

# **Compilation of financial information – Objective, scope, definition of responsibilities etc – effective from 12 June 2024**

## **Introduction**

The objective of this document is to describe the objective, scope and performance of the engagement, and the definition of responsibilities of the Entity's management ("Management") respectively the Client and Deloitte Statsautoriseret Revisionspartnerselskab ("Deloitte", "auditor(s)", or "we") with respect to the following services:

- Assistance to compile financial statements of a company and additional assistance services (sections 1, 4, 5, 6 and 7)
- Assistance to compile financial statements of a sole proprietorship or a partnership and additional assistance services (sections 2, 4, 5 and 6)
- Assistance to compile a statement of personal assets and liabilities and statements of taxable income and additional assistance services (sections 3, 4 and 5).

In the event of inconsistencies between this document and the engagement letter, the engagement letter will prevail.

When referring to "financial statements" in this document, similar provisions apply to "consolidated financial statements" if the engagement is to compile financial statements of a group.

## **1 Assistance to compile financial statements of a company**

### **1.1 Objective of the assistance to compile financial statements**

An annual report presented under the Danish Financial Statements Act will comprise two elements: a management commentary and a set of financial statements (income statement, balance sheet, cash flow statement, notes and summary of significant accounting policies). Our report will only cover assistance in preparing and presenting (hereinafter referred to as "compilation") the financial statements.

The objective of our compilation service is to enhance the reliability of the financial statements as we apply our expertise in accounting and financial reporting during the engagement. The financial statements will be compiled based on the information provided by the Executive Board.

The engagement to compile the financial statements will be planned and performed in accordance with the applicable International Standard on Compilation Engagements.

### **1.2 Distribution of responsibilities**

The process of compiling the financial statements is based on the following distribution of responsibilities between Management and the auditor:

#### **1.2.1 Management's responsibilities**

It will be the responsibility of the Executive Board to ensure that the Entity's books of account are kept in accordance with applicable legal provisions to this effect and that assets are managed in a satisfactory manner, one of the means being the establishment of a reliable internal control system consistent with the nature of the business.

It will be the responsibility of the Supreme Governing Body (Those Charged with Governance) to ensure that the Entity's accounting records and asset management are controlled satisfactorily.

It will be the responsibility of the Supreme Governing Body to ensure, through appropriate business processes and recording and control systems, that intentional or unintentional errors or misstatements are prevented,

detected and corrected, to the extent possible. Under the Danish Bookkeeping Act, Management is required to prepare a description of such business processes and recording systems that is adapted to the size and nature of the Entity.

The Supreme Governing Body and the Executive Board will also be responsible for the annual preparation of an annual report, which complies with applicable Danish law, the accounting provisions of the Articles of Association, and relevant accounting standards.

In our assistance to compile the financial statements, Management will be responsible for the accuracy and completeness of the recordings, documents, statements and other information provided by them to enable us to compile the financial statements.

Finally, Management will be responsible for making the assessments required when compiling and presenting financial statements, including any assessments with which we may assist as part of the compilation engagement.

### **1.2.2 Auditor's responsibilities**

Since a compilation engagement is not an assurance engagement, the auditor is not required in such engagement to verify the accuracy or completeness of the disclosures the Executive Board provided to us for the compilation or otherwise to obtain evidence enabling us to express assurance about the financial information compiled.

Even though the auditor will not verify the information in non-assurance reports, the auditor cannot issue a compilation report on the financial statements if the auditor becomes aware of the financial statements being materially misstated.

Under the Danish Public Accountants Act, the auditor is the representative of the general public in the issuance of assurance reports required by law, or which are not exclusively for the use of the assigner. This entails that, in connection with the issuance of our compilation report, we must also take into consideration financial statement users other than the Entity's owners.

### **1.3 Scope of the engagement**

The auditor must obtain an understanding of the Entity that is sufficient to enable the auditor to assist in compiling the financial statements. We must therefore obtain an understanding of:

- The Entity's business activities and operations, including its financial reporting system and bookkeeping, and
- The relevant financial reporting framework and how such framework is used in the Entity's industry.

