



Annual report 2017

ACCOUNTING PERIOD: 01.01.2017 – 31.12.2017
CENTRAL BUSINESS REGISTRATION NO: 24 20 83 70

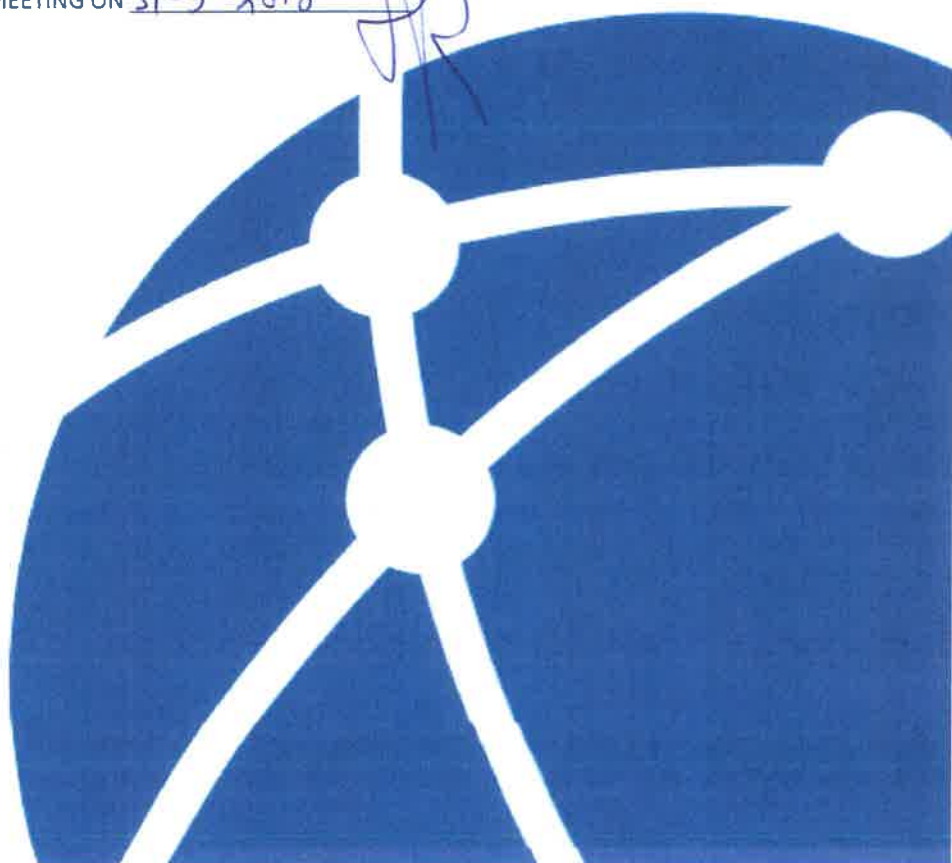
COMPANY: EGN GROUP A/S
RYTTERMARKEN 8
5700 SVENDBORG

CHAIRMAN OF THE ANNUAL GENERAL MEETING: HANS KURT KJÆR HANSEN

APPROVED BY THE ANNUAL GENERAL MEETING ON 31-5-2018



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Company details

Company	EGN Group A/S Ryttermarken 8 5700 Svendborg Denmark
	Phone: +45 63 21 40 00 Fax: +45 63 21 40 01 Website: www.egn.com E-mail: info@egn.com
	Central Business Registration No: 24 20 83 70 Registered in: Svendborg Accounting year: January 1, 2017 – December 31, 2017
Secondary names	Executives' Global Network A/S EGN EGN Group A/S Netværk Danmark A/S
Executive Board	Jonatan Åge Persson, Group Chief Executive Officer Hans Kurt Kjær Hansen, Group Chief Financial Officer
Board of Directors	Jens Erik Karlskov Jensen, Chairman Jørgen Galsgaard Janne Karlskov Jensen Jeanette Galsgaard
Company auditors	RevisionsFirmaet Edelbo Statsautoriseret Revisionspartnerselskab Business registration no.: 35 48 61 78

