

# Edlund A/S

La Cours Vej 7

2000 Frederiksberg

CVR No. 16514179

## Annual Report 2017

Årsrapporten er fremlagt og  
godkendt på selskabets  
generalforsamling.

Dato: 4. maj 2018

Dirigent:  Jacob A. Drøhse

**Edlund A/S**

**Contents**

<b>Management's Statement</b>	<b>3</b>
<b>Independent Auditor's Report</b>	<b>4</b>
<b>Company Information</b>	<b>6</b>
<b>Management's Review</b>	<b>7</b>
<b>Key Figures and Financial Ratios</b>	<b>9</b>
<b>Accounting Policies</b>	<b>10</b>
<b>Income Statement</b>	<b>14</b>
<b>Balance Sheet</b>	<b>15</b>
<b>Notes</b>	<b>18</b>

**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 2017 - 31 December 2017 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 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

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.

Frederiksberg, 13 April 2018

### **Executive Board**



Morten Bruun Steiner  
CEO



Gert Bendsen  
CFO

### **Board of Directors**



Eva Berneke  
Chair



Thomas Bøge Edlund Jøhnk  
Deputy Chair



Jannich Kiholm Lund



Helle Berit Hus



Kattrine Agergaard  
Employee Representative



Jeppe Weidmann Nielsen  
Employee Representative

**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 Company's financial position at 31-12-2017 and of the results of its operations for the financial year 01-01-2017 - 31-12-2017 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Edlund A/S for the financial year 01-01-2017 - 31-12-2017, which comprise an income statement, balance sheet, cash flows and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 the Management's review.

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

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

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

### **Management's responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

### **The auditor's responsibility for the audit of the financial statements**

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with

**Edlund A/S**

## **Independent Auditor's Report**

ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- \* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Hellerup, 13 April 2018

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerselskab**  
CVR-no. 33771231



Mikkel Steen  
State Authorised Public Accountant  
mne26693



Leif Ulbaek Jensen  
State Authorised Public Accountant  
mne23327

**Edlund A/S**

**Company details**

<b>Company</b>	Edlund A/S La Cours Vej 7 2000 Frederiksberg
<b>CVR No.</b>	16514179
<b>Financial year</b>	1 January 2017 - 31 December 2017
<b>Board of Directors</b>	Eva Berneke, Chair Thomas Bøge Edlund Jøhnk, Deputy Chair Jannich Kiholm Lund Helle Berit Huss Katrine Agergaard , Employee Representative Jeppe Woetmann Nielsen , Employee Representative
<b>Executive Board</b>	Morten Bruun Steiner, CEO Gert Bendsen, CFO
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

## **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.

### **Intellectual capital resources**

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.

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 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.

### **Development in activities and financial matters**

Edlund A/S' Income Statement of the financial year 01-01-2017 - 31-12-2017 shows a result of t.kr. 7.157 and the Balance sheet at 31-12-2017 a balance sheet total of t.kr. 146.723 and an Equity of t.kr. 47.226.

Net turnover in financial year 2017 was tkr. 247.469 versus tkr. 238.403 in 2016 an increase of 4% mainly due to increased activity.

Gross result in financial year 2017 was tkr. 175.231 which is a decrease of 8% due to the expansion in fulltime employees.

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.

### **Statement regarding corporate social responsibility**

A statement regarding corporate social responsibility and targets for the underrepresented gender on the Board of Directors, cf. §99a and 99b of the Danish Financial Statements Act, can be found on KMD's website:

<https://www.kmd.dk/CSRrapport2017>.

### **Events after the financial year end**

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

### **Insecurity regarding recognition or measurement**

There is no material insecurity regarding recognition or measurement.

### **Exceptional circumstances**

No exceptional circumstances have affected recognition or measurement.



## 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:

	2017	2016	2015	2014	2013
Net turnover	247.469	238.403	244.594	271.129	205.677
Gross profit	217.572	191.751	189.347	219.737	165.303
Net financial income and expenses	-189	-101	3.407	-342	-377
Profit/loss for the year	7.157	325	22.231	18.287	903
EBIT	9.381	1.421	24.147	23.929	1.635
Total assets	146.723	121.249	110.359	232.031	197.403
Total equity	47.226	40.069	39.744	146.577	128.290
Avg. number of full-time employees	227	197	201	206	214
Gross margin (%)	87,9	80,4	77,4	81	80,4
Profit margin (%)	3,8	0,6	9,9	8,8	0,8
Return on capital employed (%)	6,4	1,2	14,1	11,1	0,8
Solvency ratio (%)	32,2	33	36,1	63,2	65
Return on equity (ROE) (%)	16,4	0,8	23,9	13,3	0,7

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.