The recordings, documents, explanations and other information obtained from the Executive Board as part of the engagement serve as a basis for compiling the financial statements. We therefore need to obtain an understanding of the Entity's business activities and operations, including its financial reporting system and bookkeeping processes, line items and notes, who handles the Entity's current bookkeeping, and how income and expenses are recognised and measured.

We must also obtain an understanding of the financial reporting framework and the Entity's accounting policies.

In compiling the financial statements, we will focus on any difficult or special matters, such as recognition of revenue, line items subject to considerable accounting judgement (including fair value) or special accounting provisions that may give rise to varying interpretations.

Any misstatements in the financial statements that result from fraud and/or irregularities may not necessarily be detected when compiling the financial statements since misstatements of this nature are usually concealed or hidden.

#### **1.4 Basis provided by the Entity for compiling the financial statements**

Management will be responsible for ensuring that accounting records exist to serve as a basis for compiling the Entity's financial statements, see further details in section 1.2.1.

In compiling the financial statements, the auditor may assist Management with significant accounting judgements, for example, with respect to the accounting rules and accounting estimates. The auditor must discuss these judgements with the relevant management level to ensure that Management understands and accepts its responsibility for the judgements included in the financial statements, refer to section 1.2.1 for more details.

#### **1.5 Performance of the engagement**

Our compilation engagement will not be finalised until Management has made a final decision on the financial statements, and we have issued a compilation report on the financial statements.

The financial statements will be compiled using recordings, documents, explanations and other information, including significant judgements, provided by Management for the compilation.

We must obtain an understanding of the individual line items of the financial statements, and this includes obtaining relevant specifications and checking that the relevant bookkeeping accounts are included in the line item. Based on these procedures, we are able to identify whether circumstances exist causing us to suspect that the financial statements are misstated.

If, based on our professional judgement, we have reason to believe that disclosures in the financial statements are misstated, we are required to propose to the Executive Board to make appropriate changes.

During our work, we must be aware of any disclosure or specification requirements in the financial reporting framework, such as special items, accounting estimates (including fair values), uncertainties, various commitments and going concern.

To conclude the compilation of the financial statements, Management will be requested to confirm in a representation letter the completeness of the information provided by them. The representation letter will include information about the relevance and fairness of bases for determined accounting estimates (including fair values), contingent liabilities by way of mortgages, guarantees, lawsuits and fraud, related party transactions, environmental issues, events after the balance sheet date, and financial statement items subject to particular risk or uncertainty.

#### **1.6 Auditor's reporting**

##### **1.6.1 Compilation report**

On conclusion of our compilation of the financial statements, we will provide the financial statements with a compilation report.

As a compilation engagement is not an assurance engagement, we will not in our report express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

##### **1.6.2 Reporting to Management**

During our compilation engagement, we must communicate timely with the Executive Board or, if relevant, the Supreme Governing Body about all the matters in the engagement that in our professional judgement are of sufficient importance to merit being communicated to the Executive Board or, where relevant, the Supreme Governing Body.

## **2 Assistance to compile financial statements of a sole proprietorship or a partnership**

### **2.1 Objective of the assistance to compile financial statements**

The objective of our compilation service is to enhance the reliability of the financial statements as we apply our expertise in accounting and financial reporting during the engagement. The financial statements will be compiled based on the information provided by Management.

The compilation of the financial statements will be planned and performed in accordance with the applicable International Standard on Compilation Engagements.

### **2.2 Distribution of responsibilities**

The process of compiling the financial statements is based on the following distribution of responsibilities between Management and the auditor:

#### **2.2.1 Management's responsibilities**

Management will be responsible for organising and handling the Entity's bookkeeping and asset management in a satisfactory manner adapted to the size and nature of the Entity. Under the Danish Bookkeeping Act, Management is required to prepare a description of such business processes and recording systems that is adapted to the size and nature of the Entity.

Management will also be responsible for the annual preparation of financial statements which comply with applicable Danish law and the accounting provisions of the Entity's Articles of Association.

In our assistance to compile the financial statements, Management will be responsible for the accuracy and completeness of the recordings, documents, statements and other information provided by them to enable us to compile the financial statements.