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Consolidated key figures

Executives' Global Network A/S - Group

Statement of comprehensive income (DKK'000)	2017	2016	2015	2014	2013
Revenue	165.317	162.817	162.890	141.199	118.300
Operating profit (EBIT)	10.657	17.301	14.607	17.781	8.893
Net financials	(658)	(199)	(637)	(104)	(115)
Profit before tax	9.909	17.102	13.970	17.677	8.777
Net profit for the year	7.244	11.736	9.929	12.075	5.890
Balance (DKK'000)					
Trade receivables	19.918	23.845	21.644	16.650	12.773
Equity	6.983	7.649	3.489	7.777	3.125
Total assets	41.277	40.159	38.207	34.031	24.477
Key ratios (%)					
ROIC excl. goodwill	26.01 %	44.15 %	40.44 %	60.78 %	37.33 %
Solvency ratio	17.00 %	19.05 %	9.13 %	22.85 %	12.77 %
Profit margin	6.39 %	10.63 %	8.97 %	12.59 %	7.52 %
Return on equity	99.01 %	210.73 %	176.26 %	221.53 %	108.75 %

The key figures are prepared in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2015".

Management commentary

Company activity

The EGN Group is the world's second largest professional network for executives (top executives, middle managers, specialists and key employees).

EGN currently has 14,000 members from 14 countries, representing 7,800 companies. We run 3,800 peer group meetings every year.

EGN operates peer groups in Denmark, Norway, Sweden, Finland, Germany, Holland, Belgium, Hong Kong, Singapore, Vietnam, Thailand (new in 2018), Australia, New Zealand and South Africa.

The group operates peer groups and represents more than 70 different organizational functions in companies and the public sector.

The goal is "Making each other better", which means that EGN wishes that all the knowledge gathered in the public and private businesses of the 14 countries that EGN represents lies in the EGN networks and can be used by all, both by the individual employee, who is a member, and by colleagues in the organizations. By using the network and each other - even between meetings - there are every opportunity to solve any problems that may arise and "Making each other better".

There must be no challenge for a member or somebody in his or her organization which cannot be solved by use of the EGN concept.

The section "Outlook" illustrated how this will become even easier in 2018.

Development in activities and finances

The profit for the year is 7,243,718 DKK.

At a glance, this may be considered unsatisfactory in comparison with previous years. That is not how the board sees it. The board actually considers it a satisfactory result.

The result must be seen in the light of several specific issues:

Overall, the foreign 15 operating companies operating as independent entities have seen progress in both OPP results and membership growth.

This was budgeted and is a very satisfactory result.

Since 1992, EGN has not had a single year without being able to show membership growth - even during all the crises during that period.

EGN has documented that knowledge sharing between executives is necessary both for the company and one self - both in good times and bad. Why bother with a problem if the help is just around the corner?

The Board of Directors and Group Management decided that in 2017 EGN should be developed into becoming the world's most advanced digital network by building our own social network - owned and operated by ourselves in a closed forum with access only for our members. It was emphasized that this network should be 100% safe for the members. No data will or may come outside our own closed system.

It is extremely expensive to develop such a closed social network, just imagine the cost of Facebook and the like, but our members' security is not up for discussion.

Therefore, in 2017/2018 we have budgeted with the development of the closed social media, Members Universe, which will be further developed in 2019 and over the coming years.

Members Universe, a brand new facility, a brand new social media, for our members so that they can communicate/chat with each other 24/7 in connection with their physical groups.

The development has been successful, and as you can see in the "Outlook" section, the new digital network / social media "Members Universe" was implemented in the spring of 2018.

The technology development of Members Universe has primarily taken place in 2017 and would impact all existing IT systems which we have had to change/develop/transform. This transformation, which began in 2016, has also been used to develop a brand new technological infrastructure that has enabled the "Members Universe" to be developed, but which at the same time will help optimize daily operations both internally, but also to administration of the members.

Also in 2017 a considerable amount of money was invested in relation to GDPR.

The whole development - and its costs - have taken place in Denmark, but from 2018 all 15 EGN countries will benefit.

As budgeted, development cost a 2-digit million amount, which we consider to be a significant investment in the future. The board and management have deliberately decided to expense virtually all expenses / investments over operations. Approximately 5 million DKK was capitalized in 2017.

This has, as expected, affected the results significantly in 2017, but is expected to yield a positive return on investment in the coming years.

Today, EGN is the world's most digitized network!

