

A photograph of a modern office interior. In the foreground, two men in dark blue suits are walking down a white staircase with glass railings. The staircase is illuminated by warm, yellow lights. In the background, there are more levels of the office building with glass railings and a large green plant on the left side.

ADVISORY | AUDIT | TAX

Transparency report 2023

29 April 2024

Redmark Godkendt Revisionspartnerselskab | CVR no. 29 44 27 89



REDMARK'S LEGAL STRUCTURE

Redmark is organized as a partnership. Redmark Komplementaranpartsselskab is the general partner for the company.

The shares in Redmark Godkendt Revisionspartnerselskab are owned by 27 shareholders, either directly and personally or indirectly via holding companies. The 27 shareholders are referred to as 'partners' and are full-time employees of Redmark.

The shares in the general partnership are owned by the same 27 shareholders who own the shares in Redmark Godkendt Revisionspartnerselskab.

This document is provided for informational purposes only. In the event of any doubts, discrepancies, or ambiguities between the English version and the Danish version, the Danish version shall prevail and be considered the authoritative text.



REDMARK'S MANAGEMENT STRUCTURE

The owners cast their votes at the company's general meeting, thereby exercising influence over the company's management. This influence includes, for example, the election of the board of directors, the appointment of the auditor, the drafting of the articles of association and the approval of the annual accounts. The relationship between the owners is governed by an ownership agreement.

The board of directors elected by the owners appoints the company's CEO. The division of responsibilities and work between the executive and the board of directors follows the rules of Denmark's Companies Act (*selskabsloven*) and the guidelines laid down in the company's rules of procedure for the board of directors. The board of directors meets 4-6 times a year. In addition to the board of directors, Redmark's CEO also participates in the board meetings.

In addition to the 27 owners, the board of directors has appointed a number of approved auditors or advisers as partners. In day-to-day work, there is no difference between the rights and duties of partners and owners.

Redmark's management is as follows:

BOARD OF DIRECTORS

Johnny V. Jensen, Chair
Frank Nørgaard
Anders Schelde-Møllerup Funder
Ole Skouboe
Anders Hübertz Mortensen

EXECUTIVE

Morten Ryberg

The company is organized into a number of staff functions, including HR, Marketing, IT, Digitization and Administration. The staff functions are each headed up by a department manager, who reports directly to Redmark's executive.

There is an office manager at each of the company's offices, who oversees the overarching and day-to-day management of the office in collaboration with the executive. The management and development of each individual office is based on a business plan approved by the board of directors.

The company's management team consists of the executive, the HR manager and the office managers.

The company's employees, who are referred to as 'accountants' and 'advisers', are organized into a number of audit and advisory departments. These are divided into audit and advisory teams at the individual office sites, each of which consists of 10 to approximately 40 employees. The management of the individual audit and advisory teams is performed by 1-5 approved auditors, who are typically partners in the company.

For a more detailed description of Redmark's vision, mission and values, please see Redmark's annual report or our website, www.redmark.dk.

DESCRIPTION OF THE NETWORK AND THE RELATED STRUCTURAL AGREEMENTS

Redmark Godkendt Revisionspartnerselskab is a member of the MGI Worldwide network, which is a worldwide alliance of auditors and consultants. The network has a presence in close to 100 countries around the world and employs around 10,000 people across 407 offices. The head office is in London. An overview of network members and further information can be found at www.mgiworld.com.

MGI-CPAAI does not own capital shares in and does not exercise influence over Redmark Godkendt Revisionspartnerselskab. Each member firm is a separate and independent legal entity.

The member firms of the MGI Worldwide network have been specializing in accounting, auditing and consulting services for an international clientele since 1947. Redmark Godkendt Revisionspartnerselskab can thus also offer its clients highly qualified assistance in connection with their international business and activities.

Total revenue from statutory auditing within the EU/EEA from the MGI Worldwide network's member firms amounts to approximately EUR 0.1 billion.



DESCRIPTION OF THE NETWORK AND THE RELATED STRUCTURAL AGREEMENTS

Redmark is a member of Revisorgruppen Danmark, which is a Danish network of independent approved audit firms.

Revisorgruppen Danmark comprises 25 approved audit firms across Denmark, Greenland and the Faeroe Islands. Approximately 350 approved auditors and 1,950 other audit team members are employed in the network, making a total of approximately 2,300 auditors. For more information, please visit www.revisorgruppen.dk

This structure means that the individual members of Revisorgruppen Danmark are independent legal entities that are not liable for each other or responsible for each other's work and obligations. Member firms have thus retained their full sovereignty.