Finally, Management will be responsible for making the assessments required when compiling and presenting financial statements, including any assessments with which we may assist as part of the compilation engagement.

#### **2.2.2 Auditor's responsibilities**

Since a compilation engagement is not an assurance engagement, the auditor is not required in such engagement to verify the accuracy or completeness of the disclosures Management provided to us for the compilation or otherwise to obtain evidence enabling us to express assurance about the financial information compiled.

Even though the auditor will not verify the information in non-assurance reports, the auditor cannot issue a compilation report on the financial statements if the auditor becomes aware of the financial statements being materially misstated.

Under the Danish Public Accountants Act, the auditor is the representative of the general public in the issuance of assurance reports required by law, or which are not exclusively for the use of the assigner. This entails that, in connection with the issuance of our compilation report, we must also take into consideration financial statement users other than the Entity's owners.

### **2.3 Scope of the engagement**

The auditor must obtain an understanding of the Entity that is sufficient for the auditor to assist in compiling the financial statements. We must therefore obtain an understanding of:

- The Entity's business activities and operations, including its financial reporting system and bookkeeping, and
- The relevant financial reporting framework and how such framework is used in the Entity's industry.

The recordings, documents, explanations and other information obtained from Management as part of the engagement serve as a basis for compiling the financial statements. We therefore need to obtain an understanding of the Entity's business activities and operations, including its financial reporting system and bookkeeping processes, line items and notes, who handles the Entity's current bookkeeping, and how income and expenses are recognised and measured.

We must also obtain an understanding of the financial reporting framework and the Entity's accounting policies.

In compiling the financial statements, we will focus on any difficult or special matters, such as recognition of revenue, line items subject to considerable accounting judgement (including fair value) or special accounting provisions that may give rise to varying interpretations.

Any misstatements in the financial statements that result from fraud and/or irregularities may not necessarily be detected when compiling the financial statements since misstatements of this nature are usually concealed or hidden.

## **2.4 Basis provided by the Entity for compiling the financial statements**

Management will be responsible for ensuring that accounting records exist to serve as a basis for compiling the Entity's financial statements, see further details in section 2.2.1.

In compiling the financial statements, the auditor may assist Management with significant accounting judgements, for example, with respect to the accounting rules and accounting estimates. The auditor must discuss these judgements with the relevant management level to ensure that Management understands and accepts its responsibility for the judgements included in the financial statements, refer to section 2.2.1 for more details.

## **2.5 Performance of the engagement**

Our compilation engagement will not be finalised until Management has made a final decision on the financial statements, and we have issued a compilation report on the financial statements.

The financial statements will be compiled using recordings, documents, explanations and other information, including significant judgements, provided by Management for the compilation.

We must obtain an understanding of the individual line items of the financial statements, and this includes obtaining relevant specifications and checking that the relevant bookkeeping accounts are included in the line item. Based on these procedures, we are able to identify whether circumstances exist causing us to suspect that the financial statements are misstated.

If, based on our professional judgement, we have reason to believe that disclosures in the financial statements are misstated, we are required to propose to Management to make appropriate changes.

During our work, we must be aware of any disclosure or specification requirements in the financial reporting framework, such as special items, accounting estimates (including fair values), uncertainties, various commitments and going concern.

To conclude the compilation of the financial statements, Management will be requested to confirm in a representation letter the completeness of the information provided by them.

## **2.6 Auditor's reporting**

### **2.6.1 Compilation report**

On conclusion of our compilation of the financial statements, we will provide the financial statements with a compilation report.

As a compilation engagement is not an assurance engagement, we will not in our report express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

### **2.6.2 Reporting to Management**

During our compilation engagement, we must communicate timely with Management about all the matters in the engagement that in our professional judgement are of sufficient importance to merit being communicated to Management.

## **3 Assistance in compiling a statement of personal assets and liabilities and statements of taxable income**

### **3.1 Objective of assistance in compiling a statement of personal assets and liabilities and statements of taxable income**

The objective of our compilation service is to enhance the reliability of the statement of personal assets and liabilities and the statements of taxable income as we apply our expertise in applicable tax law. The statement of personal assets and liabilities and the statements of taxable income will be compiled based on the information provided to us by the Client.