In addition, the board and management have decided to invest significant amounts in the companies that show a positive member development but which are not yet large enough to earn a profit. That is also an investment in the future. It is expected that most of these companies will become profitable in the course of 2018.

Finally, EGN has invested substantial resources in a completely new concept, which we will be able to offer our members from spring 2018.

As the only network in the world, we have entered into a collaboration with one of the most recognized foreign business schools where we will be able to offer executives and young upcoming top executives a combination of a network group and a number of training sessions with professors, presentations, cases, assignments and exam online. Following this, participants will receive an international diploma.

It is an option that has long been sought from several companies. Now it is here and this means that employees do not need to be away from their jobs for several weeks but can get an international business education while being able to take care of their daily jobs.

Preparations for this have mainly taken place in 2017, but will also extend beyond 2018.

Outlook

As mentioned, the concept of some of the investments made in 2017 will be offered to members in 2018.

EGN will appear as a new, completely different, much more modern (the world's most digital network) and dynamic network, allowing members beyond the traditional networking meetings to actively use each other for sparring, knowledge sharing and problem solving 24/7. No one else can offer something like this.

No one else offers a combination of networking and learning through an internationally recognized business school, which allows you to take an international education and gain certificates while working at home.

2018 will also be characterized by the fact that the Members Universe will be expanded, allowing members to communicate even more - even in their own interest groups, which they can establish themselves across the networks.

We expect the positive development to continue.

We are proud to, within a short timeframe, have created a brand new unique global network, leading in the world on a number of specific points.

Statement by the executive management and the board of directors

The Board of Directors and the Executive Group Management Board have today discussed and approved the annual report of EGN Group A/S for the financial year 2017.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports.

In our opinion the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position on December 31, 2017 and of the results of the group's and the parent company's operations and cash flows for the financial year January 1 - December 31, 2017.

Further, in our opinion the management's report includes a fair review of the development and performance of the group's and the parent company's business and financial condition, the profit/loss for the year and of the group's and the parent company's financial position together with a description of the principal risks and uncertainties that the group and the parent company face.

We recommend that the Annual Report 2017 is approved at the annual general meeting.

Svendborg, May 31, 2018

Executive Group Management Board



Jonatan Åge Persson
Group Chief Executive Officer



Hans Kurt Kjær Hansen
Group Chief Financial Officer

Board of Directors



Jens Erik Karisikov Jensen
Chairman



Jørgen Galsgaard



Janne Jensen



Jeanette Galsgaard

Independent auditors' report

To the shareholders of EGN Group A/S

Our opinion

We have audited the consolidated financial statements and the parent company financial statements of EGN Group A/S for the financial year 1 January to 31 December 2017, which comprise income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2017 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in 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 Group in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

Moreover, we considered whether the Management's Review includes the disclosures required by the Danish Financial Statements Act.

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and Parent 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 unless Management either intends to liquidate the Group or the Parent Company or to cease 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit 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 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 Group's and the Parent 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 and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Svendborg, May 31, 2018

Revisionsfirmaet Edelbo

Statsautoriseret Revisionspartnerselskab

Cvr-nr. 35 48 61 78


Johan Groth
State Authorized
Public Accountant
mne11630


Michael Jensby Jakobsen
State Authorized
Public Accountant
mne34290

Financial

Consolidated income statement

1 January – 31 December

DKK	Note	2017	2016	2015
Revenue	3	165.316.804	162.816.905	162.889.754
Other external expenses		(38.919.943)	(27.309.488)	(29.617.193)
Staff expenses	4	(114.491.281)	(116.990.875)	(117.517.695)
Depreciation	5	(1.338.530)	(1.215.460)	(1.148.087)
Operating profit before other items		10.567.050	17.301.082	14.606.779
Other income and expenses, net		0	0	0
Operating profit (EBIT)		10.567.050	17.301.082	14.606.779
Financial income	6	156.771	481.899	342.249
Financial expenses	7	(814.529)	(680.817)	(978.815)
Profit/(loss) before tax (EBT)		9.909.292	17.102.164	13.970.213
Tax on profit/(loss) for the year	8	(2.665.574)	(5.366.586)	(4.041.220)
Net profit/(loss) for the year		7.243.718	11.735.577	9.928.993
Attributable to:				
Owners of EGN Group A/S		5.941.811	11.178.655	8.066.004
Non-controlling interests		1.301.907	556.922	1.862.989
Net profit/(loss) for the year		7.243.718	11.735.577	9.928.993

