

2021/22 Transparency Report



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Welcome to our 2022 Transparency Report

We are pleased to present our Transparency Report for 2021/22, prepared in accordance with EU Regulation No 537/2014 on specific requirements regarding statutory audit of public-interest entities (the Audit Regulation).

The Transparency Report communicates how we maintain quality in our audit work. The report describes our policies, systems and processes for ensuring quality, the results of key quality monitoring programmes and reviews, and the way we foster a culture of quality at every level of the firm. It details some of the companies we performed audits for and the total revenue from our audit and non-audit work.

This report also includes information about how the firm is governed and how we approach audit quality. While PwC is a multidisciplinary firm, this report is primarily focused on our audit practice and related services. Good audit quality contributes to the orderly functioning of markets by enhancing the integrity and efficiency of financial statements. Thus, we are committed to maintaining our focus on high-quality audit.

Our purpose is to build trust in society and solve important problems. We are a network of firms in 152 countries with more than 327,000 people who are committed to delivering quality in assurance, advisory and tax services. We are dedicated to drive a strong culture of quality and excellence that is core to our purpose.

I believe our purpose has never been more relevant given our role in the business environment, the societal contribution we deliver through our work and clients as well as the investment we make in training and development of our people. Naturally, the past two years, continuing to deliver audit quality during the COVID-19 pandemic was an unprecedented challenge and key focus area for us.

I am immensely proud of the way we have worked together and the resilience we have shown in these very unusual circumstances.

Our people are key to performing high-quality audits and we draw upon a wide range of specialist skills across our multidisciplinary practice. That is why we maintain a constant emphasis on our purpose and values that address integrity and independence. We continue to invest in our people by including ongoing professional and personal development, with in-depth training.

We have proceeded to align our business to support this focus on audit quality. We continuously invest in innovation and new technology to support our services across the firm, to meet the changing audit challenges in a digital age and to enhance the quality of our audit services.

When reading our Transparency Report, you will gain an insight into our quality control system, network and policies. In our view, the quality control systems, supplementary training and independence policies implemented here are efficient in order for us to comply with the requirements of the Audit Regulation. Moreover, we show you PwC's total revenue broken down by types of services as well as a list of public-interest audit clients and municipality and regional clients. And finally, we give you an insight into PwC's legal structure and the international network we are a part of.

We hope that our Transparency Report will provide you with useful insight into a number of significant matters relating to PwC. If you want to learn more about PwC, you may also want to visit our annual report website.

I hope you enjoy the report!

Mogens Nørgaard Mogensen
Senior Partner and CEO
PwC Denmark

PwC at a glance



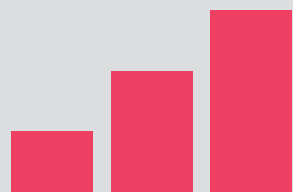
Revenue
DKK 3.4 bn

Assurance training

Total hours completed

FY22 **115,260**

FY21 **80,562**



10 %

Revenue growth*

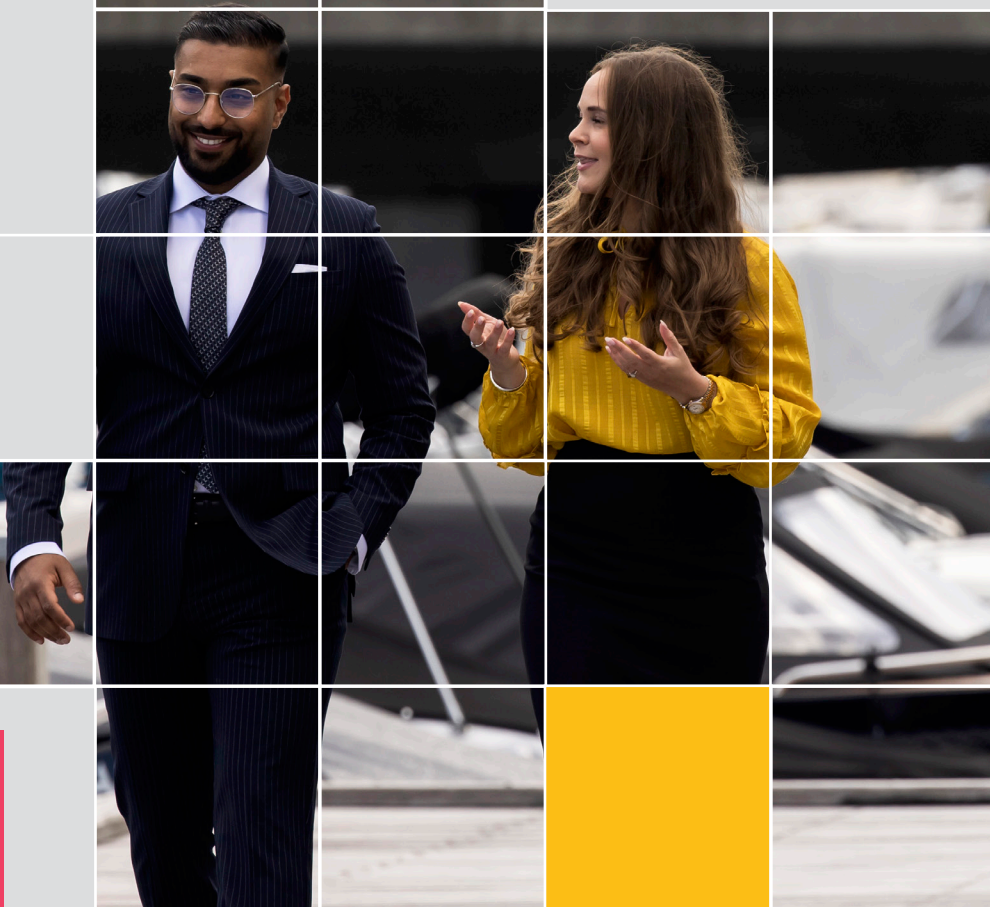
* In our continued business;
5% reported.



**Years of audit
experience**

6.3 years

Average years of experience of
audit team members



9

Customer satisfaction

Our customers rate us
to top the list



PwC Denmark

PwC Denmark

PwC Denmark is a limited partnership company owned and managed by its Danish equity partners. At PwC, we work to build trust in society and help solve important problems. We do so based on our knowledge of audit, tax and advisory services. It is crucial to the development of our business that we have the right processes and governing bodies that engage in active dialogue. At PwC Denmark, we have a Board of Directors, a Partner Affairs Committee and a Executive Leadership. Read more about our organisation, governance structure and processes in this section.

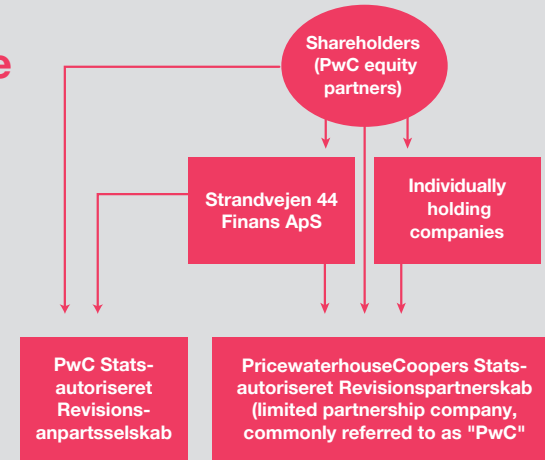
Legal structure and ownership

PwC Denmark is a limited partnership company whose ultimate owners are the Danish equity partners. The limited partnership company, PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (PwC P/S), is owned by its Danish equity partners, partly by the partners individually owned private limited companies (ApS) and by Strandvejen 44 Finans ApS. Statsautoriseret Revisionsanpartsselskab is owned by the Danish equity partners and partly by Strandvejen 44 Finans ApS. Audit, tax and advisory services are provided to our clients through PwC P/S only. In this section, we have included a chart of the various companies associated with PwC P/S.

