

Edlund A/S

Bjerregårds Sidevej 4

2500 Valby

CVR No. 16514179

Annual Report 2016

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 17 May 2017



Jacob A. Drøhse
Chairman

Edlund A/S

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Edlund A/S

Management's Statement

The Executive Board and the Board of Directors have today discussed and approved the annual report for the financial year 1 January 2016 - 31 December 2016 for Edlund A/S.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ballerup, 26 April 2017

Executive Board



Morten Bruun Steiner
CEO



Gert Bendsen
CFO



Hans-Henrik Mejlø
CTO

Board of Directors



Eva Berneke
Chair



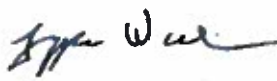
Thomas Bøge Edlund Jøhnik
Deputy Chair



Jannich Kiholm Lund



Jesper Kryhmand



Jeppe Woetmann Nielsen



Katrine Agergaard

Edlund A/S

Independent Auditor's Report

To the shareholders of Edlund A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31-12-2016, and of the results of the Company's operations for the financial year 01-01-2016 - 31-12-2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Edlund A/S for the financial year 01-01-2016 - 31-12-2016, which comprise Income Statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

Edlund A/S

Independent Auditor's Report

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

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

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

_ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

_ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

_ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

_ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 26 April 2017

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31


Mikkel Biny
State Authorised Public Accountant


Lene Ulbæk Jensen
State Authorised Public Accountant

Edlund A/S

Company details

Company	Edlund A/S Bjerregårds Sidevej 4 2500 Valby
CVR No.	16514179
Financial year	1 January 2016 - 31 December 2016
Board of Directors	Eva Berneke, Chair Thomas Bøge Edlund Jøhnk, Deputy Chair Jannich Kiholm Lund Jesper Kryhimand Jeppe Woetmann Nielsen Katrine Agergaard
Executive Board	Morten Bruun Steiner, CEO Gert Bendsen, CFO Hans-Henrik Mejløe, CTO
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

Edlund A/S

Management's Review

Management's Review

Edlund A/S has a strong portfolio of products that supports all vital element in the life and pension value chain and has new products in the pipeline for the year to come. Principal activities consists of development, production and marketing of standard software solutions. Implementation, maintenance and support of customer solutions is an integrated part of the service offering.

Today, we are Denmark's leading provider of solutions for the management of life insurance and pension portfolios. Our goal is to become Scandinavia's leading provider of upgradable standard solutions.

At any one time, Edlund's innovative IT systems are robust, reliable, sufficiently flexible and thus capable of growing in step with future challenges. For our customers, this means agile and reliable software solutions that perform 24/7, 365 days a year.

Edlund has more than 200 competent employees of which the majority work with actual software development. All employees have completed a long theoretical education. Typically, they are holders of a Master's degree or a PhD degree within computer science, actuarial science, mathematics, statistics, engineering or similar professions. In addition, we have a strong team of business analysts with a long-standing experience from other companies within the industry.

As of July 2016 Edlund A/S is a fully owned subsidiary of the Danish IT group KMD A/S.

Edlund Products

Edlund's products and solutions are the very core of many pension and insurance companies. Today, Edlund has a market share of approx. 60% of the solutions provided for the Danish life insurance and pension market, measured by premium income.

All Edlund solutions consist of a number of standard modules that can be used as a platform for new customers. It is both faster, more secure and cost-efficient to implement these existing, thoroughly tested solutions than to develop corresponding solutions from scratch. The common code basis of these modules are continuously upgraded, to assure that all our standard solutions always are based on the latest technological platforms.

Standard modules typically account for 80-85% of the final solution. The remaining customer-specific part of the solution is designed in separate, flexible programme modules integrated according to the principles of modern software architecture.

LIFELINK® is Scandinavia's leading industry solution for the policy management within the life insurance and pension industries. The thoroughly tested and documented system is based on more than 20 years of experience in configuring solutions for the industry. LIFELINK supports average yield, market yield and unitlinked products in a single solution.

ACTULUS® is Edlund's next-generation platform for the calculation of market values and cash flows. ACTULUS supports calculations for G82 as well as for customised products in models modelling surrender and premium-free policies. ACTULUS is thus designed to meet future requirements and meet future statutory requirements in respect of financial statements and reporting and solvency assessments. With cash flows for surrender and premium-free policies, ACTULUS can for example also be used for improving risk management system.

UNITLINK is a core product in Edlund, and it can be used for the management of unitlinked portfolios registered on policies and distributed on funds. UNITLINK consists of a policy management module, which keeps track of all customers' portfolios and investments, and of a trading cycle module, which keeps track of when transactions are made and at which prices.

