

Edlund A/S

La Cours Vej 7

2000 Frederiksberg

CVR No. 16514179

Annual Report 2022/23

30. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 21 September 2023

Camilla Malene Sommer
Chairman

Edlund A/S

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Edlund A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of Edlund A/S for the financial year 1 April 2022 - 31 March 2023.

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 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023.

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, 21 September 2023

Executive Board

Christian Norman Scheuer
CEO

Supervisory Board

Per Erik Mikael Johansson
Chairman

Merete Sjøby
Member

Jannich Kiholm Lund
Member

Amalie Høgenhaven
Employee Representative

Albert Friis Jensen
Employee Representative

Independent Auditors' Report

To the shareholder of Edlund A/S

Opinion

We have audited the financial statements of Edlund A/S for the financial year 1 April 2022 - 31 March 2023, comprising income statement, balance sheet, statement of changes in equity, and notes including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023 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 the "Auditors' responsibility 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole 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 ISAs and additional requirements applicable in Denmark will always detect material misstatements when it exists. Misstatements may 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 financial statement users made 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.

Independent Auditors' Report

- 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 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.

Statement on the 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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained 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 the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 21 September 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR-no. 25578198

David Olafsson
State Authorised Public Accountant
mne19737

Kenn Wolff Hansen
State Authorised Public Accountant
mne30154

Edlund A/S

Company information

Company	Edlund A/S La Cours Vej 7 2000 Frederiksberg
CVR No.	16514179
Date of formation	1 October 1992
Registered office	Frederiksberg
Board of Directors	Per Erik Mikael Johansson, Chairman Merete Søby Jannich Kiholm Lund Amalie Høgenhaven Albert Friis Jensen
Executive Board	Christian Norman Scheuer, CEO
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

Management's Review

The company's principal activities

Edlund A/S is an innovative software development house with about 135 employees and associated consultants. We develop systems targeted at the life and pensions industry.

We implement and maintain our solutions in cooperation with our customers, and we supply consulting services. Edlund's position in the market is unique due to our strong understanding of the industry combined with the high academic skills of our employees within actuarial sciences, financial mathematics and computer science.

Our products and consulting services are business critical for our customers, and Edlund emphasizes and values a very close relationship with our customers. We are known for the high level of quality in our deliveries, as well as the credibility and expertise we have achieved over more than 25 years in the market.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 April 2022 - 31 March 2023 shows a result of TDKK -6.403 and the Balance Sheet at 31 March 2023 a balance sheet total of TDKK 366.609 and an equity of TDKK 40.004.

Expectations for the future

The company expects revenue to be moderately declining in the coming years due to finalization of major implementation projects and at the same time operating profit will be affected by amortization after finalizing the new policy administration system.

The activities of Edlund A/S are financed by short-term intercompany loans from KMD A/S. Management has assessed that the intercompany loan, totaling DKK 228 Million, will not be called until the company has sufficient liquidity.

Knowledge and know-how resources

In recent years, technological development has been taking place extremely rapidly, and customers expect innovative solutions deploying the latest technology. This creates a need for Edlund to develop the competencies its employees and managers. Edlund is addressing this challenge in part through our transparent career model for upskilling and retaining capable employees to undertake the various development tasks.

Business risks

As most other IT companies, Edlund A/S is exposed to a number of business risks relating to marked developments, shifts in customer demand, technological changes, employee recruitment, project execution etc.

Environment and climate

The company has implemented policies and procedures to ensure compliance and progress in respect of environment and climate.

Research and development activities

Our main strategic focus area continues to be product development, sale and support of software. We continued our investments in our products throughout the year.

Subsequent events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Management's Review

Women at Edlund - cf. Section 99b of the Danish Financial Statements Act

At Edlund, we believe that human diversity is a strength which provides us with different perspectives, ideas and skills, allowing us to develop the company in a positive direction.

At Edlund we have a specific focus on the addressing the following challenges

- Fair and representative inclusion of men and women in leadership
- Fair and representative hiring of men and women in specialist roles

Specifically, our goal is to maintain an equal gender ratio in the Board of Directors. In 2023 there are 1 female and 2 male representatives elected by the general assembly.

At the executive management level Edlund has a target of realizing one female representative corresponding to 20/80 ratio by the end of financial year 2023/24.

At the following management levels, we aim to achieve a 25/75 ratio by the end of financial year 2023/24.

In order to achieve these targets we will implement actions and initiatives to promote leadership and equal opportunities for the underrepresented gender in accordance with our Parent company KMD A/S.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios are presented in Thousand Danish kroner (DKK'000.) and can be described as follows:

	2022/23	2021/22	2020/21	2019/20	2018/19
Revenue	203.322	211.915	228.860	254.467	297.767
Gross profit	116.963	120.881	129.895	157.637	178.689
Operating profit	5.038	13.026	-6.902	-780	-5.713
Net financial income and expenses	-5.470	-2.614	-1.475	-1.174	-2.502
Profit/loss for the year	-6.403	14.014	-6.297	-2.132	-6.407
Investment in property, plant and equipment	0	347	0	2.226	2.239
Total equity	40.004	46.407	32.392	38.687	40.819
Total assets	366.609	365.500	331.187	328.620	245.508
Profit margin (%)	2,48	6,15	-3,02	-0,31	-1,92
Solvency ratio (%)	11	13	10	12	17
Avg. number of full-time employees	134	147	166	245	275

See Accounting Policies for explanation of financial ratios.