Our governance structure and culture

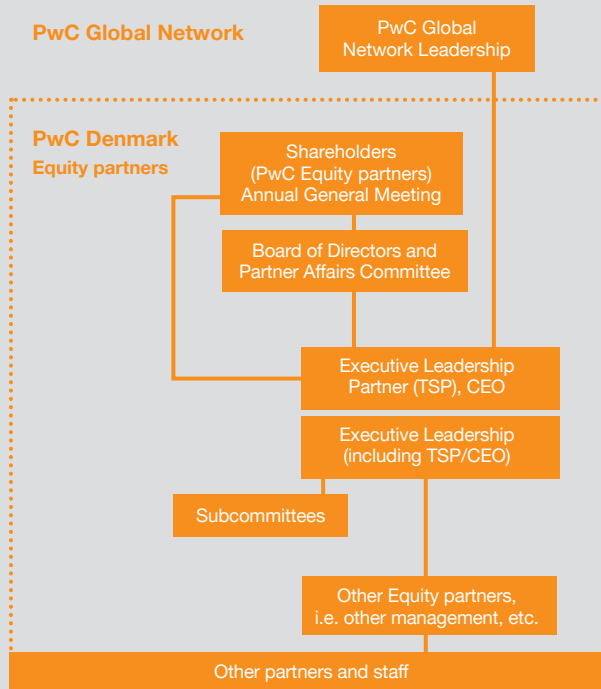
PwC Denmark is headed by the Territory Senior Partner and CEO, who is elected directly by the shareholders. The Territory Senior Partner is PwC Denmark's direct reference point of and overall accountable to the PwC Global Network Leadership. The strategic direction of PwC Denmark is decided by the Board of Directors together with the Executive Leadership. Execution of the strategy and business plans is the responsibility of the individual equity partners, who pursue their respective management responsibilities for servicing clients and managing staff. All equity partners thus undertake the day-to-day management in relation to the clients and engagements in their individual portfolio.

Ownership structure



Only active entities shown.

Organisation

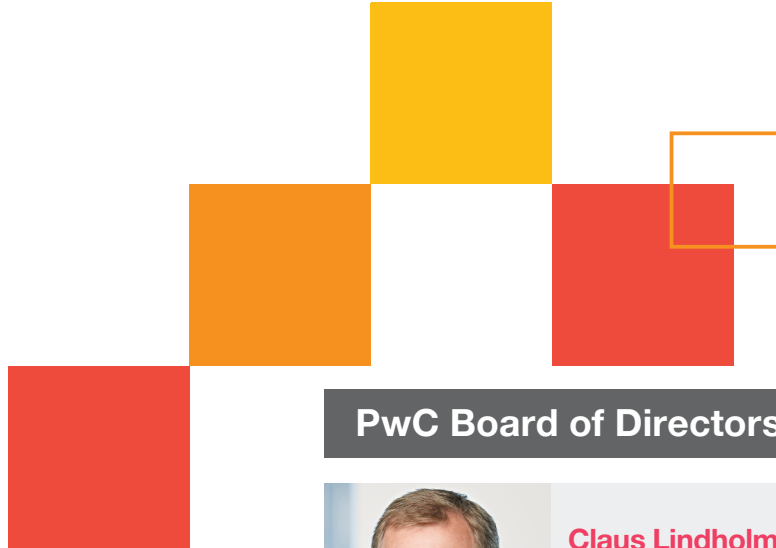


The above-mentioned governing bodies are supported by three committees, each headed by a leader who is also a member of the Executive Leadership or by a partner who reports directly to the Executive Leadership. Finally, the various support functions of PwC are responsible for supporting PwC's leadership, i.e. the equity partners, and staff in realising PwC's vision and strategic objectives. The leadership culture of PwC Denmark is based on a number of key values and a Code of Conduct which are crucial to the way in which our leaders and staff behave.

An important part of creating a strong and unified PwC culture, which is a strategic priority to us, is that we have skilled leaders who motivate employees every day and develop our business. We believe that leadership makes a difference. That is why PwC's leadership values are the cornerstone of our corporate culture and support our decisions and actions on our journey towards shared and individual success. It is thus crucial to the development of our business and staff that we cultivate an open and honest dialogue and manage to create active and actual involvement in pursuing the best decisions.

We have a vision of being the professional services organisation in Denmark that creates most value for our relations, through our partners and staff who are committed to making a positive difference for clients and colleagues. We will only realise this vision if, in all critical areas, we strive at being the best among our peers; also when it comes to corporate governance.

We take an active stand on the corporate governance development and have, as an element of this, established an appropriate framework for an organisation of our supreme governing bodies and control systems allowing for the fact that we are a partner-owned business. This ensures that we always comply with applicable legislation, develop in the right direction, minimise risks and engage in active and open dialogue with our shareholders, i.e. all equity partners.



PwC Board of Directors (16 September 2022)



Claus Lindholm Jacobsen
Chairman and Partner



Kim Domdal
Partner



Jan Hetland Møller
Partner



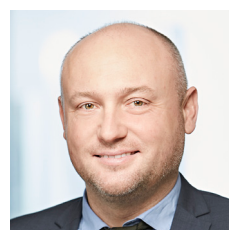
Line Hedam
Partner



Klaus Okholm
Partner



Thomas Houmølle
Employee representative



Mads Melgaard
Partner



Territory Senior Partner

In accordance with the rules of the PwC network, the shareholders of PwC Denmark elect a Territory Senior Partner (TSP). The TSP is the direct reference point of the PwC Global Network Leadership and is overall accountable for PwC Denmark’s implementation of the PwC network policies and standards. According to PwC Denmark’s shareholders’ agreement, the TSP serves for a term of three years and is appointed CEO – in continuation of the appointment as TSP. The TSP is eligible for re-election. The TSP decides on the composition and appoints the members of the Executive

Leadership subject to approval by the Partner Affairs Committee.

Annual general meeting

Our shareholders exercise their influence by participating in and voting at shareholders’ meetings in accordance with the shareholders’ agreement entered by the shareholders. The shareholders’ agreement regulates the mutual relationship between the shareholders.

Number of public accountants

	State authorised public accountants	Registered public accountants
Partners	106	0
– of these shareholders	48	0
Directors	41	1
Senior managers	54	4
Others	18	6
Total	219	11

At 30 June 2022.



An important part of creating a strong and unified PwC culture, which is a strategic priority to us, is that we have skilled leaders who motivate employees every day and develop our business.

Resolutions made at shareholders' meetings include any amendments to international agreements concerning the PwC network, election of the TSP who represents PwC Denmark in the PwC network, election of members of the Board of Directors and the Partner Affairs Committee, admission and resignation of shareholders, approval of the allocation of partners' share of profit, material investments and other general matters.

Board of Directors

The Board of Directors monitors the Executive Leadership and is responsible for overall governance of PwC Denmark. One of the responsibilities of the Board of Directors is to determine PwC's overall objectives, strategies, budgets, etc. outlined by the Executive Leadership. Moreover, the Board of Directors ensures that the Executive Leadership establishes efficient risk management systems and plans and the Board also consider whether PwC Denmark's capital resources are adequate for the purpose of its operations. The Board of Directors is responsible for monitoring that PwC operates in accordance with applicable legislation and the commitments arising out of PwC's international agreements. PwC's Board of Directors comprises six members elected by the shareholders and currently one member elected by the employees. As of October 2022, three of nine members will be elected by the employees. Rules of procedure have been prepared for both the Executive Leadership and the Board of Directors; both sets of rules are reviewed annually to ensure that they match PwC's development and needs.

Partner Affairs Committee

PwC Denmark has established a Partner Affairs Committee in consequence of PwC's structure as a company owned and operated by equity partners (shareholders). Together with the TSP, the Partner Affairs Committee has the ultimate authority in all internal partner affairs of PwC Denmark, enhancing the partnership spirit and safeguarding partners' interests in relation to general partner affairs subject to the provisions of Danish company law. Currently, the Partner Affairs Committee is made up of six shareholders who are also members of the Board of Directors.

PwC Executive Management (16 September 2022)



Mogens Nørgaard Mogensen
Territory Senior Partner and CEO



Lars Baungaard
Partner, Head of Clients and Markets



Michael Eriksen
Partner, Head of Advisory



Thomas Bjerre
Partner, Head of Tax



Rasmus Friis Jørgensen
Partner, Head of Assurance



Anders Stig Lauritsen
Partner, Head of Assurance



Brian Benjamin Staalkjær
Partner and COO

Election of members of Board of Directors and the Partner Affairs Committee

Members of PwC's Board of Directors and the Partner Affairs Committee are elected for a term of three years by the shareholders at the general meeting of the limited partnership company. The staff representatives on the Board of Directors are elected by the staff for a term of four years. PwC Denmark has a thorough selection process and a number of criterias for the composition of the Board of Directors to ensure the Board reflects PwC's business, diversity, organisational and geographical structure the best way possible. PwC's business, diversity, organisational and geographical structure. Pursuant to the Danish Act on Approved Auditors and Audit Firms, a majority of the members of the Board of Directors must be state authorised public accountants.

