realm of ESG. The inaugural award show exceeded expectations, and we are thrilled to announce our commitment to replicating this success in FY24. Once again, we will be presenting awards in the categories of Climate, Social and Tech to honour those leading the way. In FY23, we were also one of the premium sponsors of Årets SMV, an award show that celebrates small and medium-sized companies in Denmark, also on their ESG impact within the category “ESG Frontrunner of the year”.

Almost 10 years young

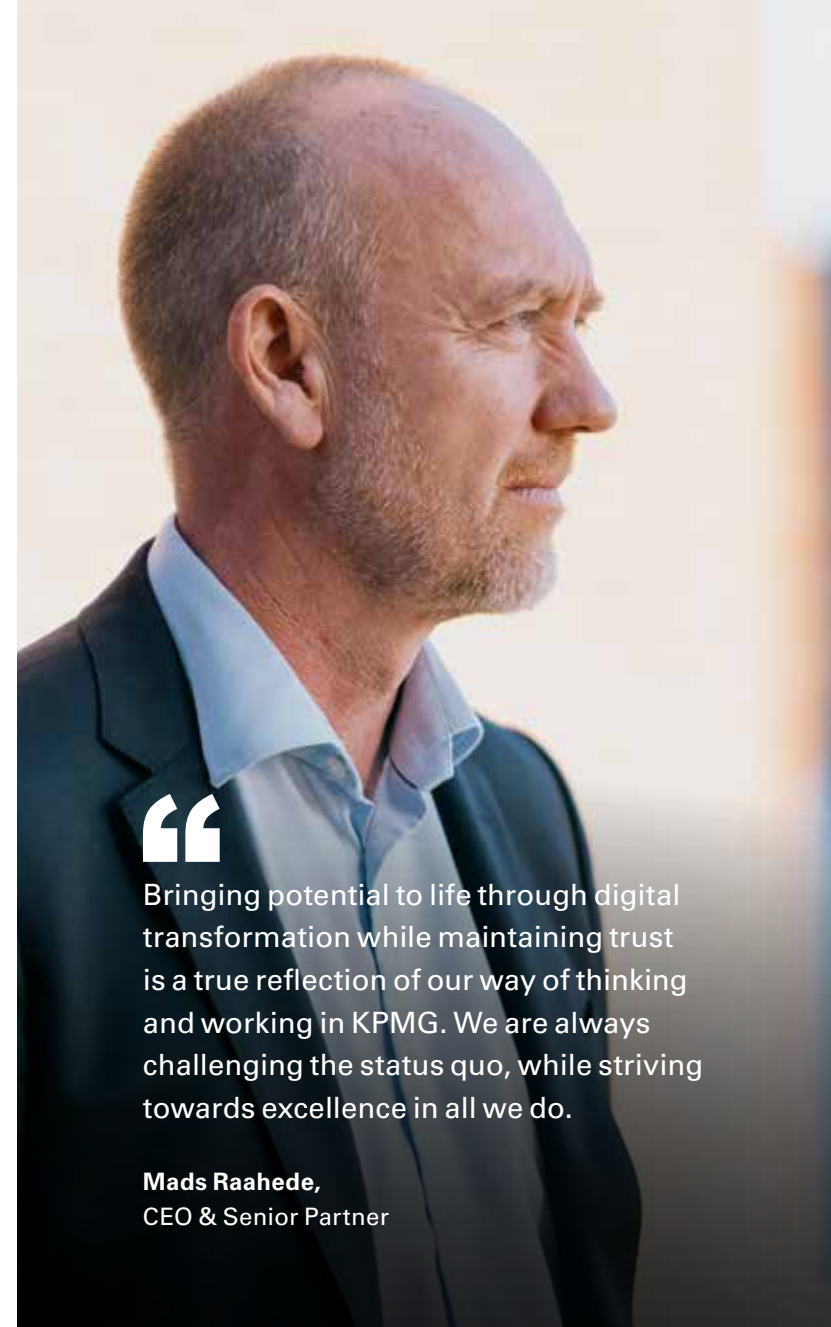
We are a people business. Our people are our first and foremost asset. As a young company in Denmark, we are not weighed down by legacy and traditional ways of working. 2024 marks our 10th anniversary, and we look forward to celebrating the culture we have built together and the great progress we have made so far.

We must venture into our 10th year with our purpose held high to inspire confidence and empower change. We will stay committed to building trust in the capital mar-

kets and ensuring that we keep the momentum we have generated and carry it into the future.

Positive growth and continuously advising, challenging and focusing on our clients have been key through FY23. I am truly honoured and energised about the task at hand, and I look forward to taking KPMG to the next level.

Thank you one and all in the KPMG family. You truly made a difference and made a challenging year another year of growth.



“

Bringing potential to life through digital transformation while maintaining trust is a true reflection of our way of thinking and working in KPMG. We are always challenging the status quo, while striving towards excellence in all we do.

Mads Raahede,
CEO & Senior Partner

Key facts about

KPMG in Denmark

KPMG in Denmark is organised in separate legal entities that provide services through a cross-functional collaboration between KPMG P/S (licence to provide audit and advisory services) and KPMG Acor Tax Partnerselskab and other Danish KPMG member firms.

1,100

Employees and partners

9%

Revenue growth rate

1,486

Combined revenue DKK million

Our global network

KPMG is a global network of professional services firms providing advisory, audit and tax services. We operate in 143 countries and have 273,000+ people working in member firms around the world. We work closely with a broad range of clients, such as busi-

ness corporations, governments and public sector agencies and not-for-profit organisations. We support them in mitigating risks and exploiting business opportunities. We lead with a commitment to quality and integrity across the KPMG global organisation,

bringing a passion for client success and a purpose to serve and improve the communities in which KPMG firms operate. In a world where rapid change and unprecedented disruption are the new normal, we inspire confidence and empower change in all we do.

143

Countries where we operate

8%

Revenue growth rate

36,4

Combined revenue USD billion

273,000+

Number of employees

Happy People:

Focusing on the individual to make a better KPMG



In our constant strive toward creating an even better workplace, FY23 was characterised by a focus on both the internal and external aspects surrounding our people at KPMG – specifically regarding recruitment of new talent and actively working on motivating, developing and empowering our colleagues.

We are always working for a better KPMG and look for new ways of raising our standards. Our annual Global People Survey provides a clear indication of how well we are faring, and we are proud to have reached a response rate of 90% in FY23. Listening to almost every voice and focusing on selected areas are the best ways to make sure we do better for the people at KPMG in Denmark.

Introducing the Koach framework

One of the focus points from earlier years has been to further strengthen and educate our leaders in KPMG. As a result of this effort, we are very proud to have introduced the new Koach framework – KPMG's version of a performance manager.

This new framework marks a well-defined step up in terms of taking care of our employees and our people leaders over the longer run. Our Koaches are now better educated and actively engaged in the task at hand. Being a Koach comes with an expectation to continuously

motivate and develop the Koachee. Being a people leader is not a role suited for everyone, and it is important to equally value both people leader and non-people leader roles.

We are proud to have educated 150+ Koaches across our service lines ranging from Senior Consultant to Partner level through our specially designed course.



I love the safe space that was created

– KPMG Koach

We are delighted to report that the framework has proven to be highly successful, and 98% agreed that they were satisfied with the quality of the course.

We will continue to develop the framework and look forward to educating and upskilling more Koaches in the years to come to ensure that we have the best suited people to guide our employees through the next steps of their career.

Bring your diverse passion to work

At KPMG, Diversity, Equity and Inclusion (DEI) holds a prominent position on our agenda.

We are proud to say that 42% of all job applications we received in FY23 came from women. Overall, 40% (FY22: 38%) of our employees are women, and we continue to focus on gender equality and inclusion so that all employees, regardless of whether they are men, women or non-binary feel welcome and respected. To increase the number of women working at KPMG, we launched an external campaign in September, casting our own employees, which highlights how we stand behind each other and how women can thrive and make a mark in their career with us.

With the 45 different nationalities present at KPMG in FY23, we fully acknowledge that every employee is unique and embodies a wealth of passion, interest and skills that extend beyond their daily work. That is why we are mobilising the passion of our employees into our Ally groups – each group with its own focus and mandate.

Ally groups at KPMG in Denmark

- **Gender Balance** advocates for a KPMG that is fair and inclusive for all genders, and from which gender balance naturally emerges.
- **Footprint's** mission is to drive key initiatives that can help KPMG in Denmark reduce its carbon footprint,

mitigate climate risks, promote biodiversity and adopt circular practices.

- **QueerSpace** is KPMG in Denmark's LGBTQIA+ community that aims to drive change, promote equality for all and strives to create a better, safer and more inclusive work environment.
- **MindSpace's** initiatives concentrate on personal growth with a focus on personal mental well-being, positively influencing one's professional life.
- **Parents** are working on ways to ensure that life as a parent can go hand in hand with a successful career at KPMG.

Through the groups, employees across functions, ages – our average age being 34 years old – and genders can contribute their thoughts and ideas to the ongoing development of KPMG. These groups are 100% driven by the employees supported by a more senior advisory board.

This year, the Footprint Ally Group hosted Earth week in April to bring more awareness on employees' climate footprint and championed actions for implementing a greener future. Furthermore, the new Leaders 2050 network, a professional network led by KPMG for future leaders in all sectors, was launched in June. With 350+ members and counting, the initiative's mission is to educate and develop the leaders of the future to ensure

a greener and more sustainable future. QueerSpace also secured our participation in the Copenhagen Pride Parade in August, and we are the proud partners of Copenhagen Pride for the fourth year in row.

We remain actively engaged in Above and Beyond and are thereby members of the Diversity Council, as well as Inspired Beyond Babies to ensure we support our employees no matter the life stage or situation they are in.

Ensuring a great start

In September, we onboarded 42 new graduates and 35 trainees across Advisory and Audit and received 1,234 applications. They kickstarted their career at KPMG during a week-long on-boarding trip to The Netherlands, where they were able to visit the KPMG headquarters and gain important insights on how to work together for better, but also on how to challenge our clients' perspectives.

However, we have decided to modify the Graduate Programme to make it available to all new junior employees, to provide a smooth start for all our junior new joiners at KPMG. The KPMG Challenger Academy thus ensures that junior new joiners receive the same training as previous graduates, with a focus on core consulting skills, audit foundations and personal development courses – no matter which month they started their career at KPMG.