The fiscal year 2018/19 includes 15 months due to the change of fiscal period.

Income Statement

	Note	2022/23 DKK'000	2021/22 DKK'000
Revenue	1	203.322	211.915
Other operating income		0	200
Other external expenses		-86.359	-91.234
Gross profit		116.963	120.881
Staff costs	2	-95.142	-105.130
Depreciation and amortisation		-16.783	-2.725
Profit from ordinary operating activities		5.038	13.026
Finance income		21	0
Financial expenses	3	-5.491	-2.614
Profit/loss before tax		-432	10.412
Tax on profit/loss for the year	4	-5.971	3.602
Profit/loss for the year		-6.403	14.014
Proposed distribution of profit/loss			
Transferred to reserve for development costs		14.559	31.236
Retained earnings		-20.962	-17.222
Distribution of profit/loss		-6.403	14.014

Balance Sheet as of 31 March

	Note	2023 DKK'000	2022 DKK'000
Assets			
Completed development projects	5	350.495	0
Development projects in progress	6	0	331.830
Intangible assets		350.495	331.830
Fixtures, fittings, tools and equipment	7	265	1.718
Leasehold improvements	8	590	882
Property, plant and equipment		855	2.600
Deposits	9	0	2.160
Investments		0	2.160
Fixed assets		351.350	336.590
Trade receivables		6.416	15.941
Receivables from group enterprises		4.674	6.838
Tax receivables from group enterprises		3.697	5.950
Other receivables		41	12
Prepayments	10	0	91
Receivables		14.828	28.832
Cash and cash equivalents		431	78
Current assets		15.259	28.910
Assets		366.609	365.500

Balance Sheet as of 31 March

	Note	2023 DKK'000	2022 DKK'000
Equity and liabilities			
Contributed capital		500	500
Reserve for development projects		273.387	258.828
Retained earnings		-233.883	-212.921
Equity		40.004	46.407
Provisions for deferred tax	11	54.344	44.871
Provisions		54.344	44.871
Other payables		18.304	17.744
Long-term liabilities other than provisions		18.304	17.744
Construction contracts		144	0
Trade payables		2.170	12.619
Payables to group enterprises		228.196	221.537
Other payables		17.946	17.023
Deferred income	13	5.501	5.299
Short-term liabilities other than provisions		253.957	256.478
Liabilities other than provisions		272.261	274.222
Equity and liabilities		366.609	365.500
Contingent liabilities	14		
Related parties	15		

Edlund A/S

Statement of changes in Equity

	Share capital	Reserve for Development projects	Retained earnings	Total
Equity 1 April 2022	500	258.828	-212.921	46.407
Profit (loss)	0	14.559	-20.962	-6.403
Equity 31 March 2023	500	273.387	-233.883	40.004

Accounting Policies

Reporting Class

The annual report of Edlund A/S for 2022/23 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to reporting class C medium.

The Company has not included a cash flow statement due to Danish Financial Statements Act §86, 4.

The accounting policies applied remain unchanged from last year. Minor reclassifications have been done between balance sheet captions in the comparative figures for 2021/22.

Reporting currency

The Annual Report is presented in Thousand Danish Kroner (DKK'000).

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

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf on third parties.

Revenue can be recognized over time or at a point in time. Revenue is recognised over time, when an asset on behalf of a customer is created with no alternative use and Edlund has enforceable right to the payment for the performance completed year to date, or the customer obtains control of a service and has the ability to direct the

Accounting Policies

use and obtain the benefit from the service.

The company's primary service offerings include information technology consulting services and operations solutions. Consulting service are generally provided on either a time-and-material basis or as fixed price contract basis. Revenue from fixed-price-contracts is recognised under the percentage of the total estimated costs of hours to fulfill the contract.

Revenue from fixed operating is recognized over time in the period of the solutions are provided, which will either be based on out put measures or using the straight-line-method over the term of the contracts.

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

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, pensions and social security costs.

Depreciation, amortisation and impairment of tangible and intangible assets

Depreciation, 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 or depreciated 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	3-10 years
Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-10 years

Profit or loss resulting from the sale of intangible assets or property, plant and equipment 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 recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, and surcharges and allowances under the tax prepayment scheme.

Tax on profit/loss for the year

Tax on 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.

Balance sheet

Intangible assets

Development projects that are clearly defined and identifiable, and where the degree of technical utilization, 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.

Accounting Policies

Other development costs are recognised as costs in the income statement as they incur.

Development costs comprise costs, including wages, salaries and amortization, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalized development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortization and the recoverable amount.

An impairment test of intangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

The carrying amounts of property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Deposits

Deposits are measured at cost.

Receivables

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

Impairment of accounts receivables past due is established on individual assessment of receivables.

Construction contracts

Construction contracts 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.