Executive Leadership

The company management comprises our Executive Management which consists of a TSP, a Clients and Markets Leader, the Chief Operating Officer, the leaders of the principal Lines of Service; Assurance, Tax and Advisory. In addition to the Executive Management, the Human Capital Leader and the Marketing & Communication Leader which collectively constitute our Executive Leadership. The Executive Leadership is responsible for the overall management of the limited partnership company. Subcommittees have been established from the Executive Leadership reflecting our chosen focus areas to ensure the continued success of PwC.



Evaluation of the Board of Directors and the Executive Leadership

The Board of Directors and the Partner Affairs Committee hold six to eight annual meetings. PwC Denmark has laid down an evaluation procedure for cooperation on the Board of Directors and the Executive Leadership. The evaluation of the Board of Directors takes place on an annual basis. The Board of Directors evaluates the Executive Leadership on an annual basis in terms of the share of profit policies of the firm. In addition, the Chairman of the Board and the TSP evaluate their cooperation on an annual basis and report on the evaluation to the Board of Directors. Moreover, the Executive Leadership makes an annual evaluation of its internal cooperation.

Other equity partners

Supplementary to the Executive Leadership, other equity partners are responsible for the management of our Business Units, under which client engagements and staff are organised. Together, all the equity partners thus undertake the day-to-day management in relation to the clients and engagements in their individual portfolios. While the individual equity partners' clients and engagement portfolios naturally vary in size, all partners have a significant portfolio of clients/engagements, in addition to which they also undertake specific management duties such as staff management, quality assurance, market-facing activities, etc.

Active dialogue with the shareholders of the limited partnership company

PwC Denmark pursues a continuous and high level of information through active and open dialogue with the shareholders of the limited partnership company and other stakeholders on PwC's objective, development and expectations for the future. This is effected through shareholders' meetings, distribution of minutes from meetings of the Partner Affairs Committee and the Board of Directors, publication of monthly reports and

regular partner briefings. The partners also have a closed forum on our intranet on which they post news. Moreover, the Board of Directors and the Executive Leadership have formulated a communication strategy, which ensures that all significant information of importance to shareholders and other stakeholders is published.

At the annual general meeting, our shareholders may exercise their influence by participating and voting in accordance with the provisions of the Danish Companies Act. PwC encourages all shareholders – by direct contact – to attend the general meeting in order to ensure the democratic process.

Basis of partners' share of profit

PwC has a share of profit policy for the shareholders who are also working as partners in PwC, designed to promote long-term behaviour and ensure a balanced relationship between performance and share of profit at a competitive level. The share of profit policy is presented and adopted at the annual general meeting of PwC. The individual countries have some leeway when it comes to organising the partner share of profit system, but all systems are based on the global framework principles.

At PwC Denmark, the partner share of profit system has three core elements. The partners are remunerated based on the following:

- The role they carry in the partnership;
- How well they perform in the role;
- How well PwC Denmark as a whole performs.

PwC's partner share of profit is based on a wish to motivate, recognise and reward our partners for their contribution to the development of our business, both as members of integrated teams and as individuals. Moreover, we comply with the internationally recognised Code of Ethics for share of profit and evaluation policy.

Each year, a comprehensive appraisal process is carried out using PwC's values and strategic priorities as the point of departure. While a certain element of discretion is exercised when evaluating a partner's performance, PwC's appraisal process also involves an assessment of a partner's target achievement. The process is closely monitored by our leadership to ensure that the individual partners receive a fair and reasonable share of profit; furthermore, the total partner share of profit is subject to approval by the Partner Affairs Committee.

State authorised public accountants who are not shareholders may according to PwC's signing rules sign auditor's reports and other assurance reports on behalf of PwC. The share of profit of these state authorised public accountants comprises a fixed salary added a bonus determined under the same principles as those of the shareholders.



“ Each year, a comprehensive appraisal process is carried out using PwC's values and strategic priorities as the point of departure.



PwC network



“

The PwC network consists of firms which are separate legal entities.

Global Network

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. ‘PwC’ is often used to refer either to individual firms within the PwC network or to several or all of them collectively. In many parts of the world, accounting firms are required by law to be locally owned and independent. The PwC network is not a global partnership, a single firm, or a multinational corporation. The PwC network consists of firms which are separate legal entities.

PricewaterhouseCoopers International Limited

Firms in the PwC network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practice accountancy or provide services to clients. Rather, its purpose is to act as a coordinating entity for member firms in the PwC network. Focusing on key areas such as strategy, brand, as well as risk and quality, PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual member firms where appropriate. Member firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC network. In addition, member firms may draw upon the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL. The PwC network is not one international partnership. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not

those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions. PwCIL has no right or ability to control member firms exercise of professional judgement.

The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of 20 members. Two are appointed as external, independent directors, and the other 18 Board members are elected by partners from all PwC firms around the world every four years.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the PwC network, agrees on the strategic direction of the PwC network and facilitates alignment for the execution of strategy.
- **Global Leadership Team** is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from member firms to coordinate activities across all areas of our business.

Total turnover achieved by statutory auditors and audit firms from EU/EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements is approximately €2.5 billion. This represents the turnover from each entity’s most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2022. A list of each statutory audit firm that is a member of the PwC network is provided at the end of this report.





PwC Denmark is a multicultural company with

64

different nationalities

152 countries

PwC has more than 327,000 professionals in 152 countries around the world.

The PwC network



The New Equation

The New Equation

In June 2021, PwC Global unveiled The New Equation, PwC's landmark global strategy which responds to fundamental changes in the world, including technological disruption, climate change, fractured geopolitics, and the continuing effects of the COVID-19 pandemic. The New Equation is based on analysis of global trends and thousands of conversations with clients and stakeholders. It builds on more than a decade of sustained revenue growth and continued investment. The New Equation focuses on two interconnected needs that clients face in the coming years. The first is to build trust, which has never been more important, nor more difficult. The second is to deliver sustained outcomes in an environment where competition and the risk of disruption are more intense than ever and societal expectations have never been greater. For more information on The New Equation, please see <https://www.pwc.com/gx/en/>.

2021 saw the launch of PwC Denmark's brand new strategy 'Trust 25'. As in the global strategy, trust is the mainstay of our 2025 strategy, and includes trust in relation to our clients and employees, to society as well as to data and information and, thus, high quality. In 2025, our ambition is that PwC Denmark will still be the market leader and the place where we succeed together and fulfil our purpose of strengthening trust in society and solving important problems.





Our people

People strategy

Our people strategy is focused on being the world's leading developer of talent and providing our people with greater agility and confidence in a rapidly changing world. Specific focus areas include creating a resilient foundation for times of change through supporting the well-being of our people and enabling effective delivery; developing inclusive leaders for a shifting world; and enabling our workforce for today's realities and tomorrow's possibilities.

We hire candidates who have diverse backgrounds and appropriate skills; have a questioning mindset and intellectual curiosity; and demonstrate courage and integrity. Our hiring standards include a structured interview process with behaviour-based questions built from the PwC Professional framework, assessment of academic records and background checks.

Diversity and inclusion

At PwC, we're committed to creating a culture of belonging. We are focused on ensuring our ways of working embrace diversity and fostering an inclusive environment in which our people are comfortable bringing their whole selves to work and feel that they belong and can reach their full potential. As demonstrated through our core values of Care and Work Together, we strive to more deeply understand and empathise with different backgrounds, perspectives and experiences.

We know that when people from different backgrounds and with different points of view work together, we create the most value for our clients, our people, and society.

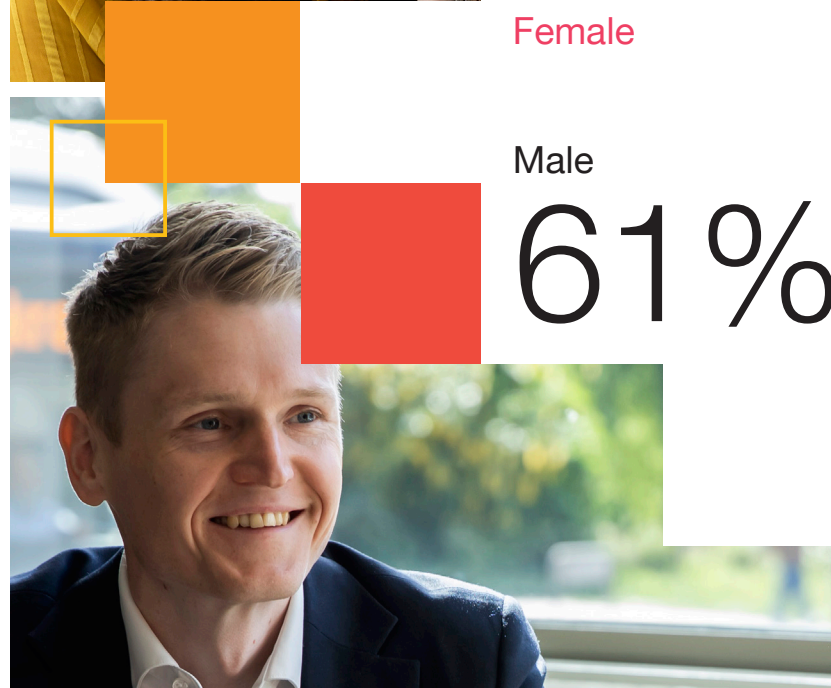
Recruitment

PwC Denmark aims to recruit, train, develop and retain the best and the brightest staff who share the firm's strong sense of responsibility for delivering high-quality services.