The KPMG Challenger Academy also fosters a better working environment, as it enables our colleagues to build a strong network, work across service lines and challenge the status quo. We are looking forward to launching the new initiative in the year to come.

It is all about the talent

Our ability to recruit the best people in the business is pivotal for our success. Therefore, we are very proud that our recruitment team was nominated as one of three finalists for DANSK HR's "HR Prisen 2023". This award celebrates the most outstanding HR departments in Denmark, and we were selected based on our new and improved recruitment process that enhances our focus on diversity, equity and inclusion. Despite not securing a win, we are proud to be recognised in the field and that our efforts are appreciated.

As a part of the improved process, we have been even more focused on delivering a meaningful candidate experience. We aim to be involved from day one in the recruiting process, reducing potential errors, battling unconscious bias and significantly boosting candidate diversity.

In our efforts to attract more talents, we engaged in over 70 events and fairs during FY23. Additionally, we organ-

ised numerous in-house events to provide prospective talents with a first-hand experience of the KPMG culture and an opportunity to connect with our employees. Moreover, we continue our alliances with universities, high schools and student organisations, including collaborations with the Female Leadership Academy, and giving guest lectures at Copenhagen Business School. Our emphasis on promoting diversity among young women is also supported by our partnership with Women in AI, enhancing our focus on women working with emerging technologies.

We are honoured that our initiatives are being recognised as we climbed 8 places among both IT and business professionals in the FY23 Universum ranking.

All these efforts are more important than ever in the current and future recruitment landscape. Together with FSR – Danish Auditors, the Danish trade organisation of auditing, accounting, tax and corporate finance, we are fronting a common message in motivating young people to become auditors and focusing on the crucial role they play in the Danish society. The future lack of skilled auditors is a serious concern, and we take pride in doing our part to solve this issue that could potentially impact everyone.

Looking ahead, the strategic focus will also be on retaining valued employees, with a keen eye on future

growth expectations. We are proud to recruit people with various backgrounds within tech, engineering, business, economics and audit. As a company, we recognise the need to align with the expectations of the new generations. This involves adapting to a heightened focus on flexibility and job security, recognising their significance alongside traditional factors such as remuneration and climbing the career ladder. We will continue to watch the trends closely and match them with our company needs and recruitment effort.

Our values

Everyone can create a good business. Big, blue and bland.
Creating a great business. Now that's a lot harder.

That's going to take you.

Because it takes you to never stop learning and improving.

Never settling for less than **excellence** because that's just how KPMG people roll.

Just as it takes you to think and act boldly.

Add curiosity to your skill set. Be open to new ideas and people, and unlearn the old ways.
Find the **courage** to chase the gold at the end of the rainbow.

But that's not enough. **It takes you to do what's right.**

That means no cheating and no shortcuts. Carry yourself – and your work – with **integrity**.

This also means **it takes you to respect others and draw strengths from our differences.**

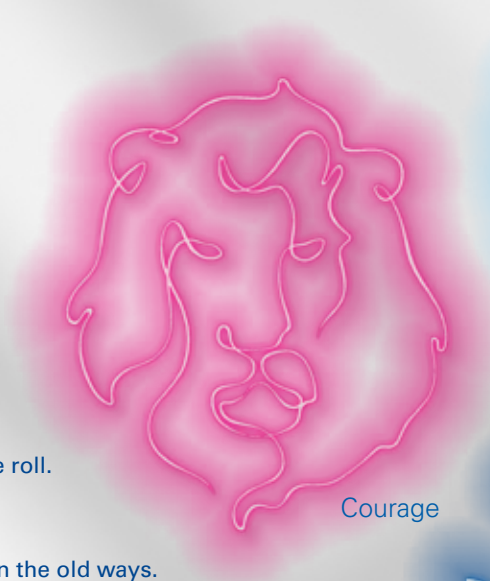
Sounds like too much? Well, don't worry – at KPMG we do it **together**.

In the end **it takes you to do what matters.**

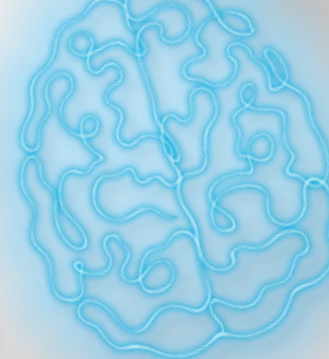
So let's do this. Have fun while we build a stronger future together.

Do it **for better**. For your colleagues, for the world around you – and for yourself.

It takes you to make KPMG.



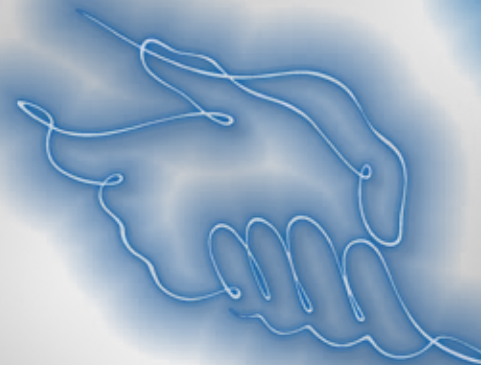
Courage



Excellence



Integrity



Together



For Better

Elevating audit excellence

with emerging technologies
and sustainability insights





There is no doubt that AI is fundamentally transforming audits, enhancing the quality of audits, and revolutionising the way audits are conducted. One of the great advantages of AI lies in the empowerment of audit teams. Auditors are able to analyse and extract large amounts of data and automate routine tasks such as risk assessment and anomaly detection leading to stronger audit evidence, more efficient audits which in turn deliver comprehensive insights to our clients and ultimately a strengthening of the quality and trust in financial reporting.

Therefore, we are also delighted that in FY23 we formed a strategic alliance with MindBridge to integrate AI into audits conducted by KPMG member firms worldwide. This collaboration will empower AI to play a more prominent role in our audits, particularly among our portfolio of large-cap clients, enhancing the detection of unexpected or high-risk transactions and thereby elevating the quality of our audits.

Nevertheless, we firmly believe that AI should support, not replace, human auditors. AI should be implemented with care, guided by ethics and transparency emphasising the importance of having human professional judgement and scepticism in the audit process.

As auditors, we continue to assume a vital role, collaborating closely with our clients as they navigate the path

to the future in a volatile world. By consistently making good use of the capabilities of evolving technologies, we not only ensure the delivery of high-quality audits and assurance engagements, but we also tap into our clients' data resources to deliver additional value from the auditing process.

Full support on the ESG journey

With the implementation of the new sustainability reporting regulations, our commitment as auditors lies increasingly in providing assurance for both financial and non-financial information.

For many companies, big and small, it is a new area with numerous requirements that can seem extremely complex and difficult to navigate. At the same time, many companies have limited knowledge and experience in this field, which increases the complexity of the challenge.

We are therefore very excited about helping our clients navigate the evolving landscape of ESG reporting and compliance. As ESG reporting often crosses borders, we have a close collaboration with our Nordic and Global colleagues, ensuring we are well-equipped to offer services such as ESG assurance, sustainability reporting,

supplier audits, ESG readiness assessments and comprehensive advisory services.

Our aim is to support our clients on their entire ESG journey, ensuring they are well-prepared for the future and can anticipate challenges, avoiding any unexpected surprises along the way.

Nurturing a culture of belonging

Given the historically elevated churn rates among audit firms, cultivating a profound sense of belonging is of great importance to our audit practice. Thus, our commitment to fostering belonging remains an ongoing priority, aligning with our core values of Together and Excellence. This emphasis has been instrumental in mitigating churn rates and ensuring stability within our teams, crucial aspects that are highly valued by our clients.

Our Region West's successful implementation of strategies such as reverse mentoring, integrating specialists into teams through a holistic 360-degree approach and local leadership initiatives serves as a testament to the direct correlation between fostering belonging and achieving sustained success, evidenced by our partnerships with new clients such as RTX, Sanistål, Scandinavian Medical Solutions, Scada and Siemens Gamesa.



As leader of KPMG West, encompassing Funen and Jutland, I have witnessed first-hand the power of fostering a sense of belonging within our teams. It is not just about reducing turnover; it is about creating an environment where everyone feels valued, heard and integral to our collective success. This sense of belonging fuels our innovation and ultimately drives the exceptional service we provide to our clients.

**Mikkel Trabjerg Knudsen,
Partner**

Education remains a cornerstone to us

Equally important is our commitment to education. Achieving the status of a State-Authorised Public Accountant (SR) is a rigorous and demanding journey, both professionally and personally. In recognition of the challenges this path presents, we took a significant step

forward last year by introducing the SR Academy. Our aim was clear: to empower our professionals with the knowledge and skills needed to pass the SR exam while maintaining a balanced life.

The SR Academy offers a set of enhanced conditions designed to support our candidates on their journey. These include dedicated study time with Fridays set aside for learning, structured learning sessions, bi-weekly exam training, an additional allocation of 20 study days for flexible use, and quarterly exam manuduction sessions.

We have over the last years significantly increased the number SR candidates and the percentage of them passing the SR Exams. But our commitment to the development of our people does not conclude with exam success. We firmly believe that obtaining the licence to sign an audit report marks just the initial step on the path to becoming a successful auditor. Thus, our academy's mission extends beyond the exam, focusing on diverse areas such as providing guidance in tax and business matters, nurturing personal development and providing leadership training. As auditors, we recognise that growth is a continuous journey, and we are dedicated to shaping well-rounded professionals equipped to thrive in the ever-evolving audit landscape.



At KPMG, we continue our commitment to serving the public interest through delivering high-quality audits and bringing value to our clients. Through FY23, we have been particularly excited about the continued integration of Artificial Intelligence (AI) into our audit procedures and the implementation of new sustainability reporting regulations. These exciting developments and challenges underscore the crucial role our profession plays in not only delivering heightened impact and value to our clients and addressing climate change but also in broadening the skillset of our professionals. This, in turn, enhances the appeal of the audit profession, positioning it as an even more dynamic field.

Jon Beck,
Head of Audit and Partner

Supporting female entrepreneurship

As we focus on our own culture, we have also put the support for another important matter on top of our agenda in FY23: female entrepreneurship. We believe that empowering women in entrepreneurship is not just a matter of fairness; it is an investment in a brighter and more inclusive economic future. Encouraging and supporting female entrepreneurs not only unlocks their potential but also leads to more vibrant and dynamic economies.

