

Edlund A/S

La Cours Vej 7

2000 Frederiksberg

CVR No. 16514179

Annual Report 2019/20

Godkendt på selskabets ordinære
generalforsamling d. 6. november 2020
*Approved at the annual general meeting
of the company on 6 November 2020*



Jacob Drøhse, dirigent/*chair*

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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 2019 - 31 March 2020.

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

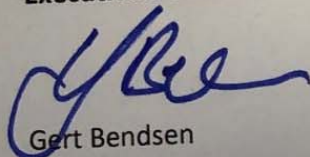
In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 - 31 March 2020.

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

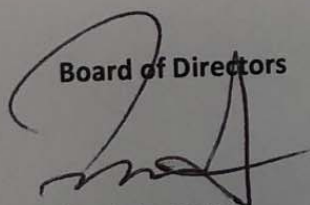
We recommend that the Annual Report be adopted at the Annual General Meeting.

Frederiksberg, 1 October 2020

Executive Board



Gert Bendsen
CEO

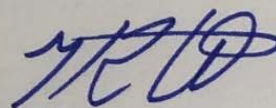


Board of Directors

Per Johansson
Chair



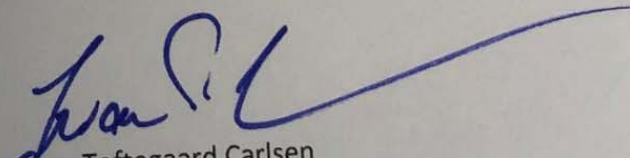
Eva Berneke



Jannich Lund



Kristoffer Krøigaard Smed
Employee Repr.



Ivan Toftegaard Carlsen
Employee Repr.

Independent Auditors' Report

To the shareholders of Edlund A/S

Opinion

We have audited the financial statements of Edlund A/S for the financial year 1 April 2019 - 31 March 2020, 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 2020 and of the results of the Company's operations for the financial year 1 April 2019 - 31 March 2020 in accordance with the Danish Financial Statements Act.

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 rules and requirements. 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 that 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.

Independent Auditors' Report

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 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 in Denmark will always detect a material misstatement 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 the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also identify and assess the risks of material misstatement of the company 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.

Edlund A/S

Independent Auditors' Report

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 provides the information required under 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, 1 October 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR-no. 25578198



Henrik Kyhnav

State Authorised Public Accountant

mne40028

Edlund A/S

Company details

Company	Edlund A/S La Cours Vej 7 2000 Frederiksberg
CVR No.	16514179
Board of Directors	Per Johansson, Chair Eva Berneke, Deputy Chair Jannich Lund Kristoffer Krøigaard Smed Ivan Toftegaard Carlsen
Executive Board	Gert Bendsen, CEO
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

Management's Review

About Edlund A/S

Edlund A/S is an innovative software development house with about 250 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 financial matters

The Company's Income Statement of the financial year 1 April 2019 - 31 March 2020 shows a result of DKK -2.132 k and the Balance Sheet at 31 March 2020 a balance sheet total of DKK 328.620 k and an equity of DKK 38.687k.

Comparative figures in the Annual Reports relates to 15 months due to alignment of the fiscal year with the NEC Group. The annual growth in revenue was 6% compared with a 12 month period 2018/19. The result was improved compared with previous years due to increased revenue and focused reductions in number of staff and external consultant expenses.

On the customer side the delivery of the latest generation of our policy administration systems was completed at Velliv. The cooperation between Velliv and Edlund will continue in the future, as we continue to have consultants in teams in Velliv who help with the management and further development. The new policy administration solution to PenSam was code complete and moved into test phase and migration.

On all other major customers e.g. PFA, Sampension, ATP, Forca and Industriens Pension we experience increased activity and demand of professional services.

The executive board of Edlund A/S find the achieved turnover and results acceptable for the financial year.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Expectations for the future

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.

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.

Research and development activities

Research activities are carried out in the parent company and are of limited extent. Investments in the industry solution continued in year 2019/20 at the same level as in previous year including technology improvements and cloud readiness.

Management's Review

Post financial year events

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

The effect of COVID-19 is limited on the Company due to the nature of activity. It is however difficult to predict the long-run effects of the demand on the services the Company provides. Management has assessed that it does not impact the valuation of the assets of the Company.

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/CSRrapport2019>.

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. Edlund presents many female leaders as role models. The proportion of women at Edlund is currently 30 %.

In the group management, there were 20 % women by the end of the fiscal year a status quo from the previous year. In 2020, women made up 46 % of all managers the year before the number was 42%.