39%
Female

Male
61%



30 June 2022

Gender mix

Team selection, experience and supervision

Our audit engagements are staffed based on expertise, capabilities and years of experience. Engagement leaders determine the extent of direction, supervision and review of junior staff.

Feedback and continuous development

Our team members obtain feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills and professional scepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff in our Assurance business. We also use Workday to give and receive upward and peer feedback. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring the best to our clients and firm.

Career progression

PwC Denmark uses the PwC Professional, our global career progression framework, which sets out clear expectations at all staff levels across five key dimensions. The framework underpins all elements of career development and helps our people develop into well-rounded professionals and leaders with the capabilities and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. Our annual performance cycle is supported by continuous feedback conversations and regular check-ins with the individual's team leader to discuss their development, progression and performance.

Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent.

Global People Survey

Each PwC member firm participates in an annual Global People Survey, administered across the PwC network to all of our partners and staff. PwC Denmark is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback.

The PwC Professional

The PwC Professional supports the development and career progression of our staff by providing a single set of expectations across all lines of service, market segments, geographies and roles; outlining the capabilities needed to thrive as purpose-led and values-driven leaders at every level.



Statement on continuing education of our statutory auditors



We provide all partners and client service professionals with timely and appropriate training.
We confirm that we comply with the policy concerning the continuing education of statutory auditors. _____

Professional development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom and on-demand learning, and on-the-job real time coaching/development. Our flexible learning portfolio facilitates personalised learning with access to a variety of educational materials, including webcasts, podcasts, articles, videos and courses.

Achieving a professional credential supports our Firms commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.



Continuing education

We, and other PwC member firms, are committed to delivering quality assurance services around the world. To maximise consistency in the PwC network, the formal curriculum, developed at the PwC network level, provides access to training materials covering the PwC audit approach and tools. This includes updates on auditing standards and their implications, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning and on-the-job support. The curriculum supports our primary training objective of audit quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curriculum allows us to select, based on local needs, when we will deliver the training.

The past two years we have seen a shift from classroom training to more online training.

Assurance training FY2021/22

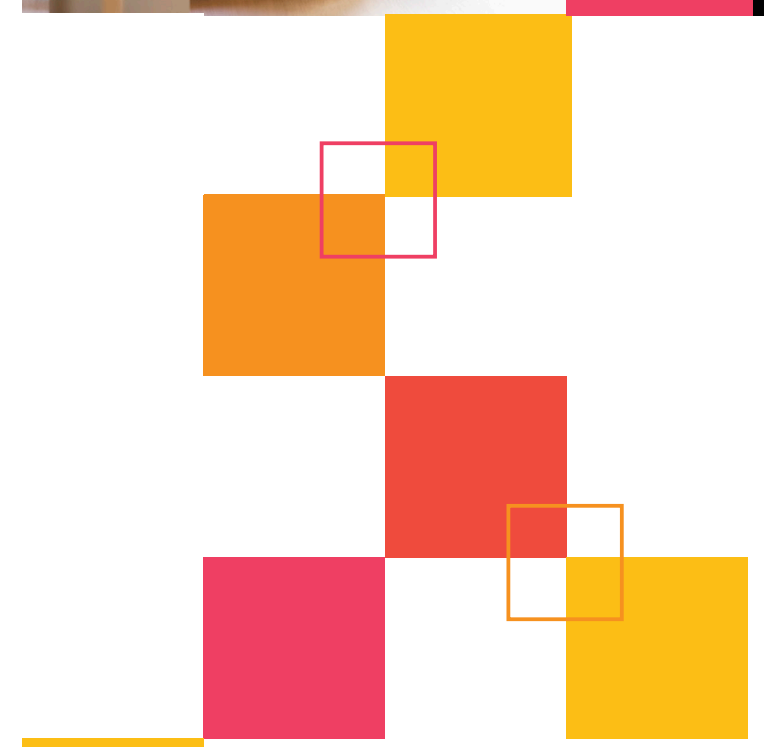
Average hours achieved by partners and staff

42	35	77
Online	Classroom	total

Assurance training FY2020/21

Average hours achieved by partners and staff

35	29	64
Online	Classroom	total





Our approach to delivering quality services



Focus on quality

The quality of our work is at the heart of our organisation and we invest significant and increasing resources in its continuous enhancement across our network. This investment is targeted into many different areas, including training (technical, ethical and behavioural), methodologies, adding resources in key areas and exploring new ways of delivering our work. Each investment reflects a common determination to understand the factors that drive quality and identify opportunities for enhancement.

We are also investing heavily in new technology to drive continuous improvement in the capabilities and effectiveness of all of our services.

We are proud to have been the first of the global professional services networks to have published its internal audit quality inspection results globally. It is very important that we are transparent about both the efforts that we are making to enhance quality, and also the results and the impact that these efforts are having. The publication of this data by our network over the last few years, along with public discourse on the subject of the audit, has quite rightly put an increasing focus on the issue of audit quality, which we discuss in detail in this report.

Definition and culture

At PwC, we define quality service as one that consistently meets the expectations of our stakeholders, and which complies with all applicable standards and policies. An important part of delivering against this quality definition is building a culture across a network of more than 327,000 people that emphasise that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

Measurement and transparency

For all our businesses, each PwC firm – as part of the agreement by which they are members of the PwC network – is required to have in place a comprehensive system of quality management (SoQM); to annually complete a SoQM performance assessment; and to communicate

the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As our services change and develop, and the needs and expectations of our stakeholders also change, we are continually reviewing and updating the scale, scope and operations of our system of quality management and investing in programmes to enhance the quality of the services that we provide.

A specific focus on audit quality

The quality of our work is at the heart of the PwC network and we invest significant and increasing resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people and underlying tools and technology at both the network level and within our firm. More specifically, the PwC Network's Global Assurance Quality (GAQ) organisation aims to support member firms in promoting, enabling and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and build an appropriate level of consistency in what we do.

Each firm is responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

The QMSE framework

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC network has established the Quality Management for Service Excellence (QMSE) framework for quality management which integrates quality management into business processes and the firmwide risk management process.

This framework introduces an overall quality objective that is supported by a series of underlying quality management objectives, and our system of quality management (SoQM) must be designed and operated so that these objectives are achieved with reasonable assurance.

Specific focus on audit quality

Delivering quality audits is core to our purpose. To that end, we are committed to providing a quality audit. However, where our work falls below the standards that we set for ourselves and which are set by the regulators, we are disappointed and also criticised. We take each of these instances very seriously and work hard to learn lessons and to enhance the quality of audits that we undertake in the future.

The right objectives and capabilities

To help us put this strategy into effect, the PwC network has established clear objectives around audit quality and provides support to help us meet these objectives. Our engagement teams can only deliver quality audit services if they have access to the necessary capabilities – both in terms of people and technology. That is why our quality objectives focus on having the right capabilities – both at a member firm level and across our network – and on using these capabilities to meet our own standards and the professional requirements. These capabilities can only be developed under the right leadership and quality culture, promoting the right values and behaviours.

Integrated and aligned in the right way

The quality objectives focus on having the right people supported by effective methodologies, processes, and technology appropriately directed and supervised. These represent the capabilities that we believe are relevant to achieving and sustaining audit quality. To help us achieve these objectives, there are a number of dedicated functions at a network level that develop practical tools, guidance and systems to support and monitor audit quality across our network. These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that we tailor to reflect our individual circumstances.