Again this year, we have been heavily involved in supporting Tech Nordic Advocates which is the largest tech and startup ecosystem and women-in-tech community in Northern Europe. We are proud to actively participate in their accelerator programmes by providing mentors. In FY23, we also initiated a collaboration with Angella Invest, consisting of female angel investors, and together, we hosted events and presentations at their gatherings, creating a supportive environment for female investors.

Our dedication to support female entrepreneurship through both sponsorships, partnerships and personal commitments among our people underlines our true commitment to foster diversity and inclusion in the business world and promote economic empowerment for women.



I believe that the importance of female entrepreneurship lies in its ability to tap into a diverse range of talents, skills and perspectives that might otherwise remain untapped. Women entrepreneurs bring fresh ideas to the table, develop new products and services and challenge the status quo.

Katrine Gybel,
Partner

Celebrating Danish Tech start-ups and SMEs

Our team in MidMarket is strongly engaged in working with start-ups, scale-ups and SMEs as they grow and expand. Therefore, we also have a strong focus on acknowledging companies on their successes and on nurturing the eco-system through partnerships.

For the second consecutive year, we organised the KPMG Private Enterprise Global Tech Innovator com-

petition in Denmark, with the goal of selecting a representative for KPMG's global competition. With this initiative, we aim to recognise the most rapidly growing and innovative technology companies, and in this year's edition, Healthycrop.world became the Danish winner, earning the opportunity to advance to the global finals. Healthycrop.world specialises in the development of crops that exhibit natural resistance to fungal infections by harnessing the plant's inherent defence mechanisms.

Another of our important commitments is that we have proudly become a Premium Partner for "Årets SMV", an award show that celebrates and honours the dedicated individuals behind the achievements of small and medium-sized companies in Denmark. What sets "Årets SMV" apart from other business awards is its unique focus on the people rather than just the outcomes.

Through this partnership, we aim to convey our strong commitment to the SME sector, and we believe that the individuals responsible for these results deserve recognition and celebration. We look forward to being part of the award show once again in 2024 which provides us with an exciting opportunity to engage with inspiring role models in the Danish business community.

Tailored audit and advisory services to the NGO sector

Over the last year, we have also strengthened our commitments in regard to NGOs. NGOs engaged in development aid and emergency relief are currently facing increasing complexity and heightened expectations from their donors. To meet the demands for high-quality and efficient audits that align with these evolving needs and rising expectations, we provide audit and advisory services tailored to their unique requirements.

Our NGO Team comprises dedicated professionals who specialise in serving non-governmental organisations, particularly those receiving funding from entities like Danida and other international actors or governments, primarily for development assistance or emergency aid.

Fostering the next generation of LargeCap auditors

Strategic global alliances are integral to our operations, especially within our LargeCap practice, significantly enhancing the value we offer our clients. Our collaboration with partners like MindBridge, whose advanced analytics technology is integrated into our digital audit platform,

KPMG Clara, exemplifies the transformative potential of these alliances. This integration empowers us to conduct thorough transaction analyses, enhancing the transparency and effectiveness in our audit processes – particularly beneficial for clients handling millions of transactions.

Moreover, our partnership with Microsoft has yielded a suite of pioneering solutions tailored to bolster our clients' ESG initiatives. These solutions focus on delivering data-driven insights and support, spanning from environmental impact tracking to the implementation of sustainable growth strategies.

Innovation is therefore at the core of fostering the next generation of LargeCap auditors, facilitating broader and forward-thinking perspectives. The advent of new technologies enables auditors to transcend limitations in data volume, enabling more comprehensive observations. With access to real-time internal and external perspectives, auditors can now approach assessments holistically, adding substantial value to their clients.

Investing for tomorrow's challenges and opportunities

We recognise that the transformative impact of AI is revolutionising the audit landscape. Additionally, the ongoing

advancements in sustainability reporting requirements will reinforce our pivotal role as providers of trust. Regardless of the eventual reporting standards, we acknowledge that ESG disclosures and data must be approached with the same rigor, quality and trustworthiness as financial data.

Looking ahead, we are convinced that our audit professionals will only continue to deliver even greater value to our clients and that our profession will continue to attract exceptional talents, further enhancing our collective journey and commitment to society.

Client case:

Assisting Bitzer Electronics A/S

Since August 2023, KPMG has assisted Bitzer Electronics A/S in the finance department with various tasks, including reviews, reports, budget follow-up and the like. In addition, KPMG is also assisting OJ Electronics A/S (subsidiary to Bitzer) in the finance department with tasks such as financial reporting, VAT, budgets, etc. Both in Bitzer and in OJ, KPMG consultants fill the roles of interim Finance Managers, stepping in and making a difference from the first day.



I am very happy with the service provided by KPMG's Interim Services division. Despite the unexpected departure of our controller five months ago, the KPMG consultant seamlessly stepped in, managing monthly controlling tasks independently, without much handover. This allowed us to keep operations running smoothly, freeing up valuable time for us to focus on recruiting a new controller. The autonomy demonstrated by the consultant has been a significant asset, sparing us from the need for extensive training or ongoing support.

Silvia Petralli,
Finance Director at Bitzer Electronics A/S



Advisory:
Four pillars driving
transformation

In FY23, we continued our strong focus on placing technology and ESG at the core of our advisory services offerings. We have helped our clients transform their businesses by applying technology from our leading technology alliance partners and still focus on the people aspects of the transformation. To us, this represents real business value for our clients.

Our advisory practice delivers a wide range of services within Deal Advisory, Risk Consulting and Management Consulting, and we provide services in many sectors such as financial services, energy and public. Earlier this year, we further improved the foundation for our advisory function as we implemented a restructuring of our Management Consulting business. The purpose of this has been to streamline our service lines and consolidate our knowledge to better serve our clients, minimise friction and deliver on even bigger transformative projects. We have already seen the improved results on collaboration and knowledge sharing across our different areas of expertise and received great client feedback.

Better collaboration is also fostered when we keep an open dialogue with our employees across all roles and service lines. We have therefore established our Advisory Sounding Board to give voice to the younger generation, advising our leadership on matters of importance, at every level in the organisation. Here we also embrace

critique and truly value the engagement and positive feedback this initiative has received along the way. To us, it already confirms that innovation and progress thrive best when everyone is given the opportunity to contribute.

Four key themes shone bright in FY23 and drove the demand and agenda set by our clients: AI, risk management, green transition and regulatory compliance.

Revolutionising tomorrow with artificial intelligence

In the realm of business transformation, the integration of AI and generative AI into the core of organisational operations is no longer a futuristic idea, and FY23 was a breakthrough year for our AI solutions and services. The competitive landscape is evolving, with AI-enabled enterprises taking the lead in proactive market responsiveness and operational efficiency.

Over the past financial year, the demand for both AI and generative AI has surged due to technological advancements and enhanced accessibility. Furthermore, it seems that the enthusiasm surrounding ChatGPT has led business leaders and decision-makers to embrace and prioritise the new technology. Companies are recognising the value and potential of integrating AI into their

operations to drive innovation, optimise processes and gaining that important competitive edge.

Our proactive approach in this domain, coupled with our strengthened partnership with Microsoft, has positioned us as a frontrunner and a trusted advisor for businesses keen on leveraging generative AI to achieve strategic objectives.

Our trajectory is meticulously designed towards delivering state-of-the-art solutions, with a pronounced emphasis on aligning with broader societal themes within the ESG agenda, especially sustainability and inclusivity. The collaboration with Microsoft continues to be a pivotal part of this strategy.

The increasing adoption of AI and generative AI is poised to nourish our growth within our NextGen operations. With more accessible solutions and tools, organisations will increasingly seek to leverage the transformative potential of AI, and thereby amplifying the demand for our comprehensive suite of services and solutions within this field.

Building trust through risk management

In today's businesses, trust is everything. In an uncertain, constantly changing environment, customers, employees and investors look for organisations they can depend on.



Integrating AI into the core of operations is no longer a futuristic idea. We need to use new technology to drive change and secure a sustainable future.

Christian Max Hansen,
Head of Advisory and Partner



Client case: Furthering Energinet's green agenda

Our advisory team worked together with Energinet to assist Energinet's green transition. During FY23 our Advisory team has assisted Energinet on energy system analysis and on the maturation and execution of construction projects including natural gas, energy islands, hydrogen and CO₂ storage.



From the perspective of an energy infrastructure and system operator, a wide range of capabilities such as regulatory, commercial, digital and technical are key to securing energy supply while building and scaling new energy value chains.

Marianne Hansen,
Head of Corp. Finance, Energinet



But building and protecting that sense of trust requires every part of the organisation to work together to deliver a consistent, unified vision.

Across our advisory services, we work with clients that acknowledge that governance, risk and compliance (GRC), cybersecurity, privacy and third-party risk management all play a key role in building and maintaining that trust. This is especially important as businesses are ramping up data collection, expanding the use of AI and machine learning technologies while embracing the ESG agenda.

Over the past years, we are proud to have supported our clients in a landscape where the increasing regulatory requirements have become a growing factor. A key challenge lies in defining a holistic enterprise-wide governance and organisational setup that can adopt and implement new additional regulatory requirements. In addition, it is necessary to assess the impact of this framework on the existing security and compliance position.

Our Digital Risk team advises our clients on how to establish a well-defined operating model for GRC & integrated risk management. In relation to this, we have advised our clients to implement an Information Security Management System (ISMS) to achieve centralised and standardised ways of working with risk.

The ambition is to increase security maturity by fostering transparency and implementing a policy and

document hierarchy with clear and well-defined roles and responsibilities. This ensures that every process and every control are actively monitored. One of the key targets for this is to be better prepared to adopt new compliance requirements and adjust for changes in threats.

During FY23, we have delivered transparency through a well-defined GRC setup and enabled our clients to demonstrate that they can manage and control the regulatory requirements and be fully compliant.

Advising on the green transition

During 2022 and 2023, events such as the war in Ukraine and the energy supply crisis have emphasised the need for security of supply in the EU and globally. Stable and affordable energy remains key to the modern world. Our clients strive to balance the green transition at a pace where both fossil and green energy supplies can build up a safe infrastructure delivering energy everywhere it is needed. We are proud to continuously assist the ongoing green transition of our Danish public and private clients across the energy value chain.