Revisorgruppen Danmark handles tasks that are practical to perform collaboratively. These include, among other things, the following:

- Internal quality control, where the secretariat carries out subsequent quality control on individual approved auditors' work on an annual basis
- Training and continuing education for employees at all levels of member firms
- Development and maintenance of processes and tools for audits, reviews and other work within member firms
- Preparation of updated models for accounts and other products
- Information for use by clients and employees

Revisorgruppen Danmark consists of a committee of representatives, a board of directors and a CEO. The board of directors is elected at the annual general meeting, where each member company has one vote. Redmark is represented on Revisorgruppen Danmark's board of directors.

The total revenue of the member firms of Revisorgruppen Danmark from assurance work and advisory services, etc., amounts to around DKK 2.2 billion. The total revenue of the member firms in connection with statutory audits has not been made available and therefore does not appear in this report.


A list of all the member firms of Revisorgruppen Danmark appears on page 12 of this transparency report.

THE BASIS FOR THE PARTNERS' REMUNERATION

A number of different elements are taken into account when determining the partners' remuneration.

The partners' remuneration is made up of a fixed salary and a variable remuneration that depends on the financial profit realized by the company and the individual partner's performance, combined with a number of other metrics, including the partner's commitment and quality in relation to completing assignments. The variable remuneration is determined by the board of directors. Those partners who are owners also receive a proportional share of the consolidation within Redmark.



A man and a woman in business attire are looking at a laptop screen. The woman, on the left, has blonde hair and is wearing a dark blue textured jacket with gold buttons. The man, on the right, has brown hair and is wearing a blue suit jacket. They are standing behind a wooden counter. The background is a modern office interior with large windows.

REDMARK'S INTERNAL QUALITY MANAGEMENT SYSTEM, INCLUDING SPECIFYING THE POLICIES FOR INDEPENDENCE AND CONTINUING EDUCATION

Redmark, like all other approved audit companies, is subject to the provisions of legislation, ethical rules and international auditing standards that must be followed unconditionally.

Redmark's management is responsible for ensuring that an up-to-date quality management system is always in place and that this system is complied with in practice in the performance of all work tasks.

Each signing auditor is responsible for using the quality management system – and all employees in the audit company are responsible for reporting errors and inadequacies found in the quality management system.

The entire quality management system is reviewed and assessed once a year in collaboration with the secretariat of Revisorgruppen Denmark.

RISK MANAGEMENT

Redmark's Compliance department covers a number of risk-management activities, including continuous monitoring and reassessment of internal procedures and policies for, among other things, client and work acceptance, quality assurance and independence.

If there is a suspicion that a client is involved in money laundering or the financing of terrorism, the relevant facts will be investigated in more detail. If this suspicion cannot be disproved, Compliance will be contacted, who will subsequently assess the facts and, if necessary, notify the Money Laundering Secretariat.

REDMARK'S INTERNAL QUALITY MANAGEMENT SYSTEM, INCLUDING SPECIFYING THE POLICIES FOR INDEPENDENCE AND CONTINUING EDUCATION

WHISTLEBLOWING SCHEME

Redmark facilitates the opportunity for partners and employees to report objectionable or worrying situations. Redmark has a written procedure for handling reports to the whistleblowing scheme that ensures that complaints can be made confidentially.

QUALITY MANAGEMENT SYSTEM

With effect from 15 December 2022, the new International Standard on Quality Management (ISQM) has come into force. The standards were incorporated into Redmark's quality management system.


With ISQM comes a requirement for a proactive and risk-based approach to managing quality at company level, including for audit firms to develop, implement and maintain the quality management system. ISQM also requires the quality management system to be evaluated at least once a year.

ISQM places demands on audit firms' governance, management and professional culture by introducing a risk-assessment process with the aim of drawing the company's attention to reducing risks that could have an impact on quality. Extensive monitoring of the quality management system is required in order to identify deficiencies that require corrective action, as well as to form a basis for assessing the overall effectiveness of the quality management system.

QUALITY MANAGEMENT TAKES PLACE THROUGHOUT THE WORK PROCESS:

- Through instruction and supervision, from planning right through to the conclusion, the signing auditor and experienced employees ensure that the task is completed in accordance with the established norms and standards
- Every year, a number of completed tasks are reviewed by Revisorgruppen Danmark to check whether the quality management system has been complied with and to ensure that the opinions are correct
- The Danish Business Authority reviews the work carried out in the same way. Redmark is selected for inspection via a risk-based assessment carried out by the Authority
- For all clients of public interest and for assignments that are deemed especially risky, a quality assurance partner who has not participated in the performance of the work in question and is not associated with the client reviews the work carried out before issuing an opinion.