Financial

Statement of comprehensive income

1 January – 31 December

DKK	Note	2017	2016	2015
Profit/(loss) for the year		7.243.718	11.735.577	9.928.993
Foreign exchange adjustments, etc.		(117.350)	(35.324)	(40.645)
Other comprehensive income for the year, net of tax		(117.350)	(35.324)	(40.645)
Total comprehensive income for the year		7.126.368	11.700.253	9.888.348
Attributable to:				
Owners of EGN Group A/S		5.861.974	11.140.626	8.025.359
Non-controlling interests		1.264.394	559.627	1.862.989
Net profit/(loss) for the year		7.126.368	11.700.253	9.888.348

Statement of cash flows

1 January - 31 December

DKK	Note	2017	2016	2015
Net profit/(loss)		7.243.719	11.735.577	9.928.993
Depreciation and amortisation		1.338.529	1.215.460	1.148.087
Changes in working capital		3.263.188	(5.244.797)	(5.376.086)
Adjustment of tax of the year		2.665.574	5.366.586	4.041.220
Changes in provisions, pensions and similar obligations		(1.192.977)	(4.757.264)	11.068.772
Income taxes paid		(7.554.965)	(3.152.495)	(6.616.055)
Cash flow from operating activities		5.763.068	5.163.067	14.194.931
Cash flow from investing activities				
Acquisition of intangible assets, property, plant and equipment		(7.920.005)	(1.830.629)	(2.537.023)
(Acquisition)/disposal of financial assets		0	696.317	2.053.961
Cash flow from investing activities		(7.920.005)	(1.134.312)	(483.062)
Cash flow from financing activities				
Proceeds from borrowings		467.175	429.726	1.473.914
Repayment of borrowings		(243.696)	(238.200)	(2.193.574)
Change in intercompany receivables/liabilities		3.341.171	(2.811.209)	4.482.879
Change in other liabilities		902.597	(2.425.840)	(259.094)
Paid dividend		(6.000.000)	(6.000.000)	(13.000.000)
Cash flow from financing activities		(1.532.757)	(11.045.523)	(9.495.875)
Total cash flow		(3.689.694)	(7.016.768)	4.215.994
Cash and cash equivalents at 1 January		1.430.770	8.447.538	4.231.544
Total cash flow		(3.689.694)	(7.016.768)	4.215.994
Cash and cash equivalents at 31 December		(2.258.924)	1.430.770	8.447.538

Statement of consolidated financial position

at 31 December

DKK	Note	2017	2016	2015
Assets				
Intangible assets	10	7.397.236	168.028	748.884
Property, plant and equipment	11	2.533.867	2.940.799	2.562.140
Deferred tax assets	15	1.516.466	1.084.137	832.167
Amounts owed by group companies		303.476	583.053	460.217
Other financial assets		1.253.689	1.132.116	695.301
Non-current assets		13.004.735	5.908.133	5.298.709
Trade receivables	12	19.917.780	23.845.112	21.643.695
Receivables from group companies		0	2.909.489	221.116
Other receivables		1.695.147	3.910.266	1.258.792
Cash and cash equivalents	13	6.621.732	3.585.903	9.784.999
Prepayments		0	0	0
Current assets		28.234.660	34.250.770	32.908.602
Total assets		41.239.396	40.158.903	38.207.311

Statement of consolidated financial position (continued)

at 31 December

DKK	Note	2017	2016	2015
Equity and liabilities				
Total equity attributable to owners of EGN Group A/S		6.458.447	7.521.570	2.364.705
Non-controlling interests		524.997	127.431	1.124.470
Total equity		6.983.444	7.649.001	3.489.175
Leasing	14	548.635	486.913	345.566
Deferred tax	15	0	0	0
Non-current liabilities		548.635	486.913	345.566
Bank	13	8.880.656	2.155.134	1.337.461
Trade payables	16	4.052.313	4.659.925	3.160.315
Payables to group companies		189.753	0	0
Leasing, short-term debt	14	372.667	210.911	160.732
Tax payables		1.533.490	5.990.551	3.524.491
Other liabilities	17	6.650.407	5.785.460	8.211.300
Employee liabilities	18	5.352.825	5.994.671	11.123.561
Provisions		6.675.204	7.226.337	6.854.710
Current liabilities		33.707.317	32.022.989	34.372.570
Total liabilities		34.255.952	32.509.902	34.718.136
Total equity and liabilities		41.239.396	40.158.903	38.207.311