The transition to climate neutrality drives change with our clients as political ambitions and strategic business targets are shaped by governments, regulations and senior management. This change, however, also comes with high complexity. Fluctuating renewable power from

sources such as wind and solar is scaled and introduced into the energy system, and technologies like geothermal heat, hydrogen, battery storage, e-fuels and carbon capture and storage are developed and scaled to replace or compensate for the use of fossil fuels.

In KPMG Advisory, we stand out in the market by building competences specific to the energy sector, and we assist our clients in successfully navigating the complexity by addressing three main themes in the green agenda: regulatory, commercial and technical matters. During FY23, our work within these three areas has been exemplified on projects in relation to the Bornholm and North Sea Energy Islands, the Baltic Pipe natural gas pipeline, CO₂ storage or production and transportation of hydrogen.

Amid the transition, we see our clients further develop transparent sustainability reporting, including climate impact reporting. In a European context, the Corporate Sustainability Reporting Directive (CSRD) is phasing in and driving substantial change to the operating models of our clients. We have played a vital role as trusted advisors by combining sector insight and capabilities within assurance, digitalisation and performance management to assist our clients on this journey.

Based on the market's ambitions to deliver substantial emission reductions by 2030 and net zero by 2050, we expect further demand for our services in the coming years. We will continue to expand our capabilities and

plan for our own sustainable growth within the field. We are proud to be called upon for advice by our clients across the energy value chain when the green transition needs an operational boost.

New regulation continues to fuel growth

In recent years, a significant portion of the projects in KPMG Advisory has been dedicated to assisting clients in the implementation of regulatory requirements. In particular, the financial sector needs to comply with complex and important regulation, and the enhanced focus within the EU on further strengthening this sector and enabling the green transition will continue to fuel the growth.

The main regulatory focus points for the coming years will be ESG reporting within the financial sector, which will also be a major driver for us at KPMG. The industry will also have a continued focus on strengthening the financial solidity of the sector as well as the increased emphasis on risk management capabilities. Many of these aspects relate to technology which includes implementation of DORA, the AI Act and validation requirements to control model risk management.

During FY23, we have successfully focused our efforts on targeting some of the most significant financial insti-

tutions in Denmark with the most complex needs for consultancy assistance and the highest transaction volume. In the coming years, we expect to dive even deeper into regulation and maintain this focus while exploring every opportunity – staying diligent and keeping our clients compliant.







**Powered by
passion for tax**

Assisting our clients to navigate in the complex tax landscape is not only a tax technical challenge, but increasingly also a data and a governance challenge. The many new aspects bring forward new demands from our clients.

We truly believe that trust is one of the most important measures of our success, not only during the past year, but every day in terms of what we are able to accomplish and deliver to those that rely on us the most. Trust is key to engaging our employees and crucial to continuously attracting new talent. Our clients and the society at large continue to trust us when navigating complex tax matters that require us to work across borders and disciplines to collaborate more closely than ever.

Strong financial results in FY23 are proof of our extraordinary people, successful 360-degree mindset and agility.

Navigating the complexities of tax landscape

At KPMG Acor Tax, our 360-degree approach and our digital mindset are fundamental to how we go to market and work together internally. This holistic approach fosters sustainable solutions and loyal clients, whom we support through all complexities they may face. We collaborate closely with organisations of all shapes and sizes across

a broad range of tax and technology areas – whether navigating complex tax matters, getting ahead of future compliance requirements, driving processes and cost efficiencies, or rethinking the way in-house functions operate to drive better value. Our objective is simple: helping our clients pay the right tax at the right time, using our deep expertise and continued investment in technology.

In the past year, we have seen a substantial growth in renewable investments with more investment operators in the market, which has made the competition in this area a bit tougher than we have seen before. The market demands a high level of specialised knowledge from their advisors to help them navigate the landscape. As a result of this, our cross-functional team of tax experts within Renewables has been assisting an increased number of clients within this sector, and we expect this development to continue in the coming year as well.

Compliance Management and Transformation is a strategic focus area for KPMG globally and a rapidly growing business in Denmark. Our Compliance Management and Transformation services are market-leading, and we have had several significant wins in the compliance transformation area over the past years. These wins are typically 3–5-year contracts where we are transforming existing global compliance processes to achieve increased quality, standardisation, insights and efficiencies.

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

In the area for Indirect Taxes, the added interest on all VAT and excise corrections has brought significant changes and challenges for companies in Denmark throughout 2023. The new rules came into effect as per 1 July 2023, where it is no longer interest-free to be in non-compliance for VAT and duties. The rules have retrospective effect and interest will therefore also be calculated on retrospective declarations that cover old duty periods.

In parallel with that, the Danish Tax Agency increased their focus on controls and audits in this area that affected many companies. Consequently, our Indirect Tax Team has been assisting a large number of clients in navigating this landscape and ensuring compliance within the area.

Demand for talent, global digitalisation and employees' desire and need to work from anywhere require employers to rethink their future workspaces. Understanding the future of work, including its opportunities of working from anywhere and recruiting talents in locations that were not available before, underpins the need for a 360-degree perspective. Our Global Mobility team has worked closely with our clients to embrace their journey while getting all the tax aspects right.

In the Financial Services (FS) tax area, our market-leading team is helping many of the largest Danish clients within banking, life and non-life insurance as well as asset management. The growing demand for regulatory compliance within the Financial Services (FS) sector also implies a significant increased focus on tax compliance within the sector where we have our highly specialised teams service our clients.

Sustainability and ESG in Tax

The world is evolving. The growing climate crisis is driving increasing demands on businesses to implement sustainable initiatives and turn ESG into action.

As national and international tax policymaking shapes behaviour towards a sustainable world, and with tax revenues being a key lever to deliver on the UN's Sus-

tainable Development Goals, tax is becoming a strategic governance issue for companies. Our cross-functional team of experienced professionals has also this year provided advice to a large number of clients on key tax and ESG focus areas such as environmental and climate-related taxes, tax transparency reporting, good tax governance in a responsible tax context, sustainable supply chains and our development and marketing of our Tax Footprint Analyzer. To support our clients in bridging the gap between tax and sustainability leaders, this year we hosted a flagship Sustainability and ESG in Tax event, where we explored the role a tax function can play for a sustainable future. For the second year in a row, we also launched our Nordic GRI 207 benchmark report disclosing the performance of tax disclosures for more than 100 companies across the Nordics.

Digital Now. And tomorrow.

Technology continues to evolve, shape and transform how businesses function and people interact. One of our key strategic priorities is to enable that our people continuously develop a digital mindset.

We are in particular proud of the tailored programme prepared and facilitated by DTU (Technical University

of Denmark) for our internal Digital Now ambassadors under the name Ready for the future – Digital technologies and digital transformation. Digital Now is the name of our own internal tech journey, with focus on commercial mindset, tools and skills, making us fit for the future. The purpose of the course was to increase awareness of the new digital technologies and support the digital maturity of our business with focus on a) strengthening our digital understanding b) accumulating greater knowledge of digital technologies and the ability to navigate between them and c) gaining new insights into the possibilities in relation to the development of smart services. The course was conducted by a strong interdisciplinary team from DTU of leading and in-demand researchers and lecturers in digitalisation as well as external experts from CBS and ITU. We will continue to enhance our technology platform, enabling us to incorporate emerging technologies internally and externally.



Reporting on Corporate Social Responsibility

cf. section 99a of the Financial Statements Act



Business model

KPMG P/S (“KPMG”) is a Danish approved state-authorised public accountant firm that is operated by a limited liability partnership, owned by KPMG’s Danish equity partners. KPMG provides advisory and audit services to the Danish market. KPMG provides tax services in cooperation with the independent member firm KPMG Acor Tax Partnerselskab. KPMG does not deliver legal services. Legal services are delivered by the independent member firm KPMG Law Advokatfirma P/S. KPMG is split into two functions: Advisory and Audit. The Audit function delivers among others statutory audit of Danish entities, audit of reporting by Danish entities to foreign groups, other assurance reports, assurance services, accounting advisory services, ESG and interim services. The Advisory function delivers services within Management Consulting, Risk Consulting and Deal Advisory. At KPMG, we deliver most of the services ourselves or in cooperation with other KPMG member firms. External business partners such as sub-suppliers are used to a limited extent, and these are typically Danish entities. In addition, KPMG has some alliance partners which are also international KPMG alliance partners. These include among others Google, BluePrism, ServiceNow, SAS, SAP and Microsoft.

As a state-authorised public accountant firm, KPMG is subject to regulation, where EU rules, local laws and auditing standards must be complied with. KPMG is subject to external quality control from the Danish Regulator (Revisortilsynet). Being a member of the global KPMG network, we are obliged to comply with Global KPMG policies and procedures. KPMG's culture and ethics have their roots in our international Code of Conduct. The essence of this is protection of the KPMG brand and the public trust, which mean our clients', potential clients', public authorities' and society's trust in KPMG. KPMG has a comprehensive quality management system to ensure this trust. For detailed description, we refer to our annual Transparency Report which is available at kpmg.dk. The consequence of focus on public trust is that KPMG is not a company that wishes to take great risks. In our view, our business model is not significantly exposed to risks related to environment, social matters and employee matters, human rights, anti-corruption and bribery. The operational risks facing our business include those we have in common with other professional services firms. These include notably a deterioration in market conditions, attracting, developing and retaining the best talent in the market, claims and reputational damage caused by either an actual or a suspected failure to deliver services of appropriate quality, or by taking on high-risk clients or engagements.

Environmental matters, including minimising the climate impact of our operations

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

This will see us:

- Cut greenhouse gas emissions (directly and indirectly) by 50% between 2019 and 2030, aligning with a science-based target to limit global warming to 1.5°C.
- Source 100% renewable electricity by 2022 in KPMG's Global Board countries, and by 2030 for the wider global organisation (including KPMG in Denmark).
- Reduce consumption and waste (only purchase and produce what is needed).
- Offset any remaining emissions which we cannot remove from our operations and supply chain by investing in externally accredited carbon removal projects.

KPMG is committed to supporting the achievement of these goals through a rigorous approach, backed by the expertise of our in-house experts.