Edlund has set a goal for the share of female Board members to be 33% by end-2020, which has been reached. This target is maintained from 2020 until end of Financial Year 2023/24.

To further workplace diversity, we consult with our employees, and together with our managers they are invited to propose improvements.

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:

	2019/20	2018/19	2017	2016	2015
Revenue	254.467	297.767	247.469	238.403	244.594
Net financial income and expenses	-1.174	-2.502	-189	-101	3.407
Profit/loss for the year	-2.132	-6.407	7.157	325	22.231
Total assets	328.620	245.508	146.723	121.249	110.359
Total equity	38.687	40.819	47.226	40.069	39.744
Avg. number of full-time employees	245	275	227	197	201
Solvency ratio (%)	12	17	32,2	33	36,1

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.

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

Income Statement

	Note	2019/20 tkr.	2018/19 tkr.
Revenue	1	254.467	297.767
Other external expenses		-96.844	-119.094
Gross result		157.623	178.673
Employee benefits expense	2	-139.966	-165.981
Depreciation and amortisations		-18.451	-16.880
Other operating expenses		14	-1.525
Profit (loss) from ordinary operating activities		-780	-5.713
Finance expences	3	-1.174	-2.502
Profit (loss) from ordinary activities before tax		-1.954	-8.215
Tax expense	4	-178	1.808
Profit (loss)		-2.132	-6.407
Proposed distribution of results	5		
Transferred to reserve for development costs		75.948	77.537
Retained earnings		-78.080	-83.944
Distribution of profit (loss)		-2.132	-6.407

Balance Sheet as of 31 March

	Note	2020 tkr.	2019 tkr.
Assets			
Completed development projects	6	15.041	30.967
Development projects in progress	7	237.181	139.811
Intangible assets		252.222	170.778
Fixtures, fittings, tools and equipment	8	6.388	6.465
Leasehold improvements	9	1.273	1.535
Property, plant and equipment		7.661	8.000
Deposits, investments		2.080	2.051
Investments		2.080	2.051
Fixed assets		261.963	180.829
Short-term trade receivables		25.532	18.777
Contract work in progress	10	7.154	0
Short-term receivables from group enterprises		5.599	10.337
Short-term tax receivables from group enterprises		20.172	19.994
Other short-term receivables		536	2.920
Prepaid costs		3.083	3.049
Receivables		62.076	55.077
Cash and cash equivalents		4.581	9.602
Current assets		66.657	64.679
Assets		328.620	245.508

Balance Sheet as of 31 March

	Note	2020 tkr.	2019 tkr.
Liabilities and equity			
Contributed capital		500	500
Reserve for development expenditure		187.465	111.517
Retained earnings		-149.278	-71.198
Equity		38.687	40.819
Provisions for deferred tax		51.935	35.176
Other provisions		600	660
Provisions		52.535	35.836
Work in progress	10	0	4.875
Trade payables		13.091	12.430
Payables to group enterprises		175.790	104.996
Other payables		48.517	46.552
Short-term liabilities other than provisions		237.398	168.853
Liabilities other than provisions within the business		237.398	168.853
Liabilities and equity		328.620	245.508
Going concern	11		
Significant events occurring after end of reporting period	12		
Contingent liabilities	13		
Deferred tax assets and liabilities	14		
Related parties	15		
Fees for auditors elected on the general meeting	16		

Edlund A/S

Statement of changes in Equity

	Share capital	Development costs	Retained earnings	Total
Equity 1 April 2019	500	111.517	-71.198	40.819
Net profit/loss for the year		75.948	-78.080	-2.132
Equity 31 March 2020	500	187.465	-149.278	38.687

The share capital has remained unchanged for the last 5 years. The share capital comprise 1 share class.

Accounting Policies

Reporting class

The Annual Report of Edlund A/S for 2019/20 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

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

The accounting policies applied remain unchanged from last year.

In 2018/19 the Company changed its financial reporting period. As a result the Comparative figures includes 15 months.

Reporting currency

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

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

The financial statement have been prepared under the historical cost principle.

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 amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, 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. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Accounting Policies

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Income from the sale of goods for resale and finished goods is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end, if it is possible to calculate the income reliably. The revenue is exclusive of VAT and net of sales discounts.

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

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

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Staff expenses

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

Depreciations and amortisations 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	3-10 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 recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest income and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Tax on net profit 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 comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

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

An impairment test of acquired intangible assets is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. 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.

Property, plant and equipment

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 date 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 intangible assets and property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortisation and 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. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

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.

Accounting Policies

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.

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

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.