Delivering a quality end-product consistently

Central to the framework is the recognition that quality management is not a separate concept; it needs to be embedded in everything we do as individuals, teams, firms and the PwC network. The quality objectives are supported by designated key activities which are considered necessary to achieve the quality objectives, focused mainly on building a quality infrastructure and organisation. We supplement and design those key activities as appropriate to respond to risks we have identified to achieve each quality objective.





Values and judgements

Performing quality audits requires more than just the right processes. At its core, an auditor's role is to assess with a "reasonable" degree of assurance whether the financial statements prepared by the company's management are free of "material misstatements" – reaching a professional judgement on whether the financial statements present a fair picture of the company's financial performance and position. To carry out this assessment effectively, the auditor needs to use all the capabilities that have been built up in line with our quality objectives. These include applying ethical behaviour in accordance with PwC's values, professional scepticism, specialist skills and judgement – all supported by technology.

Navigating the impact of external factors on our system of quality management

The past several years have seen unprecedented challenges. From the global COVID-19 pandemic to the Russian government's invasion of Ukraine (hereafter referred to as 'the war in Ukraine'), these events are first and foremost human tragedies. Our SoQM reflects our response to these events and changing risks based on impacts to our clients, our people and the way we operate, including new or revised policies and procedures in our firm that have been implemented or are under consideration at any given point in time. Under the QMSE framework, our SoQM is designed and operated to consider changes in facts and circumstances resulting in:

- New or changing quality risks to achieving one or more of the quality objectives
- Changes to the risk assessment of existing quality risks
- Changes to the design of the firm's SoQM, including the risk responses

The QMSE framework has helped us navigate the changes in our firm's environment by assessing the completeness and effectiveness of our response, including any additional monitoring to be put in place, and identifying any gaps to address new or emerging quality risks.

Sharing developments and experience

COVID-19

From the early stages of the pandemic, the PwC network put a team in place to monitor developments globally and to highlight areas of critical importance to ensure we did not compromise on audit quality and more than two years into the pandemic, we have maintained our focus on those areas impacting our clients, our people and how we work. We have leveraged the guidance developed by our PwC network to provide sustained, consistent leadership and guidance on audit quality and equip our teams to consider their clients unique circumstances and respond accordingly.



The COVID-19 pandemic resulted in us facing several new challenges in our audits. This ranged from how we operate as a team to plan and complete the audit, to how we interact with our clients to obtain the necessary audit evidence and execute specific audit procedures such as completing physical inventory counts.

Our network's response to the war in Ukraine including separation of PwC Russia and Belarus and our approach to sanctions

Following the Russian government's invasion of Ukraine, the PwC network's main focus continues to be doing all we can to help our colleagues and support the humanitarian efforts to aid the people of Ukraine.

The PwC network's response to the war in Ukraine resulted in several actions including a decision that, under the circumstances, PwC should not have member firms in Russia and Belarus and, consequently, PwC Russia and PwC Belarus have exited the network.

In addition, the PwC network (excluding Russia and Belarus) will exit work for Russian entities and individuals subject to sanctions. Any sanction on Russian entities or individuals that is passed anywhere in the world will be applied everywhere in the PwC network. The PwC network will also not undertake any work from Russian federal government or state-owned enterprises and is also conducting reviews to identify engagements with non-sanctioned Russian clients and considering the appropriateness of any ongoing relationship.

Our network's response to the conflict including the separation of PwC Russia and PwC Belarus and approach to sanctions, as well as consideration of the broader risks that impact our clients are being factored into our firm's SoQM through the identification of potential quality risks that have or may arise. Our firm is monitoring the actions we have and will take to address the identified risks to assess whether further changes are needed to our firm's SoQM or how we perform our engagements and interact with our clients.

Cultures and values

Leadership and tone at the top

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects 'why' we do what we do, and our strategy provides us with the 'what' we do. 'How' we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our system of quality management and permeates how we operate, including guiding our leadership actions, and how we build trust in how we do business, with each other and in our communities.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- Act with integrity
- Make a difference
- Care
- Work together
- Reimagine the possible

Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement partners. These communications focus on what we do well and actions we can take to make enhancements. We track whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. Based on this tracking, we are confident our people understand our audit quality objectives.

Delivering service of the highest quality is core to our purpose and our assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and wider society.

As mentioned previously, to help PwC Denmark put this strategy into effect, the PwC network has established the QSME framework which introduces an overall quality objective for the Assurance practice



that is supported by a series of underlying quality management objectives. Our system of quality management (SoQM) must be designed and operated so that these objectives are achieved with reasonable assurance.

The achievement of these objectives is supported by a quality management process established by our firm and Assurance leadership, business process owners, and partners and staff.

This involves the integrated use of Assurance Quality Indicators to aim to predict quality issues, Real Time Assurance to aim to prevent quality issues, Root Cause Analysis to learn from quality issues and a Recognition and Accountability Framework to reinforce quality behaviours, culture and actions.

These programmes, by design, require ongoing monitoring and continuous improvement, in particular Assurance Quality Indicators, which we expect will evolve significantly over time and as we continue to use and learn from these measures.

The Quality Management Process

This quality management process includes:

- Identifying risks to achieving the quality objectives
- Designing and implementing responses to the assessed quality risks
- Monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance as well as appropriate Assurance quality indicators
- Continuously improving the system of quality management when areas for improvement are identified by performing root cause analyses and implementing remedial actions and
- Establishing a quality-related recognition and accountability framework to be used in appraisals, remuneration and career progression decisions.

Aim to Predict: Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to predict quality issues. This quality risk analysis is an essential part of our Quality Management for Service Excellence (QMSE), and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

Aim to Prevent: Real Time Assurance

We have developed a Real Time Quality Assurance ("RTA") program designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real-time, during the audit.

Learn: Root cause analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses are to understand what our findings tell us about our SoQM and to identify how our firm can provide the best possible environment for our engagement teams to deliver a quality audit.

For individual audits, an objective team of reviewers identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, the data compiled for audits both with and without deficiencies is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include the hours incurred on the audit, whether key engagement

team members are in the same geography as the client, the number of years that key engagement team members have been on the engagement, the number of other audits that engagement partners are involved in, whether the engagement was subject to a pre-issuance review, and the timing of when the audit work was performed.

Our goal is to understand how quality audits may differ from those with deficiencies, and to use these learnings to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality controls.

Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework ("RAF") reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high-quality culture. It holds partners and other engagement leaders accountable for quality outcomes. Our RAF considers and addresses the following key elements:

- Quality outcomes: We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC network and our firm's standards and policies
- Behaviours: We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective
- Interventions/recognition: We have put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality
- Consequences/reward: We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objective.





Ethics, independence and objectivity

Ethics

At PwC, we adhere to the fundamental principles of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, which are:

- **Integrity** – to be straightforward and honest in all professional and business relationships.
- **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- **Professional Competence and Due Care** – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.
- **Professional behaviour** – to comply with relevant laws and regulations and avoid any action that discredits the profession.

In addition, our Network Standards applicable to all PwC network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust fair competition, anti-corruption, information protection, firms' and partners' taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submitting annual compliance confirmations,



as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC network and leadership in PwC Denmark monitors compliance with these obligations.

In addition to the PwC Values (Act with integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Denmark has adopted the PwC Network Standards which include a Code of Conduct, and related policies that clearly describe the behaviours expected of our partners and other professionals – behaviours that will enable us to build public trust. Because of the wide variety of situations that our

professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal – to do the right thing.

Upon hiring or admittance, all staff and partners of PwC Denmark are provided with the PwC Global Code of Conduct. They are expected to live by the values expressed in the Code in the course of their professional careers at our firm and have a responsibility to report and express concerns, and to do so fairly, honestly and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. Each firm in the PwC network provides a mechanism to report issues. There is also a confidential global reporting option on pwc.com/codeofconduct. PwC Denmark has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

PwC Denmark has a local Ethics Helpline. The Ethics Helpline is an anonymous and a confidential reporting mechanism that facilitates reporting of possible illegal, unethical, or improper conduct, when the normal channels of communication have proven ineffective. PwC's Ethics Helpline can be used by people inside as well as outside PwC who want to report worrying or suspicious matters. The PwC Denmark Ethics Helpline is available at pwc.dk/da/legal/whistleblower.html

The PwC Code of Conduct is available online for all internal and external stakeholders at pwc.com/ethics.

Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.

Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC member firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the IESBA International Code of Ethics for Professional Accountants, including International Independence Standards, contains minimum standards with which PwC member firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

PwC Denmark has a designated partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy, including managing the related independence processes and providing support to the business. The partner is supported by a team of independence specialists. The PRI reports directly to Territory Senior Partner.