To achieve these goals, we have in our facilities implemented various initiatives to combat climate change and support circularity and biodiversity covering:

- Promoting responsible consumption (less meat in canteen, increased use of recycled materials in office supplies and eliminating single-use plastic products).
- Increased recycling and reduced combustible waste through effective waste sorting.
- Use of clean energy (electricity from renewable electricity at most of our offices and energy efficiency inspection performed by external party).
- Priority parking for electric cars and use of electric taxis when possible.
- Choosing organic whenever possible and maintaining the canteen's Silver Organic Cuisine Label.

KPMG wants to be at the forefront of climate reporting and in increasing recognition of the need for further expansion of renewable energy and uncertainty about the true impact of renewable energy certificates on the overall green transition, KPMG is aiming to enter into a Power Purchase Agreement (PPA) which will ensure that our electricity will come from renewable sources that contribute as much new green power to the electricity grid as we consume.

KPMG has chosen to follow Energinet's recommendations to calculate all offices' emissions according to the time-based calculation as recommended by Energinet (see pages 12–15 in the report "Miljøreddegørelse 2022" on Energinet's website: [Forside](#) > [Mere](#) > [Energinets publikationer](#) > [Publikationer](#) > [Miljøreddegørelse 2022](#))

This means that CO₂ emissions from electricity consumption at all our offices are included, despite the purchase of renewable energy certificates. This choice has been made in preparation for KPMG's own work to secure new green power via a PPA that matches KPMG's own power consumption. The results in FY23 stem from a combination of various ongoing initiatives, including updates to travel policies, preferred parking for electric cars, including electric car chargers, increased use of recyclable office supplies such as paper pens and less meat used per employee in our canteens.

We have seen a decline in air travel, with a 26% reduction in flight mileage compared to the previous year. However, there has been a slight increase in car mileage. This has had a positive overall impact on our emissions, and we strive to sustain this reduction as even more meetings can be held successfully online compared to pre-COVID-19 levels. We have upgraded our facilities with more and better digital meeting tools as well as supplying employees with working from home kits. With these upgrades, we expect to see a relatively reduced need for air travel and car mileage. In terms of recycling, our waste is separated into recyclable and non-recyclable waste, amounting to 23.9 tonnes (FY22: 29.7 tonnes) of waste to non-recyclable and 34.8 tonnes (FY22: 28.1 tonnes) waste recycled in FY23. Our waste initiative in our offices, where organic waste that otherwise would

have been disposed of is separated and sent for generation of energy, has been further expanded in FY23. This year we have worked actively to reduce the use of single-use products in our facilities and replace them with recyclable alternatives. All plastic bottles used in our premises are made of 100% recycled plastic. We generally work on replacing plastic products with non-plastic alternatives. We have also reduced the amount of paper used by 0.5 tonnes by reducing the number of copy/printing machines by more than 50%, and at the same time we converted several printing/copy rooms into modern meeting rooms.

In FY23, 17.6 tonnes (FY22: 14.5 tonnes) of organic waste were reused for energy generation. Our water consumption across our 5 offices amounted to 4,576.90 m³ (FY22: 4,153.91 m³). The increase compared to last year is mainly due to our overall increase in the number of employees. Going forward, learnings from remote and virtual working will continue to serve as considerations for maintaining lower level of emissions, in particular from business travel. Our relative carbon emissions (CO₂ per FTE) were 0.5 (FY22: 0.6) tonnes of CO₂ per FTE. Compared to the baseline year 2019, KPMG in Denmark reduced relative carbon emissions by 59% (FY22: 54%). The significant relative reductions since the base year are a result of our combined efforts as described above. In absolute terms, our total CO₂ emissions in FY23 were 392





tonnes (FY22: 401 tonnes). The decrease compared to last year is primarily attributed to a reduction in air travel.

Looking ahead to the results of the coming years, particularly toward 2030, we are considering investing in externally accredited carbon removal projects to offset any remaining CO₂ emissions.

Social matters, staff matters and the upholding of human rights

KPMG is dedicated to continuously supporting and developing our talent and attracting and retaining top talents to KPMG. We have a clear commitment to equality and to a culture that is free from discrimination whether based on nationality, race, ethnicity, gender, gender identity, sexual orientation, disability, age, marital status and religious beliefs. We promote an inclusive work environment and employee well-being. Due to our commitment to KPMG International, we follow the UN Guiding Principles on Business and Human Rights.

This is outlined in KPMG International’s Business and Human Rights Statement. We expect all our stakeholders, including our suppliers and clients, to respect human rights and to act if a human rights risk is identified. During FY23, we have continued to listen to our employees by asking them to speak up in dialogue with our leadership

team, partners and colleagues. More formally, we asked them to speak their minds in our annual Global People Survey (GPS). Furthermore, we continue through our Nordic Learning and Development (L&D) training centre and local training to design, develop and deliver high-quality and innovative learning solutions, along with personal development programmes to all staff across the region.

Starting FY23 and onwards, we have decided to include data on the number of reports received through our whistleblower hotlines (local and international), disclosing the number of reports received during the year as well as the number of reports which were substantiated. We do this to increase the transparency on our business since it is key to us that everyone is living and behaving in accordance with our values and our Global Code of Conduct. We regularly conduct internal campaigns to all employees encouraging them to speak up, including how to report concerns in confidentiality and without any risk of retaliation. In FY23, we received a total of five reports, all of which were received locally. Out of the five reports received and thoroughly investigated, four of them were substantiated.

KPMG's Work Environment, Health and Safety (WEHS) organisation's main objective is to plan, manage and coordinate KPMG's efforts on our work environment, security, health and well-being. The organisation operates as an independent entity across offices and with

representation from both senior leaders and employees. Matters related to WEHS are raised directly with local representatives and dealt with on a discretionary basis locally. More general or national matters are raised and dealt with in the WEHS organisation's leadership team, supported by external consultants. The group also oversees the annual Workplace Assessment (APV), and shares guidance on how to optimise health, safety and well-being in the workplace. In FY23, our WEHS organisation received one report pertaining to a work-related accident.

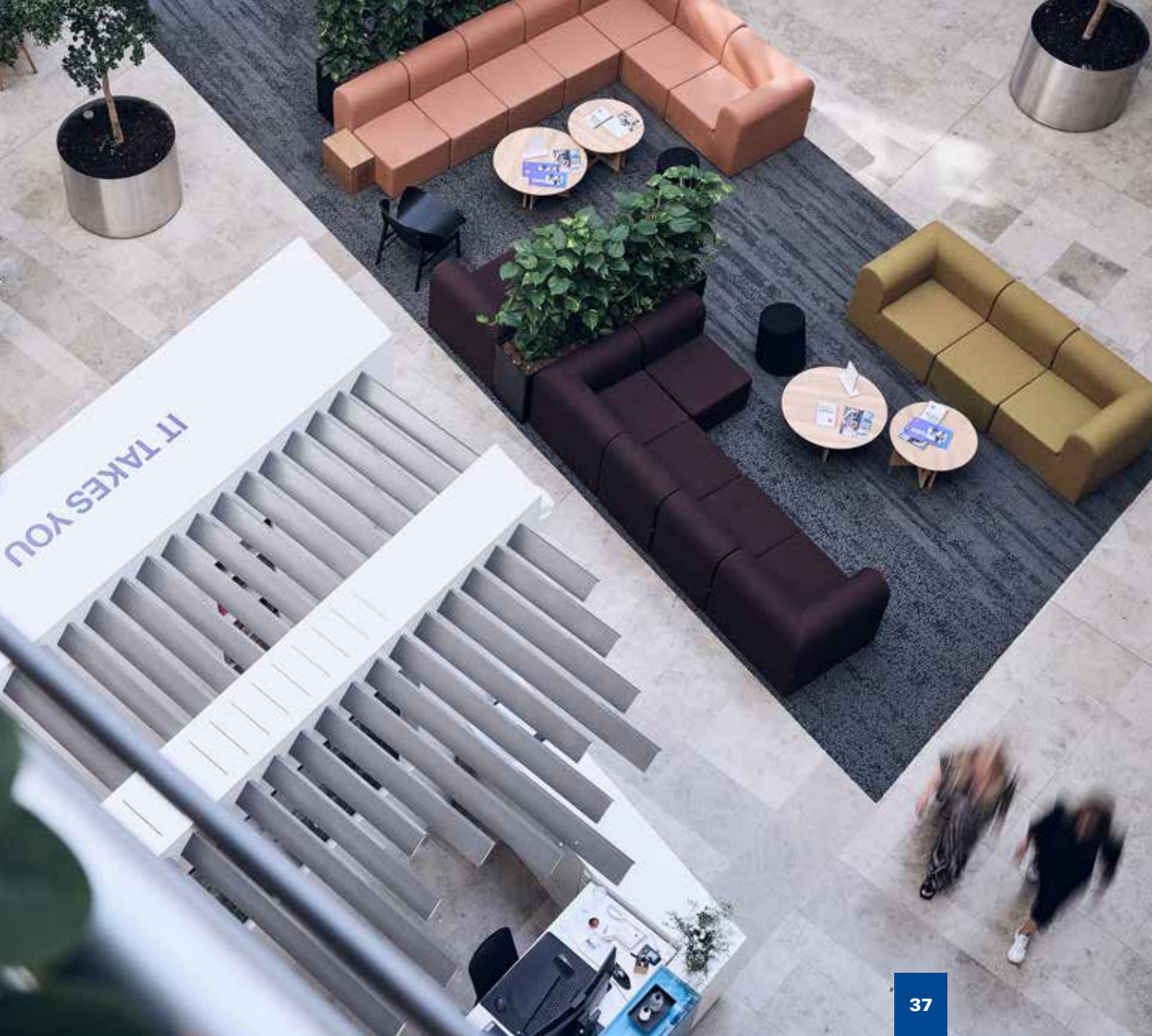
At KPMG, employees report sick leave through the time registration system. In FY23, the reported sick leave, including both general and long-term illnesses, was 2.4%. This equals to an average of 5.3 sick days per employee in FY23. Sick leave is evenly distributed between our offices, and compared to country averages in national statistics, KPMG in Denmark has a relatively low level of sick days.