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

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

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

Development cost reserve

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

Provisions

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.

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the Company has a legal or actual obligation as a result of a past event, and it is likely that settlement will result in the company spending financial resources.

Accounting Policies

Provisions that measured at value in use.

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 Cash Flow Statement

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 financial statements of NEC Corporaiton.

Explanation of financial ratios

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

Notes

1. Revenue

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

	2019/20	2018/19
2. Staff costs		
Wages and salaries	112.072	132.383
Pensions	25.010	30.300
Social security contributions	1.841	2.131
Other employee expense	1.043	1.167
	139.966	165.981
Average number of employees	247	275

The Company does not disclose management remuneration in accordance with the Danish Financial Statements Act §98b, 3.

3. Financial expenses

Finance expenses arising from group enterprises	1.041	2.369
Other finance expenses	133	133
	1.174	2.502

4. Tax expense

Current tax payable	16.937	19.995
Current year change in deferred tax	-16.759	-18.187
	178	1.808

5. Distribution of profit

Transferred to reserve for entrepreneurial company	75.948	77.537
Retained earnings	-78.080	-83.944
	-2.132	-6.407

6. Completed development projects

Cost at the beginning of the year	108.493	108.493
Cost at the end of the year	108.493	108.493
Depreciation and amortisation at the beginning of the year	-77.526	-64.732
Depreciation	-15.926	-12.794
Depreciation and amortisation at the end of the year	-93.452	-77.526
Carrying amount at the end of the year	15.041	30.967

Development projects relates to the development and improvements of the Company's it-solutions.

Notes

	2020	2019
7. Development projects in progress		
Cost at the beginning of the year	139.811	42.341
Addition during the year	97.370	97.470
Cost at the end of the year	237.181	139.811
Carrying amount at the end of the year	237.181	139.811
Development projects relates to the development and improvement of existing it-solutions as well as development of new projects. The progress of the projects is as planned using the resources Management set aside. It is expected, that the projects will be sold to customers on the existing market and to new markets.		
8. Fixtures, operating equipment and vehicles		
Cost at the beginning of the year	24.003	39.304
Addition during the year	2.226	2.239
Disposal during the year	-45	-17.540
Cost at the end of the year	26.184	24.003
Depreciation and amortisation at the beginning of the year	-17.538	-30.863
Depreciation for the year	-2.263	-3.576
Reversal of depreciation and amortisations of disposed assets	5	16.901
Depreciation and amortisation at the end of the year	-19.796	-17.538
Carrying amount at the end of the year	6.388	6.465
9. Leasehold improvements		
Cost at the beginning of the year	1.811	5.353
Addition during the year		872
Disposal during the year		-4.414
Cost at the end of the year	1.811	1.811
Depreciation and amortisation at the beginning of the year	-276	-3.185
Depreciation for the year	-262	-426
Reversal of impairment losses and amortisation of disposed assets		3.335
Depreciation and amortisation at the end of the year	-538	-276
Carrying amount at the end of the year	1.273	1.535

Notes

10. Contract work in progress

Sales value of work	7.154	55.518
Progress billings on contracts in progress	0	-60.393
Net value of contract work	7.154	-4.875

Progress billings are divided as follows in the balance sheet:

Net receivables	7.154	0
Net liabilities	0	4.875
	7.154	4.875

11. Going concern

The activities of Edlund A/S has in several years been financed by short term intercompany loans amounting to DKK 175 million as of 31 March 2020. The credit facilities made available for the Company is agreed with the Parent Company KMD A/S.

Based on cash at bank and in hand, DKK 4.5 million as of 31 March 2019 and the ongoing contracts with major customers Management assesses that KMD A/S will continue to support the Company with sufficient liquidity and that intercompany trade payables of DKK 175 million will not be called unless the liquidity position of Edlund A/S is adequate to justify such repayment. This is supported by positive operating cash flow. Management assesses on this basis, capital resources to be satisfactory and prepared the Financial Statements, under the precondition of continued operation.

12. Significant events occurring after end of reporting period

There have been no significant events after the reporting period with a material impact on the Company's financial position as of 31 March 2020.

13. Contingent liabilities

Edlund has entered into rental commitments with a total of t.kr. 33.900 of which t.kr. 8.776 is due within 1 year.

Lease commitments relating to equipment of t.kr. 236 tkr. of which t.kr. 157 is due within 1 year.

Edlund is jointly taxed with the other Danish companies in the KMD 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.

14. Deferred tax assets and liabilities

Deferred tax liability mainly relates to intangible assets.

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 the Company Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.

16. 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.