The compilation of the statement of personal assets and liabilities and the statements of taxable income will be planned and performed in accordance with the applicable International Standard on Compilation Engagements.

### **3.2 Distribution of responsibilities**

The process of compiling the statement of personal assets and liabilities and the statements of taxable income is based on the following distribution of responsibilities between the Client and the auditor:

#### **3.2.1 Client's responsibilities**

The personal statement of assets and liabilities, the taxable income statements, and the accuracy and completeness of the information used to compile the personal statement of assets and liabilities and the taxable income statements are the Client's responsibility.

Similarly, the Client will be responsible for preparing the documentation needed to complete and file various tax forms with the Danish Tax Agency, including forms containing information on controlled transactions.

#### **3.2.2 Auditor's responsibilities**

Since a compilation engagement is not an assurance engagement, the auditor is not required in such engagement to verify the accuracy or completeness of the disclosures the Client provided to us for the compilation or otherwise to obtain evidence enabling us to express assurance about the financial information compiled.

Even though the auditor will not verify the information in non-assurance reports, the auditor cannot issue a compilation report on the statement of personal assets and liabilities and the statements of taxable income if the auditor becomes aware of the statement of personal assets and liabilities and the statements of taxable income being materially misstated.

Under the Danish Public Accountants Act, the auditor is the representative of the general public in the issuance of assurance reports required by law, or which are not exclusively for the use of the assigner. This entails that, in connection with the issuance of our compilation report, we must also take into consideration users other than the Client.

### **3.3 Performance of the engagement**

Our compilation engagement will not be finalised until the Client has made a final decision on the statement of personal assets and liabilities and the statements of taxable income, and we have issued a compilation report on such statements.

Submissions to the Danish Tax Agency will take place by way of adviser access to the Danish Tax Agency, and we will also use this access to obtain information from the Danish Tax Agency about the Client's tax position.

### **3.4 Auditor's reporting**

On conclusion of our compilation of the statement of personal assets and liabilities and the statements of taxable income, we will provide these statements with a compilation report.

As a compilation engagement is not an assurance engagement, we will not in our report, as referred to in section 3.2.2, express an audit opinion or a review conclusion about whether the statement of personal assets and liabilities and the statements of taxable income have been prepared in accordance with the policies governing the statement of personal assets and liabilities and the statements of taxable income statements and applicable Danish tax law.

## **4 Notification of Management and any authorities**

As auditors, we are legally bound by secrecy, and this implies that we are not allowed to pass on confidential information of which we become aware during the compilation engagement. However, this secrecy will not extend to information required to be disclosed by applicable law, court rulings or arbitral awards or by supervisory authorities, or to cases where the information is justly deemed necessary to protect own legal interests.

We are required under the Danish Public Accountants Act to notify each member of Management if, during the compilation engagement, we become aware of one or several members of Management committing or having committed economic crime in connection with the performance of their work. Notification must take place if we have reason to believe that the crime concerns significant amounts or is otherwise of a serious nature, and we must also inform the Supreme Governing Body of such notification. If, no later than 14 days after such notification, Management has failed to document that the necessary measures have been taken to stop ongoing crime and to make good the damage caused by the crime committed, we will be obliged to notify the Danish Anti-Money Laundering Secretariat immediately. However, the obligation to notify the Supreme Governing Body mentioned above will not apply if the suspected economic crime falls within the Danish Anti-Money Laundering Act.

The Danish Anti-Money Laundering Act requires us to notify the Danish Anti-Money Laundering Secretary immediately if we become aware of or suspect or have reasonable grounds to suspect that a transaction, means or an activity is or has been related to money laundering or financing of terrorism. Notification must take place as soon as an irrebuttable suspicion exists. We will be obliged to keep secret any notifications made to the Danish Anti-Money Laundering Secretariat. Similarly, we will be obliged to inform the Danish Anti-Money Laundering Secretariat if we identify any breach of the cash payment ban under the Danish Anti-Money Laundering Act.