Partner rotation

The audit partners who sign financial statements etc. of listed audit clients, audit clients in the financial services sector and other clients subject to the rotation requirement of the Danish Act on Approved Auditors and Audit Firms rotate off every seven years (however, every five years in the case of clients subject to the rules of the U.S. Securities and Exchange Commission and the Public Company Accounting Oversight Board).

In addition, we comply with all separate requirements in IESBA – Code of Ethics concerning rotation of key audit partners who do not sign financial statements, but who play an important role in connection with the audit of listed clients and clients in the financial services sector. This Code also requires partners to rotate off every seven years.

Independence training and confirmations

PwC Denmark provides all partners and staff ongoing training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on PwC Denmark independence policy and related topics.

Additionally, face-to-face training is delivered to members of the practice on an as-needed basis by PwC Denmark's independence specialists and risk and quality teams.

All partners and practice staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the member firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad hoc engagement level confirmations for PIE-clients.





Independence monitoring and disciplinary policy

PwC Denmark is responsible for monitoring the effectiveness of its quality control system in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:

- Compliance testing of independence controls and processes;
- Personal independence compliance testing of a random selection of, at a minimum, partners as a means of monitoring compliance with independence policies; and
- An annual assessment of the member firm's adherence with the PwC network's standard relating to independence.

The results of PwC Denmark's monitoring and testing are reported to the firm's Executive Leadership on a regular basis with a summary reported to them on at least an annual basis.

PwC Denmark has disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of the breach, an evaluation of the impact of the breach on the independence of the member firm and the need for safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in PwC Denmark systems and processes and for additional guidance and training.

Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary.

Client and Engagement Acceptance and Continuance

PwC Denmark has implemented a process to identify acceptable clients based on the PwC network's proprietary decision support systems for audit client acceptance and retention (called Acceptance and Continuance ('A&C')). A&C facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

Engagement teams

- To document their consideration of matters required by professional standards related to acceptance and continuance;
- To identify and document issues or risk factors and their resolution, for example through consultation by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement; and
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

Member firms (including member firm leadership and risk management)

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements;
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and

To understand the methodology, basis and minimum considerations all other member firms in the PwC network have applied in assessing audit acceptance and continuance.



Statement concerning our independence practices



We can confirm that we have an appropriate independence practice and that an internal review of independence compliance has been conducted.



Our audit approach



PwC uses a range of cutting-edge methods, processes, technologies, and approaches to ensure continuous improvement in the performance and quality of our audit engagements.

Our audit approach

The quality and effectiveness of audit is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying methodology, the technology we use, and in making the right amount of time and resources available. We pay close attention to the internal indicators and processes that routinely monitor the effectiveness of

our risk and quality processes, and provide timely information about the quality of our audit work and any areas for improvement. Details of these indicators and processes can be found in the Monitoring of Assurance quality section. Additionally, we consider what our various stakeholders require from us, what they tell us we need to improve and the findings of regulatory inspections on the quality of our work. Details of the most recent regulatory findings can be found in our audit approach section.

People

Data and technology can help reveal insights, but it takes an inquisitive person with well-rounded business

knowledge to understand what those insights mean. We recruit professionals with these capabilities – people who can deliver the highest quality outcomes in terms of client service and compliance.

Technology

As technological change accelerates, our clients want to trust their information with organisations that do not merely keep up but lead the way. We have made a global commitment to offer leading audit technology, and we have invested heavily in tools to match our approach. The result is greater quality and insight to our clients.

Tools and technologies to support our audit

As a member of the PwC network, PwC Denmark has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC member firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.

Our Technology

- **Aura**

is our global audit documentation platform and is used across the PwC network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively, by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Real-time dashboards show teams audit progress and the impact of scoping decisions more quickly.

- **Connect**

is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the audit for more immediate attention and resolution. Clients are also able to see audit adjustments, control deficiencies, and statutory audit progress for all locations – in real time.



- **Connect Audit Manager**

streamlines, standardises and automates group and component teams' coordination for multi-location and statutory/regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process which facilitates greater transparency, compliance and quality for complex multi-location audits.

- **Halo**

comprises our data auditing tools, test large volumes of data, analysing whole populations to improve risk assessment, analysis and testing. For example, Halo for Journals enables the identification of relevant journals based on defined criteria making it easier for engagement teams to explore and visualise the data to identify client journal entries to analyse and start the testing process.

- **Count**

which facilitates the end-to-end process for inventory counts, allows our engagement teams to create and manage count procedures, counters to record results directly onto their mobile device or tablet and engagement teams to export final results into Aura.

- **PwC's Confirmation System**

which facilitates an automated and standardised end-to-end process for all types of external confirmations and allows our engagement teams to create requests and receive external confirmation in a secure environment that helps mitigate the risks associated with receiving confirmation responses electronically.

Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their supervision and review responsibilities as part of the normal course of the audit.

Confidentiality and information security Data privacy

Confidentiality and information security are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings, and it may also adversely impact our reputation. We take the protection of confidential and personal data very seriously.

Our focus on our clients requires a holistic and collaborative approach to reducing security, privacy and confidentiality risks with significant investment in appropriate controls and monitoring to embed an effective three lines of defence model. This model has enabled us to strengthen our information security organisation, align to industry good practice and improve our internal control frameworks.

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organisation having a role to play in safeguarding personal data. We have continued to build on our extensive GDPR readiness programme and are committed to embedding good data ethics and management practices across our business.

Information security

Information security is a high priority for the PwC network. Member firms are accountable to their people, clients, suppliers and other stakeholders to protect information that is entrusted to them.

The PwC Information Security Policy (ISP) is aligned with ISO/IEC 27001, financial services industry standards, and other reputable frameworks (COBIT, NIST, etc.) as benchmarks for security effectiveness across the PwC network of member firms. The PwC ISP directly supports the firms' strategic direction of cyberreadiness to proactively safeguard its assets and client information. The PwC ISP is reviewed, at a minimum, on an annual basis.

PwC Denmark adheres to the ISP requirements and complete an annual, evidence-based assessment to demonstrate compliance. The CISO-approved assessment undergoes a detailed and standardised Quality Assessment (QA) process performed by a centralised, objective Network Information Security Compliance team.



Monitoring

Monitoring of Assurance quality

We recognise that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the leadership of PwC Denmark. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit engagements, using the Network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations of our clients and other stakeholders.

Our firm's monitoring procedures include an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit and non-audit assurance engagements are performed in compliance with laws,

regulations and professional standards. This includes the use of Real Time Assurance which is discussed in more detail within The Quality Management Process section.

Our monitoring also encompasses a review of completed engagements (Engagement Compliance Reviews – ECR) as well as periodic monitoring of our SoQM by an objective team within our firm. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM.

Our firm's monitoring programme is based on a consistent network-wide inspections programme for Assurance based on professional standards relating to quality, control including ISQC 1 as well as PwC network policies, procedures, tools and guidance.

ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorised to sign audit or non-audit assurance reports.

The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures.

Statement on the effectiveness of our internal control system



Our network has established a framework for quality management which integrates quality management into business processes and is supported by a series of underlying systems. We confirm that we have an appropriate and effective quality control system.

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. ECR reviewers may be sourced from other member firms if needed to provide appropriate expertise or objectivity. Review teams receive training to support them in fulfilling their responsibilities and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team provides review teams with support on consistent application of guidance on classification of engagement findings and engagement assessments across the PwC network.

The results of all inspections are reported to our firm's leadership who are responsible for analysing the results of the inspections along with the findings identified from all sources of information and implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible partner or our firm's Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's recognition and accountability framework.

Partners and employees of our firm are informed about the inspection results and the actions taken to enable them to draw the necessary conclusions for the performance of their engagements. In addition, engagement partners of our firm are informed by the network inspection programme about relevant inspection findings in other PwC member firms, which enables our partners to consider these findings in planning and performing their audit work.

External quality assurance review

PwC Denmark is subject to a quality control review by the Danish Business Authority. The firm's quality control system is reviewed on a continuous basis over a three-year period in accordance with a rotation plan.



Moreover, each year, assurance engagements are singled out for specific reviews.