Accounting Policies

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

Prepayments

Prepayments are 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.

Reserve for development cost

The reserve is not available for the payment of dividends or losses. The reserve is deducted or dissolved by amortisation of the recognised costs or abandonment of the activity. Such reduction or dissolution is made by means of a transfer to distributable reserves.

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.

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 or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

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.

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.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Accounting Policies

Explanation of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

$$\text{Solvency ratio (\%)} = \frac{\text{Equity}}{\text{Total liabilities and equity}}$$

$$\text{Profit margin} = \frac{\text{Operating profit (EBIT) X 100}}{\text{Revenue}}$$

Notes

1. Revenue

All revenue relates to the life and pension industry and is related to the Danish market.

2. Staff costs

	2022/23	2021/22
	DKK'000	DKK'000
Wages and salaries	78.840	86.106
Pensions	14.742	17.135
Social security contributions	965	1.312
Other employee expenses	595	577
	95.142	105.130
Average number of employees	134	147

The company does not disclose Management remuneration in accordance with the Danish Financial Statements Act §98B.

3. Financial expenses

Interest expenses to group enterprises	4.857	2.124
Other financial expenses	634	490
	5.491	2.614

4. Tax on profit/loss for the year

Current tax for the year	-3.697	-5.950
Current year change in deferred tax	3.722	8.251
Adjustment regarding prior year current tax	195	0
Adjustment regarding prior year deferred tax	5.751	-5.903
	5.971	-3.602

5. Completed development projects

Cost at the beginning of the year	108.493	108.493
Transfers during the year from other items	365.533	0
Cost at the end of the year	474.026	108.493
Amortisation at the beginning of the year	-108.493	-108.264
Amortisation	-15.038	-229
Amortisation at the end of the year	-123.531	-108.493
Carrying amount at the end of the year	350.495	0

Development projects relate to the development and improvements of the Company's IT-solutions. It is expected, that the solution will be sold to customers on the existing market and to new markets.

Completed development projects are reviewed annually for indications of impairment. Where indications of impairment are identified, an impairment test is carried out for the individual development projects. The impairment test is based on various factors, including future use of the projects, the present value of expected future earnings, plus interest rate and other risks. For Edlund A/S, the measurement of development projects could be significantly

Notes

impacted by material changes in estimates and assumptions underlying the calculated values, including developments in technologies and interest rates.

6. Development projects in progress

	2023	2022
	DKK'000	DKK'000
Cost at the beginning of the year	331.830	291.784
Additions during the year	33.703	40.046
Transferred during the year	-365.533	0
Cost at the end of the year	0	331.830
Carrying amount at the end of the year	0	331.830

7. Fixtures, fittings, tools and equipment

Cost at the beginning of the year	11.806	25.780
Additions during the year	0	213
Disposals during the year	0	-14.187
Cost at the end of the year	11.806	11.806
Amortisation at the beginning of the year	-10.088	-22.057
Amortisation for the year	-1.453	-2.218
Reversal of depreciation of disposed assets	0	14.187
Amortisation at the end of the year	-11.541	-10.088
Carrying amount at the end of the year	265	1.718

8. Leasehold improvements

Cost at the beginning of the year	1.957	1.823
Additions during the year	0	134
Cost at the end of the year	1.957	1.957
Amortisation at the beginning of the year	-1.075	-799
Amortisation for the year	-292	-276
Amortisation at the end of the year	-1.367	-1.075
Carrying amount at the end of the year	590	882

Notes

9. Deposits

	2023 DKK'000	2022 DKK'000
Cost at the beginning of the year	2.160	2.109
Addition during the year	0	51
Disposal during the year	-2.160	0
Cost at the end of the year	0	2.160
Carrying amount at the end of the year	0	2.160

10. Prepayments

Prepayments mainly relate to costs relating to third-party service contracts relating to software, maintenance and consulting.

11. Provisions for deferred tax

Equipment	-2.587	-2.268
Development projects	77.109	73.003
Leasehold improvements	-251	-187
Tax loss	-19.927	-25.677
Balance at the end of the year	54.344	44.871

12. Long-term liabilities

	Due between 1-5 years DKK'000	Due after 5 years DKK'000
Other payables	873	17.431
	873	17.431

13. Deferred income

Deferred income consists of prepayments regarding income to be recognised in the subsequent financial years.

14. Contingent liabilities

Edlund A/S has entered into leasing commitments with a total of TDKK 242 of which TDKK 100 is due within 1 year.

Edlund A/S is jointly taxed with the other Danish Group Companies in the KMD Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish Group 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.

Edlund A/S

Notes

15. Related parties

Edlund A/S is fully owned by KMD A/S which is a part of KMD Group. The Company is ultimately a 100% owned subsidiary of NEC Corporation and is included in the consolidated financial statements of NEC Corporation.

A copy of the Consolidated Financial Statements can be obtained through KMD Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.

Related Party transactions: (DKK'000)	2022/23
Sale of good and services	71.135
Purchase of goods and services	55.752
Interest expense	4.857
Receivables	4.674
Tax receivables	5.946
Payables	228.196