For entities falling within the Danish Companies Act, the Danish Anti-Money Laundering Act also requires us to notify the Danish Anti-Money Laundering Secretariat if we become aware of a loan granted to a shareholder or a member of management that is illegal under the Danish Companies Act. This applies regardless of the amount of such illegal loan and regardless of whether the loan was subsequently repaid or settled for tax purposes.

## **5 Auditor's documentation**

Deloitte will hold the proprietary right to working papers and other documentation, including both electronic and hardcopy working papers that are obtained as part of the compilation engagement. According to Deloitte's internal guidelines, we must retain documentation for ten years, after which such documentation must be

shredded or deleted unless we consider the documentation to still be of relevance for our compilation engagement.

If it is considered appropriate to hand out documentation to the Entity, this will be done assuming that the Entity will solely use the documentation for its own purposes and not hand it out to any third party.

We will assume no responsibility for the Entity's own use of the documentation handed out unless a specific written agreement is concluded regarding our assistance in the processing of such documentation and our responsibility in this respect.

## **6 Publication of annual reports or other documents by the Entity**

It goes for annual reports presented under the Danish Financial Statements Act that, if the Entity's annual report or other documents are to be made public in extract or in a form that differs from the document on which we issued our compilation report, we recommend discussing this with us since the Danish Financial Statements Act contains specific regulations in this respect of which the Entity should be aware. However, such prior discussion with us must always take place upon publication of the annual report on the Entity's website in a form that differs from the document on which we issued our compilation report.

The Entity will be required to obtain our prior approval before any other documents on which our company name appears might be made public or handed out to a third party.

## **7 Other assistance services**

If we agree to assist with advisory and assistance service engagements, such agreements will be made separately, and such services will generally not form part of this document.

However, excepted are the assistance services referred to below, for which we specify below the objective and performance of these services as well as the definition of responsibilities of Management and Deloitte.

We will also consider for each service whether we comply with the independence requirements of the Danish Public Accountants Act when rendering advisory and assistance services.

### **7.1 Electronic submission of the annual report to the Danish Business Authority**

We will assist Management in submitting the annual report electronically to the Danish Business Authority. This means that a PDF document will be submitted to the Danish Business Authority containing the annual report adopted at the Annual General Meeting and an XBRL document which contains the information of the adopted annual report in a digital format. The annual report will be converted into the XBRL format based on an XBRL taxonomy (financial reporting schedule) that has been prepared by the Danish Business Authority.

Management must, without undue delay after the Annual General Meeting has been held, provide Deloitte with the annual report adopted by the General Meeting and signed by the Chairman of the General Meeting. If any changes are made to the annual report in connection with the holding of the Annual General Meeting, for instance, if the amount of dividend is changed, then Management must contact us.

We will then create the required XBRL document and arrange for submission to the Danish Business Authority. The documents submitted will be sent to the Entity for retention as part of its accounting records.

### **7.2 Entities – Draft statement of taxable income and filing of tax forms with the Danish Tax Agency**

An assistance service to compile a statement of taxable income is not an assurance engagement, for which reason we will not verify the accuracy or completeness of information received by us or otherwise obtain evidence enabling us to express assurance. Accordingly, we express no audit opinion or review conclusion.



Using the information provided to us by Management, we will assist in preparing a draft statement of taxable income based on our knowledge of the Entity and applicable Danish tax law. We will discuss this draft with Management.

Management will be responsible for the statement of taxable income being consistent with applicable Danish tax law, including the accuracy and completeness of recordings, documents, statements and other information obtained to enable us to compile the draft statement of taxable income. Management's responsibility also extends to the assessments required in preparing the statement of taxable income.

Similarly, Management will be responsible for preparing the documentation needed to complete and file various tax forms with the Danish Tax Agency, including forms containing information on controlled transactions.

Submissions to the Danish Tax Agency will take place by way of digital signature, and we will also use the digital signature to obtain information from the Danish Tax Agency about the Entity's tax position.

Our assistance in compiling a draft statement of taxable income and in filing various tax forms with the Danish Tax Agency will not include any assessment or control of whether the requirements of Danish tax law governing the submission of transfer pricing documentation have been observed.