**Edlund A/S**

## **Accounting Policies**

### **Reporting class**

The Annual Report of Edlund A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

### **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 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 when the service is delivered according to the percentage-of-completion method.

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

## Accounting Policies

### 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, licens, 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.

### 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.

## **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.

Depreciation period and residual value are reassessed annually.

#### **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.

Depreciation period and residual value are reassessed annually.

#### **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.

Provision for loss is made when the total expected contract loss, irrespective of the share actually performed exceeds the selling price.

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

#### **Accrued income, assets**

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

#### **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.

#### **Equity**

Proposed dividend for the year is recognised as a separate item in equity.

#### **Deferred tax**

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

## Accounting Policies

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings earnings, including positive taxes in the mandatory Danish Joint Taxation established with KMD Holding ApS.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

### 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.

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.

### 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 (%)	=	$\frac{\text{Profit/loss for the year}}{\text{Avg. equity}}$

Edlund A/S

Income Statement

	Note	2017 tkr.	2016 tkr.
Revenue		247.469	238.403
Development cost transferred to intangible assets		42.341	1.592
Other operating income		0	230
Other external expenses		-72.238	-48.474
<b>Gross result</b>		<b>217.572</b>	<b>191.751</b>
Staff costs	1	-190.513	-172.742
Depreciation and amortisations		-17.924	-17.579
Other operating expenses		246	-9
<b>Profit from ordinary operating activities</b>		<b>9.381</b>	<b>1.421</b>
Finance income	2	0	1
Finance expenses	3	-189	-102
<b>Profit from ordinary activities before tax</b>		<b>9.192</b>	<b>1.320</b>
Tax expense	4	-2.035	-995
<b>Profit</b>		<b>7.157</b>	<b>325</b>
<b>Proposed distribution of results</b>	5		
Retained earnings		7.157	325
<b>Distribution of profit</b>		<b>7.157</b>	<b>325</b>

Edlund A/S

Balance Sheet as of 31 December

	Note	2017 tkr.	2016 tkr.
<b>Assets</b>			
Completed development projects	6	42.232	56.708
Development projects in progress	7	43.870	1.529
<b>Intangible assets</b>		<b>86.102</b>	<b>58.237</b>
Fixtures, operating equipment and vehicles	8	8.441	3.894
Leasehold improvements	9	2.168	1.741
<b>Property, plant and equipment</b>		<b>10.609</b>	<b>5.635</b>
<b>Fixed assets</b>		<b>96.711</b>	<b>63.872</b>
Short-term trade receivables		17.317	31.405
Short-term receivables from group enterprises		5.587	489
Short-term tax receivables		8.158	0
Other short-term receivables		5.676	3.678
Deferred costs		4.558	3.728
<b>Receivables</b>		<b>41.296</b>	<b>39.300</b>
<b>Cash and cash equivalents</b>		<b>8.716</b>	<b>18.077</b>
<b>Current assets</b>		<b>50.012</b>	<b>57.377</b>
<b>Assets</b>		<b>146.723</b>	<b>121.249</b>

Edlund A/S

Balance Sheet as of 31 December

	Note	2017 tkr.	2016 tkr.
<b>Liabilities and equity</b>			
Share capital	10	500	500
Reserve development costs		33.980	1.592
Retained earnings		12.746	37.977
<b>Equity</b>		<b>47.226</b>	<b>40.069</b>
Provisions for deferred tax		16.990	6.797
Other provisions		281	0
<b>Provisions</b>		<b>17.271</b>	<b>6.797</b>
Prepayments work in progress		10.762	26.235
Trade payables		16.891	6.360
Payables to group enterprises		23.443	1.127
Tax payables		0	3.171
Other payables		31.130	37.490
<b>Short-term liabilities other than provisions</b>		<b>82.226</b>	<b>74.383</b>
<b>Liabilities other than provisions within the business</b>		<b>82.226</b>	<b>74.383</b>
<b>Liabilities and equity</b>		<b>146.723</b>	<b>121.249</b>
Significant events occurring after end of reporting period	11		
Contingent liabilities	12		
Related parties	13		
Fees for auditors elected on the general meeting	14		