The quality control review is performed annually, and the latest review was carried out at the end of 2021. When the reports from these quality controls are final, they are made publicly available and can be obtained at: <https://erhvervsstyrelsen.dk/afgoerelser-revision-og-revisorer>

In January 2022, we received the report from the Danish Business Authority on its review 2021. The conclusion of the report is as follows:

“Based on the review of assurance engagements, nothing has come to the Danish Business Authority’s attention that gives reason to conclude that the assurance engagements reviewed have not been performed in accordance with the auditing legislation and the quality control system. The Danish Business Authority has thus not become aware of circumstances that give reason to conclude that the quality control system has not been used to a sufficient extent.

Based on the quality control carried out, the Danish Business Authority has decided to finalise the quality control without further follow-up activities, cf. section 35 a, subsection 1(1) of the Auditors Act.

The Danish Business Authority hereby considers the quality control in 2021 to be finalised.”

PwC Denmark is authorised in the USA to audit clients subject to rules issued by the U.S. Securities and Exchange Commission and the US Public Company Accounting Oversight Board (PCAOB). Hence, PwC is subject to quality inspections by the PCAOB. The quality control review comprised both our quality control system and selected assurance engagements comprised by these rules.

The last completed review carried out by the PCAOB was in the autumn of 2018. The final report was published mid 2019 without any issues or recommendations being identified. The PCAOB’s reports from these quality controls are publicly available and can be obtained at: <https://pcaobus.org/Inspections/Reports/Pages/default.aspx>

A new review was carried out by the PCAOB in the autumn of 2022. Results of this review have yet to be published.



Revenue for the financial year ended 30 June 2022

(DKK million)	FY2021/22
I Revenue from the statutory audit of PIE* and PIE-related clients	286
II Revenue from the statutory audit of other (than above) clients	815
III Revenue from permitted non-audit services to audit clients	854
IV Revenue from non-audit services to non-audit clients	1.429
Total revenues	3.384

* Public-Interest Entities (PIE) means entities whose transferable securities are admitted to trading on a regulated market of any member state; credit institutions and insurance undertakings.

I-IV According to EU Audit Regulation Article 13(2)(k).

On 29 April 2022, PwC sold its global mobility tax and immigration services business. The above figures have been restated to this effect.

PwC's revenue

2021/22

PwC's public-interest audit clients

PwC's clients comprised by section 1a (1)(iii) of the Danish Act on Approved Auditors and Audit Firms to whom PwC has provided services under section 1(2) of the Danish Act on Approved Auditors and Audit Firms in the past financial year.

PIE clients listed on EU regulated markets

A

Aktieselskabet Schouw & Co.
A.P. Møller – Mærsk A/S
ALK-Abelló A/S
Aquaporin A/S
Asetek A/S

B

Bidco Relyon Nutec A/S
BioPorto A/S
Brødrene A. & O. Johansen A/S
Brøndbyernes I.F. Fodbold A/S

C

Carlsberg A/S
Carlsberg Breweries A/S
cBrain A/S
Chr. Hansen Holding A/S
Coloplast A/S
Columbus A/S
Copenhagen Capital A/S

D

D/S NORDEN A/S
Demant A/S
DFDS A/S
Djurlands Bank A/S
DSV A/S

F

Firstfarms A/S
Flügger group A/S

G

Genmab A/S
Georg Jensen A/S
German High Street Properties A/S
GN Store Nord A/S

Green Hydrogen Systems A/S
Gyldendal A/S

H

H+H International A/S
H. Lundbeck A/S

I

Idavang A/S
Investeringsforeningen Carnegie WorldWide
Investeringsforeningen Coop Opsparing
Investeringsforeningen Danske Invest
Investeringsforeningen MS Invest
Investeringsforeningen Nordea Invest
Investeringsforeningen PortfolioManager
Investeringsforeningen Profil Invest
Investeringsforeningen SEB Invest
Investeringsforeningen Sydinvest
Investeringsforeningen Wealth Invest
Investeringsselskabet Luxor A/S

K

Kreditbanken A/S
Københavns Lufthavne A/S

N

NNIT A/S
Nordic Shipholding A/S
North Media A/S
Novozymes A/S
NTG Nordic Transport Group A/S

P

Park Street Nordicom A/S
Parken Sport & Entertainment A/S

R

RIAS A/S
Ringkjøbing Landbobank A/S
Roblon A/S
ROCKWOOL International A/S

S

Sanistål A/S
Scandinavian Tobacco Group A/S
SimCorp A/S
SKAKO A/S
Sydbank A/S

T

TCM GROUP A/S
The Drilling Company of 1972 A/S
Tivoli A/S
Tresu Investment Holding A/S
Tryg A/S

V

Vestas Wind Systems A/S

Ø

Ørsted A/S

Public-interest clients

PwC's clients comprised by section 1a (1)(iii) of the Danish Act on Approved Auditors and Audit Firms to whom PwC has provided services under section 1(2) of the Danish Act on Approved Auditors and Audit Firms in the past financial year.

Other PIE clients (unlisted)

A

Amorta Arbejdsskadeforsikring A/S
Arkitekternes Pensionskasse

B

Basisbank A/S
Borealis Insurance A/S
Broager Sparekasse

C

Carlsberg Insurance A/S

D

Dansk Boligforsikring A/S
Dansk Jagtforsikring A/S
Domus Forsikring A/S
Dragsholm Sparekasse
DSV Insurance A/S

F

FF Forsikring A/S
Fiskernes Forsikring G/S
Forsikrings-Aktieselskabet Alka Liv II
Forsikringsselskabet Nærsikring A/S
Forsikringsselskabet Vejle Brand
af 1841 G/S
Fri Forsikring A/S

G

Global Dental Insurance A/S

H

HF FORSIKRING G/S

I

Industriens Pensionsforsikring A/S

K

Kompasbank A/S

L

Lunar Bank A/S

M

Maersk Insurance A/S
Merkur Andelskasse

N

Nordea Kredit Realkreditaktieselskab

P

PenSam Bank A/S
PenSam Forsikring A/S
PenSam Pension Forsikringsaktieselskab
Pensionskassen for Farmakonomer
Pensionskassen for jordbrugsakademikere og
Dyrlæger
Pensionskassen for Socialrådgivere, Socialpædagoger
og Kontorpersonale
Pensionskassen for Sundhedsfaglige
Pensionskassen for Sygeplejersker og Lægeseekretærer
Pensionskassen for Teknikum- Og Diplomingeniører
PKA+Pension Forsikringsselskab A/S

S

Sampension Livsforsikring A/S
Sparekassen Balling
Sparekassen Djursland
Sparekassen Thy
Storstrøms Forsikring G/S

T

Thisted Forsikring A/S
Tryg Forsikring A/S

V

Velliv, Pension & Livsforsikring A/S
Vestjylland Forsikring gs.

Ø

Ørsted Insurance A/S

Municipal and regional clients

Municipal and regional audit clients

In its Executive Order No 965 of 28 June 2016, the then Danish Ministry of Business and Growth laid down rules on municipal and regional audit.

Section 2 of the Executive Order states that certain provisions of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities apply similarly to municipal and regional audit with the amendments following from sections 3-6 of the Executive Order.

One of these provisions is Article 13 of the Regulation according to which an audit firm is required to make public an annual transparency report.

The Transparency Report for the financial year comprises public-interest entities ("EU PIEs"). The contents of the report in its entirety also apply to municipal and regional audit.

In the past financial year, PwC has performed audits in the following municipalities, regions and joint local-authority enterprises:

A

Argo I/S

B

Beredskab Øst

C

CTR I/S

E

Egedal Kommune
Energnist I/S

F

Fredericia Kommune
Frederiksborg Brand & Redning
Furesø Kommune

G

Gentofte Kommune
Gladsaxe Kommune
Greve Kommune

H

Hjælpe-middeldepotet I/S
HMG Naturgas I/S
Holstebro Kommune
Horsens Kommune
Hovedstadens Beredskab I/S
Hørsholm Kommune

L

Langeland Kommune
Lyngby-Taarbæk Kommune

M

Morsø Kommune

N

Nordjyllands Beredskab I/S
Nordsjællands Park & Vej
Norfors I/S

O

Odder Kommune
Odsherred Kommune

R

Roskilde Kommune

T

Trekantområdets Brandvæsen I/S

V

Varde kommune
Vejle Kommune

PwC's active shareholders

Register of active shareholders at 1 October 2022

A

Allan Solok,
State Authorised Public Accountant

Anders Jul Bjørn,
MSc (Business Administration and Auditing)

Anders Stig Lauritsen,
State Authorised Public Accountant

Anders Strandet Jepsen,
Master of Law

Anne Cathrine Primdal Allentoft,
State Authorised Public Accountant

B

Bo Schou-Jacobsen,
State Authorised Public Accountant

Brian Christiansen,
State Authorised Public Accountant

Brian Petersen,
State Authorised Public Accountant

C

Carsten Yde Hemme,
Master in Finance (MSC)