Edlund A/S

Management's Review

Edlund LIFESTEPS is the ideal counselling tool for creating a comprehensive view of a household's financial situation - and to calculate the consequences of changes. LIFESTEPS is a flexible, interactive tool that can be used both by the counsellor and by the client through a self-service portal. It is a cloud-based solution, and it runs either as a module in LIFELINK, as a stand-alone solution, or as part of another administration system.

Since 2002, Edlund has based all its solutions on Microsoft .Net - a highly mature and stable platform that is continuously being developed, expanded and improved by Microsoft. In addition to .Net, the central technologies are C#, Microsoft SQL Server, Windows Communication Framework and Windows Presentation Framework.

In September 2016 Edlund A/S and KMD A/S signed a contract with PenSam which includes development and maintenance of industrial solution based on Edlund systems.

Development in activities and financial matters

Edlund A/S' Income Statement of the financial year 01-01-2016 31-12-2016 shows a result of tkr. 325 and the Balance Sheet at 31-12-2016 total tkr. 121.249 and an equity of tkr. 40.069.

Net turnover in financial year 2016 was tkr. 238.403 versus tkr. 244.594 in 2015 a decrease of 2% mainly due to reduced activity on a larger implementation project.

Gross result in financial year 2016 was tkr. 190.159 which is in line with last year.

Profit from ordinary operation activities in financial year 2016 was tkr. 1.421 opposite a profit in financial year 2015 of tkr. 24.147. The variance is due to an increase in depreciation and amortisations, customer compensation and stay-on bonuses related to the change in shareowners.

The executive board of Edlund A/S find the achieved turnover and results acceptable for the financial year where Edlund has initiated and been faced by many changes.

Future development

Edlund A/S will aspire to provide the future Life and Pension Industry solution together with the largest customer community in the Nordic region by continuous development and enhancement of the product portfolio.

For the coming financial year Edlund A/S expect an increase in net turnover of more than 10% based on a solid contracted backlog. As a consequence it is expected to increase number of employees from 200 to approximately 235.

During 2016 we have developed Edlund 2020 strategy where the key purpose is to ensure the continuation of our successful journey in a market that has undergone changes in terms of an increased focus on time-to-market, digitalization & customer experience as well as standardization & cost reductions. Together with KMD, it is our aspiration to become the provider of the future Life & Pension Industry Solution in the Nordic countries.

CSR Corporate social-responsibility

Edlund is an environmentally aware organization and strives to reduce effects to the environment by process optimization, going forward Edlund will adopt the CSR-guidelines of KMD.

Edlund has implemented non-financial KPI's including but not limited to employee satisfaction, absence, overtime, attrition and other welfare indicators.

Edlund management has participated in compliance and antifraud training according to the KMD guidelines.

Events after the financial year end

There have been no events after the financial year end that could affect the company's financial position.

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Management's Review

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Knowledge resources

As a leading IT supplier the company employs staff with a high level of professional knowledge. Knowledge development and knowledge building programs are run continuously to create an attractive workspace for employees who seek to work professionally with customer service, personnel administration and IT development

Edlund A/S

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios are presented in Thousand Danish kroner (t.kr.) and can be described as follows:

	2016	2015	2014	2013	2012
Net turnover	238.403	244.594	271.129	205.677	197.499
Gross profit	190.159	189.347	219.737	165.303	167.413
Net financial income and expenses	-101	3.407	-342	-377	-276
Profit/loss for the year	325	22.231	18.287	903	23.372
EBIT	1.421	24.147	23.929	1.635	33.168
Total assets	121.249	121.716	232.031	197.403	195.344
Total equity	40.069	39.744	146.577	128.290	127.387
Avg. number of full-time employees	197	201	206	214	185
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Gross margin (%)	79,7	77,4	81	80,4	84,8
Profit margin (%)	0,6	9,9	8,8	0,8	16,8
Return on capital employed (%)	1,2	14,1	11,1	0,8	18,2
Solvency ratio (%)	33	36,1	63,2	65	65,2
Return on equity (ROE) (%)	0,8	23,9	13,3	0,7	19,8

Key figures are prepared in accordance with recommendation and guides of the Danish Financial Analyst Society. For definitions of key ratios, see Accounting Policies, Explanation of financial ratios.

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Accounting Policies

Reporting class

The Annual Report of Edlund A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Company has implemented the amendments of the Danish Financial Statements Act which became effective on 1 January 2016, see Act No 738 of 1 June 2015.

The amendments of the Danish Financial Statements Act, which became effective on 1 January 2016, have not affected the financial position of the Company at 31 December 2016, but have only implied a change in the disclosures in the Annual Report.

Reporting currency

The Annual Report is presented in Thousand Danish kroner (t.kr.).

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses

General Information

Basis of recognition and measurement

Revenue is recognized in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the revenue for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions, as well as reversals as a result of changes to accounting estimates previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially recognized at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. Any exchange gains and losses are recognized over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or refute circumstances existing at the balance sheet date.