We also drive various communities such as Queer-Space devoted to the LGBTQI+ agenda reminding everyone to have the courage to be themselves and embrace differences, and the Balance Initiative looking at ways of attracting and developing female talent as well as helping our employees to balance their professional and private lives. The Balance Initiative committee is especially dedicated to looking at new ways of attracting and developing female talent, focusing on a balanced

recruitment at all levels, retention of talent and improving work-life balance. Our industry-leading Parent Growth programmes giving, among other things, equal rights to parental leave between parents, offering paid leave on a child's third day of illness and covering pension payments if the parents decide to prolong their leave with up to 13 weeks to help mend the "pension gap" between men and women.

This year, we had a 76% (FY22: 79%) engagement score in our GPS and an overall participation score of 90% (FY22: 89%). Continued high scores on important areas such as Career Growth, Inclusion and Diversity, Trust, Well-being, Quality, Collaboration and Values show that we have a good degree of employee satisfaction. In FY23, we completed onboarding programmes, many professional developments, technical and soft skills trainings including our new Koach framework focusing on improving our daily people leadership. All our audit professionals have completed minimum 40 hours of education. To improve the well-being of our employees, in FY23 we continued to upgrade our facilities to new ways of working with more collaborative areas, quiet zones and meeting rooms.

At the same time, we improved our Life Stage Programme, our health care system, were again partner of the Copenhagen Pride week and held various community events like Inspired Beyond Babies. Our whistle-blower



function has been established and is designed to provide a safe space for employees to confidentially voice their concerns, free from the fear of reprisals. We encourage all those interested in applying for a job to apply regardless of age, gender, sexuality, disability, race, religion or ethnic affiliation. In respect of gender, we have noted that 42% (FY22: 43%) of the 4,388 (FY22: 4,570) job applications we received in FY23 were from women. We welcomed 77 (FY22: 104) new graduates and trainees, of whom 39% (FY21: 34%) were women. By the end of FY23, we had 45 (FY22: 45) nationalities employed. By the end of FY23, we had 40% (FY22: 38%) women and 60% (FY22: 62%) men employed. Our average age is 34 (FY22: 32) years. On continuous basis, we are dedicated to keep strengthening our employee satisfaction, and we commit ourselves to doing so. We will continue to focus on improving gender equality and creating an inclusive space for all our employees at KPMG. We will work towards ensuring that all our stakeholders, including our suppliers and clients, respect human rights and we will take action if a human rights risk is identified.

Fighting anti-corruption and bribery

Compliance with laws, regulation and standards is a key aspect for everyone at KPMG. We have zero tolerance of bribery and corruption. Therefore, we prohibit involve-

ment in any type of bribery, even if such conduct is legal or permitted under applicable law or local practice. Neither do we tolerate bribery by third parties, including by our clients, suppliers or public officials. KPMG has formal criteria around permissible gifts, entertainment, charitable donations and sponsorships, together with a mechanism for monitoring these. Our supplier agreement and third-party agreement templates include anti-bribery clauses.

Everyone at KPMG is required to comply with the Global Code of Conduct (“Code”) and to confirm compliance with the Code when joining the firm and on an annual basis thereafter. Furthermore, everyone at KPMG is required to take regular training covering the Code. We are committed to holding ourselves accountable for behaving in a way that is consistent with the Code. KPMG personnel have been instructed to consult with our Risk Management Partner immediately for guidance if a difficult situation arises.

In FY23, we ensured comprehensive training for both new joiners and existing personnel in the Code, including KPMG’s anti-bribery policies, compliance with laws, regulations and professional standards and reporting suspected or actual non-compliance with laws, regulations, professional standards and KPMG’s policies (in FY22, we provided similar training to all new joiners and existing personnel). In FY23 and FY22, all personnel

completed the above training. Furthermore, during FY23, we requested confirmation from all personnel that they have complied with their individual responsibilities under the Code, including compliance with firm policies related to gifts and entertainment, anti-bribery and corruption (in FY22, we requested similar confirmation from all personnel). In FY23 and FY22, all personnel confirmed their compliance with the Code and the policies described above.

On an annual basis, we conduct and document an annual assessment of bribery and corruption risks facing our firm. The assessment includes an evaluation of anti-bribery and corruption risk factors, mitigation and evidence of effectiveness (in FY22, we conducted a similar assessment of bribery and corruption risks). Our processes for client acceptance and engagement continuity are designed to identify, evaluate and document any potential risks related to the integrity of the client management and their potential involvement in bribery and corruption.

Additional approval procedures are in place when risks are identified. Our finance function has established monitoring procedures and internal controls to ensure compliance with anti-bribery and corruption policies. During FY23, no incidents were identified relating to the firm or personnel as part of the annual assessment of

bribery and corruption risks facing our firm. Completion of the annual assessment is monitored by our Quality and Risk Management department (in FY22, no incidents were identified relating to bribery and corruption). No instances of bribery and corruption issues were identified during FY23 Client and engagement onboarding procedures (for FY22, no instances identified as part of the client and engagement onboarding procedures).

Engagement teams may, when performing engagements, identify suspicions of non-compliance with laws and regulations. These are dealt with by the Engagement Partner together with the Quality and Risk Management Partner in accordance with company procedures and, if required, reported to the authorities. During FY23, our Quality and Risk Management department monitored compliance with finance procedures established to ensure that KPMG Global baseline internal controls relating to anti-bribery and corruption policies were adhered to (in FY22, similar monitoring took place). We commit to continuously improving our standards by monitoring compliance with anti-bribery and corruption policies of our personnel, clients, third parties and suppliers and take prompt action when non-compliance is identified.

Definition of non-financial key performance indicators

Measuring employee engagement

Once every year, we send out our Global People Survey to all employees. The survey is delivered from a recognised third-party supplier. As part of the survey, we measure what we call the Employee Engagement Score. The Engagement score is a percentage score based on different questions within three overall themes, namely:

1. How engaged do you feel?
2. How enabled do you feel?
3. How energised do you feel?

The average percentage of the response to these questions results in the Employee Engagement score.

Measuring CO₂

We have designed our greenhouse gas emission measuring methodology in accordance with the GHG Protocol. This internationally recognised standard is the most prevalent and globally accepted method for calculating greenhouse gas emissions. For a description of the method, see the GHG Protocol website: [ghgprotocol.org](https://www.ghgprotocol.org)

Measuring waste

Waste calculations for the period from October 2022 to September 2023 at our Copenhagen office have been determined based on the collected data provided by our supplier. It is divided into two categories:

1. Recycled waste – including glass bottles and glass containers, corrugated cardboard, iron and metal, containers of plastic or carton, sustainable frying oil, organic waste in packaging, mixed paper, mixed hard plastics, paper, and e-waste. Paper shredded has been accounted for through our suppliers who calculate the amount of paper they collect and shred from the office.
2. Non-recyclable waste – including combustible waste, landfill and non-combustible landfill waste.

Measuring water consumption

Water usage data is reported from January 2023 to December 2023, reflecting a staggered reporting period distinct from KPMG. Water usage calculations for Aarhus, Aalborg, Fredericia and Odense are based on average consumption among renters.

Reporting on the underrepresented gender

cf. section 99b of the Financial Statements Act



KPMG P/S (“KPMG”) believes that diversity is a strength and is committed to developing and maintaining a diverse workforce and work environment. In accordance with our values, we aim to uphold a socially responsible firm that attracts, develops, promotes and retains people based on merit and in a way that supports diversity. As part of our diversity commitment, we are also working on a more equal gender representation in our firm. At KPMG, we aim to have at least 40% women in our Board of Directors by the end of FY26.

For other management levels (Senior Managers, Directors and Partners), we aim at having at least 35% women by the end of FY30. We will continue to pursue a more equal gender balance in KPMG on all levels so that at least 40% are women. We have taken specific action in four areas: recruitment, development, promotion and retention. Within recruitment, we have a number of initiatives aimed to attract more female applicants, as well as

hiring more female employees. We launched an external campaign in September, casting our own employees, which highlights how we stand behind each other and how women can thrive and make a mark in their career with us. All our job applications are put through a technology-enabled screening to make sure we communicate our jobs in a gender-neutral way.

We conduct interview training workshops where we focus on unconscious bias, we have strategic partnerships with student groups to encourage women to apply and also reach a wider pool of candidates, among others Hypatia (Women in engineering, DTU) and Female Leadership Academy. Within development, we have processes in place to ensure a balanced representation of female and male employees in both internal and external training programmes. Our new KPMG Koach programme was launched in FY23, training more than 150 internal Koaches in people leadership, where 96% of the partici-

pants after completing the training reported feeling much better equipped to handle daily tasks and navigate people leadership responsibilities more effectively.

Within promotion cycles, we have processes in place to counter bias and ensure that equal performance is treated equally, and we measure the percentage of promotions by gender and communicate the numbers internally to the responsible leaders. We run various programmes dedicated to retaining and motivating female employees, including our Ally Parent Group, 1:1 coaching around maternity leaves, our Gender balance group, role model lunches, specific networking for coming and current new parents, partnerships with external communities such as Female Leadership Academy, Women in AI, Inspired Beyond Babies, Leaders 2050 and Above and Beyond.

Also, we run a programme called the MindSpace Initiative where we run targeted activities and networking

to support the growth and well-being of our employees. At the close of FY23, there were no women among the five members on our Board of Directors, as no suitable female board candidates had been identified (FY22: 1 out of 5 members of our Board of Directors was a woman). At the close of FY23, we were 28% (FY22: 24%) women and 72% (FY22: 76%) men at other management levels. Accordingly, in FY23, we saw a continued shift towards a more equal gender balance. At the close of FY23, across KPMG we were 40% (FY22: 38%) women and 60% (FY22: 62%) men. Accordingly, in FY23 we saw a movement in the desired direction. We will continue to pursue equal gender balance in KPMG on all levels by educated focus on the four above-mentioned areas in order to meet our goals.

A man in a dark suit and striped tie is smiling and talking to a woman in a dark blazer. They are in an office with large windows in the background. A computer monitor is visible on the left.

Reporting on KPMG's policy on Data Ethics

cf. section 99d of the Financial Statements Act

At KPMG we define Data Ethics as Ethical considerations related to how our use of data, development and use of artificial intelligence etc. affect our society. We have a Data Ethics policy which governs the way we handle and protect data in a compliant, relevant and responsible way. The policy is adopted and approved by our Board of Directors.