Consolidated Equity

1 January - 31 December

2017

DKK	Share capital	Retained earnings	Minority interests	Total
Equity at 1 January	500.000	7.021.570	127.431	7.649.001
Net profit/(loss) for the year	0	5.941.811	1.301.907	7.243.718
Other comprehensive income	0	(79.836)	(37.514)	(117.350)
Exchange rate adjustments	0	15.073	(47.373)	(32.300)
Adjustment to prior years	0	(940.171)	0	(940.171)
Transactions with owners				
Dividends paid	0	(6.000.000)	(819.455)	(6.819.455)
Total changes in equity	0	(1.063.123)	397.565	(665.558)
Equity at 31 December	500.000	5.958.447	524.997	6.983.444

Dividends

The parent has proposed a dividend of DKK 4.000.000 before the Annual Report was issued.

2016

DKK	Share capital	Retained earnings	Minority interests	Total
Equity at 1 January	500.000	1.864.705	1.124.470	3.489.175
Net profit/(loss) for the year	0	11.178.655	556.922	11.735.577
Other comprehensive income	0	(38.029)	2.705	(35.324)
Exchange rate adjustments	0	16.239	0	16.239
Adjustment to prior years	0	0	73.101	73.101
Transactions with owners				
Dividends paid	0	(6.000.000)	(1.629.767)	(7.629.767)
Total changes in equity	0	5.156.865	(997.039)	4.159.826
Equity at 31 December	500.000	7.021.570	127.431	7.649.001

Dividends

The parent has proposed a dividend of DKK 6.000.000 before the Annual Report was issued.

Consolidated Equity (continued)

1 January - 31 December

2015

DKK	Share capital	Retained earnings	Minority interests	Total
Equity at 1 January	500.000	5.918.734	1.358.296	7.777.030
Net profit/(loss) for the year	0	8.025.359	1.862.989	9.888.348
Other comprehensive income	0	0	0	0
Exchange rate adjustments	0	(32.153)	4.460	(27.693)
Adjustment to prior years	0	952.765	(952.765)	0
Transactions with owners				
Dividends paid	0	(13.000.000)	(1.148.510)	(14.148.510)
Total changes in equity	0	(4.054.029)	(233.826)	(4.287.855)
Equity at 31 December	500.000	1.864.705	1.124.470	3.489.175

Dividends

The parent has proposed a dividend of DKK 6.000.000 before the Annual Report was issued.

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1. ACCOUNTING POLICIES

Basis of accounting

The consolidated financial statements for 2017 are presented in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class C enterprises. Please see the Danish Executive Order on IFRS adoption issued in accordance with the Danish Financial Statement Act.

The consolidated financial statements are presented in Danish Kroner (DKK), which is regarded as the primary currency in relation to the group's activities and the functional currency of the parent company.

The consolidated financial statements have been prepared on the historical cost basis, except for certain derivative financial instruments which are measured at fair value. The principal accounting policies adopted are set out below.

The consolidated financial statements are presented in accordance with the new and revised standards (IFRS/IAS) and Interpretations (IFRIC) which apply for the financial year.

Future IFRS changes

At the date of the publication of these consolidated financial statements, a number of new and amended standards and interpretations have not yet entered into force or have not yet been adopted by the EU. Therefore, they are not incorporated in the consolidated financial statements.

None of the new standards or amendments of existing standards are expected to have a material impact on future consolidated financial statements.

Recognition and measurement

Assets are recognized in the statement of financial position if it is probable that future financial benefits will flow to the group and the value of the asset can be measured reliably.

Liabilities are recognized in the statement of financial position if they are probable and can be measured reliably. On initial recognition assets and liabilities are measured at cost or fair value. Subsequently assets and liabilities are measured as described for each item below.

Income is recognized in the statement of comprehensive income as earned and includes value adjustments of financial assets and liabilities measured at fair value or amortized cost.