Income Statement

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk

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Accounting Policies

has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Income from delivery of services is recognised as revenue as the service is delivered.

Licence and royalty income is recognised at the time where the underlying transaction was performed.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

Other external expenses

Other external expenses include expenses relating to sales and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Completed development projects	5-10 years
Concessions, patents, licenses, trademarks and other similar rights	10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-10 years

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Income from equity investments in group enterprises and associates

Income from equity investments comprises dividends received from group enterprises and associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year. Financial items comprise interest income and expenses, realized and unrealized exchange gains and losses relating to securities, debt and transactions in foreign currencies, dividends received on other equity investments, amortization of financial assets and liabilities, and additions and reimbursements under the on-account tax scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

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Accounting Policies

Balance Sheet

Intangible assets

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs are calculated at the costs directly incurred and a share of the costs attributable to the individual development projects.

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated depreciations and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Investments

Equity investments in Group enterprises are measured at cost less write-downs.

Loans to Group enterprises are recognised in the financial statements under Investments provided they are non-current.

This accounting item includes write-downs and the dividend for the year from Group enterprises. The dividend is recognized when the shareholder's dividend entitlement is approved by the competent company bodies.

If the dividend exceeds total earnings since the acquisition date, it is recognized as a write-down of the cost of the investment.

Work in progress

Work in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the estimated total income from the individual work in progress. The stage of completion is determined on the basis of costs incurred in relation to expected total costs.

Deduction for loss is determined as the total expected contract loss, irrespective of the share actually performed.

The value of the individual supplies in progress less invoicing on account is classified as receivables if the amounts are positive and as payables if the amounts are negative.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Other provisions

Other provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when, at the balance sheet date, the company has a legal or actual obligation and it is likely that settlement will result in the company spending financial resources.

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Accounting Policies

Provisions that are expected to be settled later than a year from the balance sheet date are measured at the present value and the expected payments. Other provisions are measured at net realisable value.

Financial liabilities

Financial liabilities are recognized when a loan is raised at the proceeds received less transaction costs incurred. Interest-bearing debt is subsequently measured at amortized cost on the basis of the effective interest rate on the borrowing date.

Other debt is measured at amortized cost, equivalent to the nominal debt outstanding.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Statement of cash flows

In accordance with section 86, para. 4 of the Danish Financial Statements Act, no statement of cash flows has been prepared for the Company as the Company's cash flows are included in the consolidated statement of cash flows for KMD Holding ApS.

Explanation of financial ratios

Gross margin (%)	=	$\frac{\text{Gross margin X 100}}{\text{Revenue}}$
Profit margin	=	$\frac{\text{Operating profit (EBIT) X 100}}{\text{Revenue}}$
Return on capital employed (%)	=	$\frac{(\text{Operating profit} + \text{Financial income}) \text{ X 100}}{\text{Avg. assets}}$
Solvency ratio (%)	=	$\frac{\text{Equity X 100}}{\text{Total assets}}$
Return on equity (%)	=	$\frac{\text{Profit/loss for the year}}{\text{Avg. equity}}$

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Income Statement

	Note	2016 tkr.	2015 tkr.
Revenue		238.403	244.594
Other operating income		230	458
Other external expenses		-48.474	-55.705
Gross result		190.159	189.347
Staff costs	1	-171.150	-151.224
Depreciation and amortisations		-17.579	-13.966
Other operating expenses		-9	-10
Profit from ordinary operating activities		1.421	24.147
Income from investments in group enterprises and associates		0	3.748
Finance income	2	1	95
Finance expenses	3	-102	-436
Profit from ordinary activities before tax		1.320	27.554
Tax expense	4	-995	-5.323
Profit		325	22.231
Proposed distribution of results			
Extraordinary dividend		0	99.064
Retained earnings		325	-76.833
Distribution of profit		325	22.231

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Balance Sheet as of 31. December

	Note	2016 tkr.	2015 tkr.
Assets			
Completed development projects	5	56.708	58.729
Development projects in progress	6	1.529	11.357
Intangible assets		58.237	70.086
Fixtures, operating equipment and vehicles	7	3.894	4.654
Leasehold improvements	8	1.741	2.321
Property, plant and equipment		5.635	6.975
Long-term investments in group enterprises	9	0	0
Investments		0	0
Fixed assets		63.872	77.061
Short-term trade receivables		31.405	31.429
Short-term receivables from group enterprises		489	0
Short-term tax receivables		0	995
Other short-term receivables		3.678	9.296
Deferred costs		3.728	2.926
Receivables		39.300	44.646
Cash and cash equivalents		18.077	9
Current assets		57.377	44.655
Assets		121.249	121.716

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Balance Sheet as of 31. December