We recognise that our use of data may entail risks to individuals and organisations that are not addressed by legislation. Legislation may struggle to keep pace with technological advances, leading to situations where it permits data use that is inconsistent with KPMG's values, Code of Conduct and Fundamental Ethical Principles. When servicing our clients, we obtain, combine, analyse and use data to provide insights, advice or assurance on financial and non-financial information.

KPMG also obtains data related to employees and potential employees which can be combined with other internal data and analysed and used for making business decisions. KPMG only obtains, combines, analyses, and uses data that is necessary to provide agreed services to clients and to make business decisions. Data ethics is therefore required to be integrated into the way KPMG operates and provides services to comply with legislation, our policies and to ensure responsible use of data and new technologies such as artificial intelligence.

Regular training sessions are conducted for all employees to ensure they handle data in compliance with regulations, and internal drills are conducted to create awareness on data protection and cybercrime. To provide trust to clients and other stakeholders on our handling of personal data, we obtain annually an ISAE 3000 assurance report on controls that address the requirements in the General Data Protection Regulation (GDPR) and the Danish Personal Data Act. As KPMG's business is increasingly digitalised, procedures and general IT controls must be continuously adapted. To ensure that KPMG complies with best practice, KPMG has chosen to become ISO 27001 certified. This is followed up annually, and KPMG is re-certified every three years.

Financial review

Development in activities and financial position

In FY23, KPMG P/S realised revenue of DKK 939 million compared to DKK 897 million in FY22, an increase of DKK 42 million and corresponding to a growth of 5%. The growth comes from a purely organic expansion of our business. Our revenue growth is below our expectations given the uncertainties and volatility in the markets, and the profit for FY23 was below last year's and below what was expected. Profit for the year was DKK 1.1 million compared to DKK 9.5 million in FY22. As KPMG is an equity partner-owned company, the remuneration to the equity partners in terms of their performance is included under Staff costs. In general, our results reflect our economic condition: our continued growth across our service lines, expanding services within audit, assurance, M&A, outsourcing and advisory services, especially within financial services and digitalisation. We have incurred costs in relation to our organic growth, especially in regard to our hiring processes, attracting new talents and further investing in our people, facilities, tools and structures. These investments ensure the expanding delivery of high-quality services to our clients. Our net cashflow was overall posi-

tive, impacted mainly by changes in work-in-progress. At year end, our total assets amounted to DKK 353 million, compared to DKK 335 million last year, due to a higher cash flow from the changes in working capital.

Financing and capital reserves

Our equity amounted to DKK 88 million compared to DKK 78 million last year, following a cash capital increase from new equity partners as well as retained earnings. The equity includes DKK 22,5 million in unpaid contributed capital. The solidity including unpaid capital reserves amounted to 25% of total assets, compared to 23% last year. As a result, our solidity is strengthened.

Financial outlook

We expect to keep growing in the coming year as we continue to see a demand for our expanding services in the market. We continue to invest in our growth, attracting and retaining highly-skilled people positioning ourselves to adapt to the changing market conditions. From a business point of view, we see that the coming FY24 still has some uncertainties given the macro situation in

geopolitics, along with general conditions influenced by fluctuations in inflation and interest rates. We therefore expect reported revenue growth to be on par in the coming financial year FY24, around 2–8% and a net result in the range of DKK 2–6 million.

Operational risk

The operational risks facing our business include those we have in common with other professional services firms. These include notably a deterioration in market conditions, attracting, developing and retaining the best talent in the market, claims and reputational damage caused by either an actual or a suspected failure to deliver services of appropriate quality, or by taking on inappropriate clients or engagements. It is vital for us to uphold a very high public trust with employees, clients, capital markets, regulators and society. We have implemented a system of quality management based on KPMG International's Quality Framework, and we regularly conduct enterprise risk assessments where we identify potential risks and their impact on our business. Based on that, we plan remediating actions as well as quality performance and risk compliance reviews.

Financial risk

We are exposed to credit risk through our ongoing work-in-progress and receivables, which is mitigated by a broad and diverse client base across several industries. The current economic situation does not pose an overall elevated credit risk, and Management has factored this into the accounting policy. We do not have any material credit risk on individual debtors. We are to a minor extent exposed to fluctuations in foreign currencies, mostly USD.

Events after the balance sheet date

Except as disclosed in note 14, no events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of KPMG P/S for the financial year 1 October 2022 – 30 September 2023.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2023 and of the results of the Company's operations and cash flows for the financial year 1 October 2022 – 30 September 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 10 January 2024

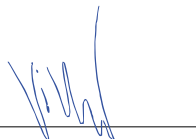
Executive Board



Mads Raahede

CEO and Senior Partner

Board of Directors



Klaus Rytz

Chair and Partner



Henrik Barner Christiansen

Partner



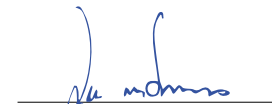
Nikolaj Møller Hansen

Partner



Hans Jørgen Andresen

Partner



Jan Hove Sørensen

Partner



Independent auditor's report

To the shareholders of KPMG P/S

Opinion

We have audited the financial statements of KPMG P/S for the financial year 1 October 2022 – 30 September 2023, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2023, and of the results of the Company's operations and cash flows for the financial year 1 October 2022 – 30 September 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants'

International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Com-

pany or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

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

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclo-

tures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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

Statement on Management's review

Our opinion on the financial statements does not cover Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's review

and, in doing so, consider whether Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's review.

Copenhagen, 10 January 2024

Redmark

Godkendt Revisionspartnerselskab

Company reg. no. 29 44 27 89



Anders Schelde-Møllerup Funder

State Authorised Public Accountant

mne30220

Financial statements KPMG P/S

1 October 2022 – 30 September 2023

Contents

1. Income statement	51
2. Balance sheet	51
3. Statement of changes in equity	52
4. Cash flow statement	53
5. Notes to the financial statements	54

Income statement

Note	DKK'000	2022/23	2021/22
2	Revenue	939,287	897,045
	Work performed for own account and capitalised	989	0
	Other operating income	10,743	10,032
3	Other external expenses	-308,127	-281,044
	Gross profit	642,892	626,033
4	Staff costs	-635,266	-611,256
5	Depreciation of property, plant and equipment and amortisation of intangible assets	-6,820	-4,268
	Operating profit	806	10,509
6	Financial income	374	812
7	Financial expenses	-110	-1,773
8	Profit for the year	1,070	9,548

Balance sheet: Assets

Note	DKK'000	2022/23	2021/22
	Non-current assets		
	Intangible assets		
5	Completed development projects	1,268	0
5	Goodwill	370	1,567
5	Software	181	0
	Total intangible assets	1,819	1,567
	Property, plant and equipment		
5	Equipment and leasehold improvements	9,411	10,613
	Total property, plant and equipment	9,411	10,613
	Investments		
9	Participating interest	149	149
10	Deposits	17,580	16,524
	Total investments	17,729	16,673
	Total non-current assets	28,959	28,853
	Current assets		
	Receivables		
	Trade receivables	171,885	182,432
11	Services in progress	58,139	52,826
12	Other receivables	22,796	20,621
	Receivables from partners	157	131
13	Prepayments	8,270	7,276
		261,247	263,286
	Cash and cash equivalents	63,031	42,411
	Total current assets	324,278	305,697
	Total assets	353,237	334,550

Balance sheet: Equity and liabilities

Note	DKK'000	2022/23	2021/22
	Equity		
14	Contributed capital	63,511	57,160
	Retained earnings	276	419
	Reserve for development costs	1,268	0
	Reserve for unpaid contributed capital	22,500	20,250
	Total equity	87,555	77,829
	Provisions		
15	Other provisions	5,735	7,682
	Total provisions	5,735	7,682
	Current liabilities other than provisions		
11	Services in progress	71,720	70,672
	Trade payables	55,560	44,035
	Other payables	132,667	134,332
		259,947	249,039
	Total liabilities other than provisions	259,947	249,039
	Total equity, provisions and liabilities	353,237	334,550
16	Contractual obligations, contingencies, etc.		
17	Related party disclosures		
18	Events after the balance sheet date		

Statement of changes in equity

Note	DKK'000	Contributed capital	Retained earnings	Reserve for development costs	Reserve for unpaid contributed capital	Total
	Equity at 1 October 2021	46,082	-10,038	0	19,500	55,544
	Capital contribution	11,078	909	0	750	12,737
8	Transferred; see profit appropriation	0	9,548	0	0	9,548
	Equity at 30 September 2022	57,160	419	0	20,250	77,829
	Capital contributions	8,468	878	0	2,250	11,596
	Capital decrease	-2,117	-823	0	0	-2,940
	Transfer, reserves		-1,268	1,268		0
8	Transferred; see profit appropriation	0	1,070	0	0	1,070
	Equity at 30 September 2023	63,511	276	1,268	22,500	87,555

Cash flow statement

Note	DKK'000	2022/23	2021/22
	Profit for the year	1,070	9,548
	Depreciation and amortisation	6,820	4,268
19	Other adjustments	-1,947	-80
20	Changes in working capital	15,197	-18,340
	Cash flow from operating activities	21,140	-4,604
	Acquisition of development projects	-1,388	0
	Acquisition of software	-233	0
	Acquisition of goodwill	0	-453
	Acquisition of equipment and leasehold improvements	-4,249	-8,411
	Deposits (additions)	-1,166	-1,039
	Deposits (repayment)	110	652
	Cash flow from investing activities	-6,926	-9,251
	Proceeds from capital contributions	9,346	11,987
	Repayment of contributed capital	-2,940	0
	Cash flow from financing activities	6,406	11,987
	Cash flow for the year	20,620	-1,868
	Cash and cash equivalents at the beginning of the year	42,411	44,279
	Cash and cash equivalents at year end	63,031	42,411

Notes

Accounting policies

The annual report of KPMG P/S for 2022/23 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used are unchanged compared to last year, and the financial statements are presented in thousands of Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue. Revenue from the sale of services is recognised in the income statement as provided. Consequently, revenue corresponds to the selling price excluding VAT of the work performed under the percentage of completion method and

includes outlays on clients. Measurement at selling price presupposes that total income and costs as well as the stage of completion at the balance sheet date can be determined reliably and that it is probable that payment will be received.

Work performed for own account and capitalised

Work performed for own account and capitalised includes staff cost for the year recognised in the costs for the Company's development projects in the balance sheet.