Consolidated financial statements

The consolidated financial statements comprise the parent company and the group enterprises (subsidiaries) that are

controlled by the parent company, see group chart on page 33. Control is achieved where the parent company, either directly or indirectly, holds more than 50% of the voting rights or in any other way possibly or actually exercises controlling influence over a subsidiary. If the parent company holds less than 50% of the share capital, control exists when the parent company under agreement has more than 50% of the voting rights, has the power to govern financial and operating policies of the subsidiary, to appoint members of the Board of Directors or to cast the majority of votes at meetings of the Board of Directors of the subsidiary.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the parent company and its subsidiaries, which are all prepared in accordance with the group's accounting policies. Upon consolidation, intra group income and expenses, balances, investments and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated.

Subsidiaries' financial statement items are recognized in full in the consolidated financial statements. Non-controlling interests' pro rata share of profit/loss and equity is shown as separate line items in the statement of comprehensive income and in the group's equity, respectively.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the transaction date exchange rate. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the end of the reporting period are translated using the exchange rate at the end of the reporting period. Exchange differences that arise between the rate at the transaction date and the exchange rate effective at the payment date or the exchange rate at the end of the reporting period are recognized in statement of comprehensive income as financial income or financial expenses. Property, plant equipment fleet, intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured on the basis of historical cost are translated at the transaction date exchange rate. If non-monetary items are restated at fair value, they are translated using the exchange rate at the date of restatement.

When foreign subsidiaries that use a functional currency different from DKK are recognized in the consolidated financial statements, the statement of comprehensive income is translated at average exchange rates on a monthly basis unless such rates vary significantly from the actual exchange rates at the transaction dates.

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In the latter case, the actual exchange rates are used. Statement of financial position items is translated using the exchange rates at the end of the reporting period. Goodwill is considered to belong to the relevant entity acquired and is translated using the exchange rate at the end of the reporting period.

Exchange differences resulting from the translation of foreign entities' equity at the beginning of the year using the end of the reporting period exchange rates and by translating statements of comprehensive income from average exchange rates to the exchange rates at the end of the reporting period are recognized in other comprehensive income. Similarly, exchange differences resulting from changes made in a foreign entity's other comprehensive income are also taken to other comprehensive income.

Exchange adjustments on receivables from, or payables to, subsidiaries that are considered part of the parent company's total investment in the subsidiary in question, are also recognized in other comprehensive income.

When foreign subsidiaries that use DKK as their functional currency but present their financial statements in another currency are recognized in the consolidated financial statements, monetary assets and liabilities are translated using the end of the reporting period exchange rate. Non-monetary assets and liabilities measured on the basis of historical cost are translated using the transaction date exchange rate. Non-monetary items measured at fair value are translated at the exchange rate at the time of the last fair value adjustment.

The items in profit or loss are translated at average exchange rates on a monthly basis, with the exception of items deriving from nonmonetary assets and liabilities, which are translated using the historical rates applicable to the relevant non-monetary assets and liabilities.

Income taxes and deferred tax

The EGN group's Danish subsidiaries are jointly taxed. The current Danish income tax is allocated among the jointly taxed companies in proportion to their taxable income (full allocation subject to reimbursement in respect of tax losses).

Tax for the year consists of current tax for the year and changes in deferred tax. The portion of tax attributable to profit is recognized in the income statement, and the portion of tax attributable to entries directly in other comprehensive income is recognized in other comprehensive income. The portion of tax attributable to equity transactions is recognized in equity.

The current tax payable or receivable is recognized in the statement of financial position, computed as tax calculated on the taxable income for the year, adjusted for prepaid tax.

The current tax charge for the year is calculated based on the tax rates and tax legislation in each country applicable at the balance sheet date.

Deferred tax is recognized on all temporary differences between carrying values and tax-based values of assets and liabilities, except from deferred tax on all temporary differences on initial recognition of goodwill or on initial recognition of a transaction that is not a business combination, and for which the temporary difference found at the time of initial recognition neither affects profit nor loss for the year nor taxable income.