**Edlund A/S****Statement of changes in Equity**

	<b>Share capital</b>	<b>Development costs</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2017	500	1.592	37.977	40.069
Reserve development cost		32.388	-32.388	0
Net profit/loss for the year			7.157	7.157
<b>Equity 31 December 2017</b>	<b>500</b>	<b>33.980</b>	<b>12.746</b>	<b>47.226</b>

## Notes

	2017	2016
<b>1. Staff costs</b>		
Wages and salaries	166.917	153.100
Pensions	21.535	17.856
Social security contributions	1.384	1.228
Other employee expense	677	558
	<u>190.513</u>	<u>172.742</u>
<i>Hereof remuneration to management</i>		
Management & board of directors	1.906	4.790
	<u>1.906</u>	<u>4.790</u>
Average number of employees is 227 in 2017 (2016: 197).		
<b>2. Finance income</b>		
Other finance income	0	1
	<u>0</u>	<u>1</u>
<b>3. Finance expenses</b>		
Finance expenses arising from group enterprises	37	0
Other finance expenses	152	102
	<u>189</u>	<u>102</u>
<b>4. Tax expense</b>		
Current tax payable	-8.158	7.979
Current year change in deferred tax	10.193	-6.984
	<u>2.035</u>	<u>995</u>
<b>5. Proposed distribution of results</b>		
The profit for the year on DKK 7,157k is proposed to be distributed to retained earnings.		
<b>6. Completed development projects</b>		
Cost at the beginning of the year	106.964	94.977
Addition during the year		11.987
<b>Cost at the end of the year</b>	<u>106.964</u>	<u>106.964</u>
Depreciation and amortisation at the beginning of the year	-50.256	-36.248
Depreciation	-14.476	-14.008
<b>Depreciation and amortisation at the end of the year</b>	<u>-64.732</u>	<u>-50.256</u>
<b>Carrying amount at the end of the year</b>	<u>42.232</u>	<u>56.708</u>

## Notes

	2017	2016
<b>7. Development projects in progress</b>		
Cost at the beginning of the year	1.529	11.357
Addition during the year	42.341	2.159
Transferred during the year		-11.987
<b>Cost at the end of the year</b>	<u>43.870</u>	<u>1.529</u>
<b>Carrying amount at the end of the year</b>	<u>43.870</u>	<u>1.529</u>
<b>8. Fixtures, operating equipment and vehicles</b>		
Cost at the beginning of the year	33.619	31.727
Addition during the year	7.383	2.242
Disposal during the year	-1.698	-350
<b>Cost at the end of the year</b>	<u>39.304</u>	<u>33.619</u>
Depreciation and amortisation at the beginning of the year	-29.725	-27.073
Depreciation for the year	-2.825	-2.991
Reversal of depreciation and amortisations of disposed assets	1.687	339
<b>Depreciation and amortisation at the end of the year</b>	<u>-30.863</u>	<u>-29.725</u>
<b>Carrying amount at the end of the year</b>	<u>8.441</u>	<u>3.894</u>
<b>9. Leasehold improvements</b>		
Cost at the beginning of the year	4.303	4.303
Addition during the year	1.050	
<b>Cost at the end of the year</b>	<u>5.353</u>	<u>4.303</u>
Depreciation and amortisation at the beginning of the year	-2.562	-1.982
Depreciation for the year	-623	-580
<b>Depreciation and amortisation at the end of the year</b>	<u>-3.185</u>	<u>-2.562</u>
<b>Carrying amount at the end of the year</b>	<u>2.168</u>	<u>1.741</u>

## Edlund A/S

### Notes

#### 10. Contributed capital

Balance at the beginning of the year	500	500
Balance at the end of the year	<u>500</u>	<u>500</u>

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

#### 11. Significant events occurring after end of reporting period

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

#### 12. Contingent liabilities

Edlund has entered into 2 rental commitments:

Frederiksberg with a total of t.kr. 51.737 of which t.kr. 4.859 is due within 1 year. t.kr. 32.041 is due within 5 years and t.kr. 14.863 is due after 5 years and Valby with a total of t.kr. 2.241 which is due within a year.

Lease commitments relating to equipment of t.kr. 156 tkr. of which t.kr. 32 is due within 1 year. t.kr. 124 is due within 5 years.

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.

#### 13. 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 Laurruparken 40, 2750 Ballerup, Denmark.

#### 14. Fees for auditors elected on the general meeting

With reference to section 96(3) of the Danish Financial Statement Act, audit fees are not disclosed.