Other operating income

Other operating income includes grants provided by KPMG International, gains on disposal of assets, sublease rental income as well as net reimbursements received from public authorities.

Other external expenses

Other external expenses comprise costs related to sales, marketing, administration, office premises, training, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees and partners.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expense, exchange gains and losses on payables and transactions denominated in foreign currencies.

Tax on profit for the year

As a limited liability partnership, the Company is transparent for tax purposes. Income taxes are lia-

ble to the partners of the Company. Consequently, no tax on the profit for the year has been provided for in the financial statements.

Balance sheet

Development projects

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 3–5 years.

Goodwill

Goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The amortisation period is 5 years.

Software

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over the estimat-

ed useful lives. The amortisation period is usually three years.

Gains and losses on the disposal of software are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Equipment and leasehold improvements

Equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for its intended use.

The depreciable amount, which is calculated as cost less any estimated residual value at the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives of equipment and leasehold improvements are 3–10 years.

Gains and losses on the disposal of equipment and leasehold improvements are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively. The carrying amount of equipment and improvements is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

Impairment

Impairment tests are conducted of individual non-current assets or groups of assets when there is an indication that they may be impaired. Write-

down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flow from the use of the asset or the group of assets, including forecast net cash flow from the disposal of the asset or group of assets after the end of the useful life.

Participating interests

Participating interests (including associates) are measured at cost. When cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value or net realisable value if lower.

The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairment losses are recognised to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Services in progress

Services in progress are measured in accordance with the percentage of completion method to the selling price of the work performed at the balance sheet date plus out-of-pocket expenses less progress billings. The individual services in progress are recognised in the balance sheet as receivables or liabilities depending on whether the net value,

determined as the selling price less progress billings, is positive or negative.

Prepayments

Prepayments comprise prepayments of costs relating to subsequent financial years.

Equity

Contributed capital

Unpaid contributed capital is recognised according to the gross method, according to which the unpaid contributed capital is recognised as a receivable in the balance sheet.

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Reserve for development projects

The reserve for development projects is equivalent to the amount of capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. If the recognised development costs are sold or in other ways disposed of, the reserve will be dissolved and transferred directly to the distributable reserves under equity.

Reserve for unpaid contributed capital

An amount equal to the unpaid contributed capital is reclassified from retained earnings to reserve for unpaid contributed capital.

Other provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Corporation tax and deferred tax

The Company is transparent for tax purposes. Consequently, neither current tax nor deferred tax is included in the balance sheet.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Company's cash flow from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items and changes in working capital.

Cash flow from investing activities

Cash flow from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, equipment and leasehold improvements and investments.

Cash flow from financing activities

Cash flow from financing activities comprise proceeds or repayments related to changes in the Company's contributed capital, related costs and payment of dividends to shareholders as well as proceeds from raising and repayment of interest-bearing debt.

Cash and cash equivalents

Cash and cash equivalents comprise bank deposits.

Financial ratios

Financial ratios are calculated as follows:

Revenue growth	$\frac{\text{Revenue current year} - \text{Revenue prior year}}{\text{Revenue prior year}} \times 100$
Solvency	$\frac{\text{Total equity} \times 100}{\text{Total assets}}$

DKK'000	2022/23	2021/22
2: Segment information		
Revenue arises from audit and advisory services, mainly delivered in Denmark		
Audit	286,369	273,457
Advisory	652,918	623,588
	939,287	897,045

DKK'000	2022/23	2021/22
3: Fees to auditor appointed at the general meeting		
Statutory audit	196	169
Tax/VAT and other services	548	516
Other assurance engagements	11	0
Total fees to Redmark	755	685

DKK'000	2022/23	2021/22
4: Staff costs		
Wages, salaries and partner remuneration	590,725	572,293
Pensions	38,923	33,699
Other social security costs	5,618	5,264
	635,266	611,256
Average number of employees, including partners	744	625

The Board of Directors did not receive remuneration for provision of board-related services in 2022/23 (2021/22: DKK 0). Staff costs include remuneration of the Company's Executive Board of DKK 7,559 thousand. Remuneration of the Executive Board comprises the share attributable to the performance of duties in the Executive Board. Pursuant to the exemption clause for reporting class C entities under section 98b(3) of the Danish Financial Statements Act, the Company has chosen to omit disclosure of executive board remuneration for 2021/22 as it would lead to disclosing the remuneration of a single person.

DKK'000	Completed development projects	Goodwill	Software	Equipment and leasehold improvements
5: Goodwill, software, equipment and leasehold improvements				
Cost at 1 October 2022	0	2,239	0	26,644
Additions	1,388	0	233	4,249
Disposals	0	-890	0	0
Cost at 30 September 2023	1,388	1,349	233	30,893
Depreciation and amortisation at 1 October 2022	0	-672	0	-16,031
Depreciation and amortisation	-120	-1,197	-52	-5,451
Depreciation on disposals	0	890	0	0
Depreciation and amortisation losses at 30 September 2023	-120	-979	-52	-21,482
Carrying amount at 30 September 2023	1,268	370	181	9,411

Completed development projects

Completed development projects relate to development and test of new software. The projects were completed in 2022/23 and is amortised over 3–5 years. The development is primarily used internally and has entailed greater productivity.

DKK'000	2022/23	2021/22
6: Financial income		
Interest income	225	812
Net foreign exchange gains	149	0
	374	812

DKK'000	2022/23	2021/22
7: Financial expenses		
Interest expense to banks	110	1,097
Net foreign exchange losses	0	676
	110	1,773

DKK'000	2022/23	2021/22
8: Proposed profit appropriation		
Retained earnings	1,070	9,548
	1,070	9,548

DKK'000		Participating interest
9: Participating interests		
Cost at 1 October 2022		149
Cost at 30 September 2023		149
Carrying amount at 30 September 2023		149

Name/legal form	Registered office	Equity interest	Equity	Profit for the year
KPMG Nordic Services OÜ (Associate)	Estonia	20 %	1,156	140

DKK'000	Deposits
10: Deposits	
Cost at 1 October 2022	16,524
Additions	1,166
Repayment	-110
Cost at 30 September 2023	17,580
Carrying amount at 30 September 2023	17,580

DKK'000	2022/23	2021/22
11: Services in progress		
Selling price of work performed	530,230	507,039
Progress billings	-543,811	-524,885
	-13,581	-17,846
Recognised as follows:		
Contract work-in-progress (assets)	58,139	52,826
Contract work-in-progress (liabilities)	-71,720	-70,672
	-13,581	-17,846

DKK'000	2022/23	2021/22
12: Other receivables		
Contributed capital receivables	22,500	20,250
Other receivables	296	371
	22,796	20,621

13: Prepayments

Prepayments consist of prepaid expenses concerning IT licences, parking, rent, insurance, etc.

14: Contributed capital

Changes in contributed capital since the Company's establishment are specified as follows:

DKK'000	2022/23	2021/22	2020/21	2019/20	2018/19
Balance at 1 October	57,160	46,082	51,400	49,627	627
Cash capital increase at par	8,468	11,078	0	1,773	49,000
Cash capital decrease	-2,117	0	-5,318	0	0
	63,511	57,160	46,082	51,400	49,627
The share capital is specified as follows:					
A shares, 27,521,429 of nom. DKK 1 each	27,521				
B shares, 35,989,561 of nom. DKK 1 each	35,990				
	63,511				

All shares rank financially equally, however, A-shares – which are owned by state authorised public accountants only – will at all times constitute not less than 51 % of the total amount of voting rights in the Company.

At an extraordinary general meeting on 30 September 2023, the shareholders have decided to decrease the share capital by 4,234,066 nominal A-shares by cash distribution of DKK 2,734 thousand to retired partners. The decrease will be effected following the expiry of notice to creditors.

The nominal contributed capital increased in FY23 by DKK 8,468 thousand of which DKK 6,218 thousand is paid in cash.

DKK'000

15: Other provisions

Other provisions at 1 October 2022

Used during the year

Provisions for the year

Other provisions at 30 September 2023

The provisions are expected to be activated as follows:

0–1 years

1–5 years

>5 years

Other provisions at 30 September 2023

Provisions comprise anticipated restoration costs in connection with the Company's premises leases to the extent that the Company is obliged to dismantle an asset or restore premises upon lease termination. Provisions include liability cases where provisions are made to cover losses on known and possible claims for compensation.

16: Contractual obligations, contingencies, etc.

Remaining operating lease obligations at the balance sheet date amount to DKK 34,868 thousand falling due within 6 years (2021/22: DKK 40,032 thousand). In 2022/23, operating lease payments incurred amounted to DKK 28,408 thousand (2021/22: DKK 25,136 thousand).

KPMG P/S is part in a few pending disputes, and provisions have been made for estimated costs related to these. In Management's opinion, the outcome of these disputes will not affect the Company's financial position in excess of what has been recognised as provision at 30 September 2023.

KPMG P/S has a credit facility in place with the Company's bank. An asset pledge (virksomhedspant) of DKK 20,000 thousand has been granted to the Company's bank in relation to the bank credit facility. As of 30 September 2023 and 2022 the credit facility was not utilised.

Other provisions

7,682

-2,086

139

5,735

0

0

5,735

5,735

17: Related party disclosures

KPMG P/S' related party disclosures comprise the following:

Control:

KPMG P/S is owned by the partners. No parties exercise control.

Other related parties:

- Leadership team and Board of Directors and their close family members
- KPMG Komplementarselskab ApS
- KPMG Nordic Services OU (Associate)
- KPMG International Limited, UK

Related party transactions:

In accordance with section 98c(7) of the Danish Financial Statements Act, the Company has chosen only to disclose transactions that are not carried out on an arm's length basis. There are no such transactions.

18: Events after the balance sheet date

Except as disclosed in note 14, no events materially affecting the assessment of the annual report have occurred after the balance sheet date.

DKK'000	2022/23	2021/22
19: Other adjustments		
Provisions adjustments recognised during the year	-1,947	-80
	-1,947	-80

DKK'000	2022/23	2021/22
20: Changes in working capital		
Change in receivables	4,289	-25,996
Change in current liabilities other than provisions	10,908	7,656
	15,197	-18,340



Follow us on social media and on [kpmg.dk](https://www.kpmg.dk)



© 2024 KPMG P/S, a Danish limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.