	Note	2016 tkr.	2015 tkr.
Liabilities and equity			
Share capital		500	500
Reserve development costs		1.592	0
Retained earnings		37.977	39.244
Equity		40.069	39.744
Provisions for deferred tax		6.797	13.781
Provisions		6.797	13.781
Debt to banks		0	4.087
Prepayments		0	12.400
Trade payables		6.360	5.175
Payables to group enterprises		1.127	0
Tax payables		3.171	0
Other payables		37.490	34.999
Deferred revenue		26.235	11.530
Short-term liabilities other than provisions		74.383	68.191
Liabilities other than provisions within the business		74.383	68.191
Liabilities and equity		121.249	121.716
Contingent liabilities	10		
Collaterals and assets pledges as security	11		
Related parties	12		

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Statement of changes in Equity

	Share capital	Development costs	Retained earnings	Total
Equity 1 January 2016	500		39.244	39.744
Reserve development cost		1.592	-1.592	0
Net profit/loss for the year			325	325
Equity 31 December 2016	<u>500</u>	<u>1.592</u>	<u>37.977</u>	<u>40.069</u>

The share capital has remained unchanged for the last 5 years.

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Notes

	2016	2015
1. Staff costs		
Wages and salaries	153.100	146.093
Pensions	17.856	18.247
Social security contributions	1.228	1.431
Other employee expense	558	417
	<u>172.742</u>	<u>166.188</u>
Development cost transferred to Intangible assets	-1.592	-14.964
	<u>171.150</u>	<u>151.224</u>
<i>Hereof remuneration to management</i>		
Management & board of directors	5.229	3.877
	<u>5.229</u>	<u>3.877</u>
Average number of employees	<u>197</u>	<u>201</u>
2. Finance income		
Interest income from group enterprises	0	94
Other finance income	1	1
	<u>1</u>	<u>95</u>
3. Finance expenses		
Other finance expenses	102	351
Interest expenses from group enterprises	0	85
	<u>102</u>	<u>436</u>
4. Tax expense		
Current tax	7.979	4.148
Adjustment to deferred tax for the year	-6.984	1.175
	<u>995</u>	<u>5.323</u>
5. Completed development projects		
Cost at the beginning of the year	94.977	82.268
Addition during the year	11.987	12.709
Cost at the end of the year	<u>106.964</u>	<u>94.977</u>
Depreciation and amortisation at the beginning of the year	-36.248	-25.937
Depreciation	-14.008	-10.311
Revaluations at the end of the year	<u>-50.256</u>	<u>-36.248</u>
Carrying amount at the end of the year	<u>56.708</u>	<u>58.729</u>

Notes

	2016	2015
6. Development projects in progress		
Cost at the beginning of the year	11.357	7.200
Addition during the year	2.159	16.866
Transferred during the year	-11.987	-12.709
Cost at the end of the year	<u>1.529</u>	<u>11.357</u>
Carrying amount at the end of the year	<u>1.529</u>	<u>11.357</u>
7. Fixtures, operating equipment and vehicles		
Cost at the beginning of the year	31.727	39.847
Addition during the year	2.242	1.654
Disposal during the year	-350	-9.774
Cost at the end of the year	<u>33.619</u>	<u>31.727</u>
Depreciation and amortisation at the beginning of the year	-27.073	-33.722
Depreciation for the year	-2.991	-3.074
Reversal of depreciation and amortisations of disposed assets	339	9.723
Depreciation and amortisation at the end of the year	<u>-29.725</u>	<u>-27.073</u>
Carrying amount at the end of the year	<u>3.894</u>	<u>4.654</u>
8. Leasehold improvements		
Cost at the beginning of the year	4.303	4.303
Cost at the end of the year	<u>4.303</u>	<u>4.303</u>
Depreciation and amortisation at the beginning of the year	-1.982	-1.402
Depreciation for the year	-580	-580
Depreciation and amortisation at the end of the year	<u>-2.562</u>	<u>-1.982</u>
Carrying amount at the end of the year	<u>1.741</u>	<u>2.321</u>
9. Long-term investments in group enterprises		
Cost at the beginning of the year	0	82.465
Disposal during the year	0	-82.465
Cost at the end of the year	<u>0</u>	<u>0</u>
Carrying amount at the end of the year	<u>0</u>	<u>0</u>

10. Contingent liabilities

Edlund has entered into a rental commitment of 7.010 tkr. that is due within 1 year.
Lease commitments of 103 tkr. that is due within 1 year.

Edlund A/S

Notes

11. Collaterals and securities

Edlund is jointly taxed with the other Danish companies in the KMD Holding ApS Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may lead to a higher liability.

12. Related parties

The following shareholder is listed in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital: KMD A/S.

KMD A/S has Domicile in Ballerup, Denmark.

Edlund A/S is fully owned by KMD A/S which is a part of KMD Holding ApS Group. A copy of the Consolidated Financial Statements can be obtained through the Company Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.