Deferred tax is calculated based on the expected use of each asset and the settlement of each liability, respectively.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability settled, based on the tax rates and tax legislation that have been enacted or substantively enacted in the respective countries on the balance sheet date. Changes in deferred tax resulting from changed tax rates or tax rules are recognized in profit or loss, unless the deferred tax is attributable to items previously recognized in other comprehensive income or in equity. If so, such changes are also recognized in other comprehensive income or in equity.

Exchange adjustments on deferred tax are recognized as part of the year's adjustment in deferred tax.

Changes in local tax rates, affecting deferred tax, are used and thus affecting the value of the calculated deferred tax asset, alternatively deferred tax liability at year end.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the statement of financial position at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets for set-off against future positive taxable income. At the end of each reporting period, it is reassessed whether sufficient taxable income is probable to arise in the future for the deferred tax asset to be used.

Balances calculated according to the rules on interest deductibility limitations in the Danish Corporate Income Tax Act are allocated according to a joint taxation agreement between the companies that are subject to deductibility limitation in proportion to their share of the total limitation. Deferred tax liabilities in respect of these balances are recognized in the

Notes

statement of financial position; whereas deferred tax assets are recognized only if the criteria for recognition of deferred tax assets are met.

Statement of comprehensive income

Revenue

Sale of services is included in the revenue if delivery and passing of risk to the customer have taken place before the end of the year and if the income can be estimated in a reliable manner and is expected to be received.

The revenue is measured at the fair value of the agreed fee excl. VAT and taxes charged on behalf of third party. All types of discounts given are included in the revenue.

Other external expenses

Other external expenses comprises direct and indirect expenses incurred to realize revenue including salaries, network group facilitation, IT, sales and marketing costs as well as finance, legal, HR and other costs.

Special items

Special items consist of costs of a special nature in relation to the activities of the group, including costs of structural changes and other significant amounts of a one-off nature. These items are shown separately to facilitate the comparability of the profit or loss and provide a better picture of the operational results.

Financial income and expenses

These items comprise interest income and expenses, the interest portion of finance lease payments, realized and unrealized capital gains and losses on payables and transactions in foreign currencies, amortization premium/allowance on mortgage debt, etc. as well as tax interest.

Statement of financial position

Intangible assets

Goodwill

Upon initial recognition, goodwill is recognized in the statement of financial position and measured as the difference between cost of the enterprise acquired and the fair value of the assets, liabilities and contingent liabilities acquired.

When goodwill is recognized, the goodwill amount is distributed on those of the group's activities generating separate payments (cash-generating units). Determination of cash-generating units follows the management structure and internal finance management and reporting of the group.

Subsequently, goodwill is measured at cost less accumulated write downs. There is no amortization of goodwill but the carrying value of goodwill is tested for impairment at least once a

year together with the other long-term assets in the cash-generating unit to which the goodwill is allocated. It is written down to recoverable amount in profit or loss if the accounting value exceeds the recoverable amount, this representing the higher of the fair value of the asset less expected disposal costs and the value in use. The recoverable amount is generally determined as the present value of the expected future net cash flows from the cash-generating unit to which the goodwill is allocated. Impairment losses of goodwill are stated in profit or loss under amortization and impairment losses of intangible assets.

Other intangible assets

Acquired intellectual property rights in the form of patents and licenses are measured at cost less accumulated amortization and impairment losses. Patents are amortized over their remaining duration, usually 7 years, and licenses are amortized over the term of the agreement. If the actual useful life is shorter than the remaining duration and the term of the agreement, respectively, amortization is made over such shorter useful life.

Tangible assets

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans and other borrowing costs are taken to finance expenses in the statement of comprehensive income.

For assets held under finance leases, cost is measured as the lower of the asset's fair value or present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. The residual value is the estimated amount that would be earned if selling the asset today net of selling costs if the asset is of an age and a condition that is expected after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements: 5 years

Plant equipment and fleet: 3 years

Other fixtures and fittings, tools and equipment: 3-5 years

Notes

Depreciation methods, useful lives and residual amounts are reassessed annually. Property, plant equipment and fleet are written down to the lower of recoverable amount and carrying amount.

Impairment of property, plant equipment and fleet and intangible assets

The carrying amounts of property, plant equipment and fleet and intangible assets with definite useful lives are tested at the end of the reporting period for any indication of impairment. If impaired, the recoverable amount of the asset is estimated to determine the need for any write-down and the extent thereof.