Casper Ryborg,
MSc (Business Administration and Auditing)

Charlotte Dohm,
State Authorised Public Accountant

Christian Fredensborg Jakobsen,
State Authorised Public Accountant

Christian Klibo,
State Authorised Public Accountant

Christian Roding,
State Authorised Public Accountant

Claus Christensen,
State Authorised Public Accountant

Claus Dalager,
State Authorised Public Accountant

Claus Høegh-Jensen,
Master of Business Law

Claus Lindholm Jacobsen,
State Authorised Public Accountant

E

Esben Toft,
MSc (Business Administration and Computer Science)

F

Flemming Eghoff,
State Authorised Public Accountant

H

Henrik Forthoft Lind,
State Authorised Public Accountant

Henrik Berring Rasmussen,
State Authorised Public Accountant

Henrik Gynde Kany,
Master of Business Law

Henrik Kragh,
State Authorised Public Accountant

Henrik Steffensen,
MSc (Business Administration and Auditing)

J

Jacob Fromm Christiansen,
State Authorised Public Accountant

Jan Bunk Harbo Larsen,
State Authorised Public Accountant

Jan Christiansen,
Master of Economics

Jan Hetland Møller,
State Authorised Public Accountant

Janus Mens,
MSc (Mathematics and Economics)

Jens Weiersøe Jakobsen,
State Authorised Public Accountant

Jesper Møller Langvad,
State Authorised Public Accountant

Jesper Povlsen,
MSc (Strategy, Organisation and Leadership)

Jesper Vedsø,
MSc (Business Administration and Auditing)

Jess Kjær Mogensen,
State Authorised Public Accountant

Jørgen Juul Andersen,
State Authorised Public Accountant

Jørgen Rønning Pedersen,
State Authorised Public Accountant

K

Karina Hejlesen Jensen,
Master of Laws

Kim Domdal,
BSc., Economics and Finance

Kim Tromholt,
State Authorised Public Accountant

Klaus Okholm,
State Authorised Public Accountant

The majority of the voting rights are held by state authorised public accountants or by other individuals in accordance with the rules from time to time in force for partnerships or companies of state authorised public accountants.

L

Lars Almskou Ohmeyer,
State Authorised Public Accountant

Lars Baungaard,
State Authorised Public Accountant

Lars Engskov,
MSc (Business Administration and Auditing)

Lars Koch Vinter,
Doctor of Laws

Line Hedam,
State Authorised Public Accountant

M

Mads Meldgaard,
State Authorised Public Accountant

Mads Melgaard,
State Authorised Public Accountant

Mads Nørgaard Madsen,
BCom (Organisation and Management)

Martin Lunden,
State Authorised Public Accountant

Mette Lindgaard,
MSc (Political Science)

Michael Eriksen,
MSc (Business Administration and Auditing)

Michael Groth Hansen,
State Authorised Public Accountant

Mikael Johansen,
State Authorised Public Accountant

Mogens Nørgaard Mogensen,
State Authorised Public Accountant

Morten Høj Schibbye,
MSc (Business Administration and Commercial Law)

N

Natasha Lembke,
Master of Economics

Nicklas David Holm,
MSc (Economics and Business Administration)

Niels Larsen,
MSc (Computer Science and Mathematics)

O

Olaf Valentin Kjær,
MSc (Economics)

P

Palle H. Jensen,
State Authorised Public Accountant

Per Rolf Larssen,
State Authorised Public Accountant

Poul Spencer Poulsen,
State Authorised Public Accountant

R

Ragna Ceder,
Chartered Accountant, UK

Rasmus Friis Jørgensen,
State Authorised Public Accountant

Rikke Lund-Kühl,
State Authorised Public Accountant

Rune Kjeldsen,
State Authorised Public Accountant

S

Søren Blok Jensen,
MSc (Economics)

Søren Jesper Hansen,
Doctor of Laws

Søren Ørjan Jensen,
State Authorised Public Accountant

T

Thomas Baunkjær Andersen,
State Authorised Public Accountant

Thomas Bjerre,
MSc (Business Administration and Commercial Law)

Thomas Krantz,
Doctor of Laws

Thomas Stockmarr,
MSc (Business Administration and Auditing), MSc
(Strategy, Organisation and Leadership)

Thomas Wraae Holm,
State Authorised Public Accountant

Timothy Holmes,
Graduate Diploma in Legal Practice (LPC), Sydney

Tina Holm Røgen,
Doctor of Laws

Torben Jensen,
State Authorised Public Accountant

Trine Vestengen Hopkins
MSc (Business Administration and Auditing)

Troels Kjølby Nielsen,
MSc (Economics), MSc (Public Policy)

Tue Stensgård Sørensen,
State Authorised Public Accountant

U

Ulrik Laustsen,
Doctor of Laws

Ulrik Ræbild,
State Authorised Public Accountant

The majority of the voting rights are held by state authorised public accountants or by other individuals in accordance with the rules from time to time in force for partnerships or companies of state authorised public accountants.

EU/EEA members of the PwC network

The table below is a list of statutory audit firms/auditors by country within our network as of 30 June 2022 (Article 13.2.(b) items (ii) and (iii))

30 June 2022 list of audit firms/statutory auditors

Austria

PwC Wirtschaftsprüfung GmbH, Wien
PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz
PwC Kärnten Wirtschaftsprüfung und Steuerberatung GmbH, Klagenfurt
PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz
PwC Salzburg Wirtschaftsprüfung und Steuerberatung GmbH, Salzburg
PwC Österreich GmbH, Wien

Belgium

PwC Bedrijfsrevisoren bv/Reviseurs d'entreprises srl

Bulgaria

PricewaterhouseCoopers Audit OOD

Croatia

PricewaterhouseCoopers d.o.o
PricewaterhouseCoopers Savjetovanje d.o.o

Cyprus

PricewaterhouseCoopers Limited

Czech Republic

PricewaterhouseCoopers Audit s.r.o

Denmark

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Estonia

AS PricewaterhouseCoopers

Finland

PricewaterhouseCoopers Oy

France

PricewaterhouseCoopers Audit
PricewaterhouseCoopers Entreprises
PricewaterhouseCoopers France
M. Philippe Aerts
M. Jean-Laurent Bracieux
M. Antoine Priollaud

Germany

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Wibera WPG AG

Gibraltar

PricewaterhouseCoopers Limited

Greece

PricewaterhouseCoopers Auditing Company SA

Hungary

PricewaterhouseCoopers Könyvvizsgáló Kft.

Iceland

PricewaterhouseCoopers ehf

Ireland

PricewaterhouseCoopers

30 June 2022 list of audit firms/statutory auditors

Italy

PricewaterhouseCoopers Spa

Latvia

PricewaterhouseCoopers SIA

Liechtenstein

PricewaterhouseCoopers GmbH, Ruggell

Lithuania

PricewaterhouseCoopers UAB

Luxembourg

PricewaterhouseCoopers, Société coopérative

Malta

PricewaterhouseCoopers

Netherlands, the

PricewaterhouseCoopers Accountants N.V.

Coöperatie PricewaterhouseCoopers Nederland U.A.

Norway

PricewaterhouseCoopers AS

Poland

PricewaterhouseCoopers Polska sp. z.o.o.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.

Portugal

PricewaterhouseCoopers & Associados-Sociedade de Revisores Oficiais do Contas, Lda

Romania

PricewaterhouseCoopers Audit S.R.L.

Slovakia (Slovak Republic)

PricewaterhouseCoopers Slovensko, s.r.o.

Slovenia

PricewaterhouseCoopers d.o.o.

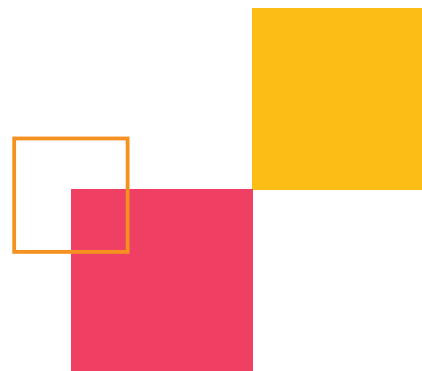
Spain

PricewaterhouseCoopers Auditores, S.L.

Sweden

PricewaterhouseCoopers AB

Öhrlings PricewaterhouseCoopers





Together we succeed ...

Audit. Tax. Advisory.