REDMARK'S INTERNAL QUALITY MANAGEMENT SYSTEM, INCLUDING SPECIFYING THE POLICIES FOR INDEPENDENCE AND CONTINUING EDUCATION

INDEPENDENCE AND CONTINUING EDUCATION

Redmark requires compliance with statutory ethical rules and internal rules on independence to always be documented. This documentation is reviewed as part of subsequent quality control.

In addition to documentation of independence in relation to the specific assignment in question, all employees declare once a year to the audit firm's management that they are aware of and comply with the rules on independence.

Compliance with the statutory rules on the rotation every 7 years of the signing auditor responsible for the auditing of companies of public interest is checked on a client-by-client basis.

In addition, access to a database in Revisorgruppen Danmark ensures that no tasks are undertaken that, due to participation in this network, cannot be performed without violating the rules on independence.

All employees in Redmark take part in continuous and continuing education. For all approved auditors, it is ensured that they always comply with the statutory requirements for continuing education. This requirement is currently 120 hours over a three-year period.

LATEST QUALITY CONTROL FROM THE DANISH BUSINESS AUTHORITY

Redmark was last inspected by the Danish Business Authority in the spring of 2019. The inspection was completed on 6 July 2020, when the Danish Business Authority approved Redmark's quality management system without further follow-up, cf. Section 35a(1)(1) of the Auditors Act (*revisorloven*).

The Danish Business Authority identified some points for improvement, which have subsequently been fully implemented.

FINANCIAL INFORMATION

Financial information showing Redmark's size, including total revenue broken down by fees for the auditing of accounts, fees for other assurance work, tax advice and other services.

Service	2023
Income from statutory audits of the annual accounts and consolidated accounts of companies of public interest	DKK 232,000
Income from statutory audits of other companies	DKK 67,112,000
Income from permitted non-audit services for companies audited by auditors or the audit firm	DKK 22,371,000
Income from non-audit services for other companies	DKK 223,865,000
Total revenue	DKK 313,580,000

It is not possible to make an exact division of the total revenue into the above four categories.

COMPANIES OF PUBLIC INTEREST AT WHICH REDMARK CARRIED OUT A STATUTORY AUDIT IN THE FINANCIAL YEAR 2023:

None

SECTION 60 COMPANIES FOR WHICH REDMARK CARRIED OUT A STATUTORY AUDIT IN 2023

Aalborg Lufthavn a.m.b.a.





SENIOR MANAGEMENT'S OPINION ON THE TRANSPARENCY REPORT

Opinion from Redmark's senior management that the quality management system is working effectively and that the auditors' continuing education policy and the independence policy are being complied with.

The Auditors Act prescribes that audit companies must draw up guidelines that ensure that, before undertaking assurance work pursuant to Section 1(2) of the Act, an auditor determines whether there are circumstances present that could raise doubts in the mind of a well-informed third party about the auditor's independence.

The Act requires audit companies to ensure that, in connection with the performance of the assignments in their current audit files, auditors document all significant threats to the auditor's and the audit company's independence and the safeguards put in place to mitigate these threats.

The board of directors – which bears ultimate responsibility for quality management at Redmark – has reviewed Redmark's quality management system, including existing controls and procedures. The board of directors has also carried out a review of the quality control carried out.

Procedures and checks reduce the risk of errors occurring – but are not a guarantee and cannot eliminate the risk of opinions containing errors being issued.

Redmark has a policy for the ongoing education of auditors and an internal check to ensure that auditors comply with the rules on continuing education.

It is the opinion of the board of directors that the quality management system at Redmark functions effectively, that the independence policies are complied with, and that we comply with policies for the ongoing education of our auditors

This transparency report has been drawn up in accordance with Article 13 of Regulation (EU) No. 537/2014.

Aalborg, 29 April 2024

BOARD OF DIRECTORS

Johnny V. Jensen
Chair

Frank Nørgaard

Ole Skouboe

Anders Hübertz Mortensen

Anders Schelde-Møllerup Funder

MEMBER FIRMS OF REVISORGRUPPEN DANMARK

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Ecomentor, Statsautoriseret Revisionsaktieselskab Engelsborgvej 31, 2800 Kgs.Lyngby, Denmark

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Revisionshuset Tal & Tanker, Statsautoriseret Revisionspartnerselskab Stagehøjvej 22, 8600 Silkeborg, Denmark

RSM, Statsautoriseret Revisionspartnerselskab Thyparken 10, 7700 Thisted, Denmark

Sønderjyllands Revision, Statsautoriseret Revisionsaktieselskab Nørreport 3, 6200 Aabenraa, Denmark

Tranberg, Statsautoriseret Revisionsaktieselskab Ryttervej 4, 5700 Svendborg, Denmark

Ullits & Winther, Statsautoriseret Revisionspartnerselskab Agerlandsvej 1, 8800 Viborg, Denmark





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