The recoverable amount of intangible assets with indefinite useful lives and goodwill is estimated annually irrespective of any recorded indications of impairment.

If the asset does not generate cash flows separately from other assets, an estimate is made of the recoverable amount of the smallest cash-generating unit of which the asset forms part.

The recoverable amount is calculated as the higher of the asset's and the cash-generating unit's fair value less selling costs and net present value. When the net present value is determined, estimated future cash flows are discounted at present value using a discount rate that reflects current market estimates of the value of money in terms of time, as well as the particular risks related to the asset and the cash-generating unit, respectively, and for which no adjustment is made in the estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit is estimated to be lower than the carrying amount, the asset is written down to this lower recoverable amount. For cash-generating units, write-down is allocated in such a way that goodwill amounts are written down first and then any remaining need for write-down is allocated to other assets of the unit, however, the individual asset is not written down to an amount that is lower than its fair value net of estimated selling costs.

Impairment losses are recognized in the profit or loss. In case of any subsequent reversals of impairment losses resulting from change in assumptions of the estimated recoverable value, the carrying values of the asset and the cash-generating unit, respectively, are increased to the adjusted estimate of the recoverable value, however, no more than the carrying value which the asset or the cash-generating unit would have had if the write-down had not been performed. Impairment losses of goodwill are not reversed.

Profits or losses from the sale of property, plant equipment and fleet are calculated as the difference between selling price less

selling costs and carrying value at the time of sale. Profits or losses are recognized in the statement of comprehensive income if the selling price differs from the carrying amount.

Financial assets

Other receivables

Other receivables with a fixed maturity are measured at amortized cost, less any impairment.

Current assets

Trade receivables

On initial recognition, trade receivables are measured at fair value and subsequently at amortized cost, which usually equals nominal amount less bad debt provisions.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Liabilities

Other provisions

Other provisions are recognized when the group has a legal or constructive obligation as a result of past events in the financial year or prior years, and it is probable that settlement of such obligation will lead to an outflow of the company's financial resources.

Lease commitments

Lease commitments relating to assets held under finance leases are recognized in the statement of financial position as liabilities other than provisions, and, at the time of inception of the lease, measured at the lower of the lease asset's fair value and the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortized cost. The difference between the present value and nominal amount of the lease payments is recognized in profit or loss as a financial expense over the term of the leases.

Lease payments on operating leases are recognized on a straight-line basis in profit or loss over the term of the lease.

Other financial liabilities

On initial recognition, other liabilities, including issued bond loans, bank loans and trade payables, are measured at fair value. Subsequently, these liabilities are measured at amortized cost applying the effective interest method to the effect that the difference between proceeds and nominal amount is recognized in profit or loss as a financial expense over the term of the loan.

Notes

Pension obligations

The group has entered into pension agreements with employees, which are classified as defined contribution pension plans.

Periodical payments to defined contribution pension plans are recognized in profit or loss at the due date, and any contributions payable are recognized in the statement of financial position under liabilities.

Statement of cash flows

The group's statement of cash flows is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the group's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated as EBIT adjusted for non-cash operating items, working capital changes and income taxes paid. In the adjustment for non-cash operating items, depreciations and amortizations capitalized on tangible and intangible assets are included.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of enterprises, tangible fixed asset investments, and purchase, improvement and sale, etc. of intangible assets, and property and plant equipment. Depreciations and amortizations capitalized on tangible and intangible assets are included in cash-flow from investing activities.

If any, cash flows from acquired and divested enterprises are shown as separate line items within cash flows from investing activities.

Cash flows related to acquire enterprises are recognized in the statement of cash flow from their date of acquisition, and cash flows from divested enterprises are recognized up to the date of sale.

Cash flows from financing activities comprise financial expenses paid and changes in the size or composition of the parent company's share capital and related costs, the raising of loans, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividends.

Cash and cash equivalents comprise cash.

Ratios

The following ratios are compiled in accordance with Recommendations & Ratios 2010 issued by the Danish Society of Financial Analysts and generally accepted calculation formulas.

EBIT margin before

$$\text{Special items} = \frac{\text{Operating profit/loss [EBIT]} \times 100}{\text{Revenue}}$$

$$\text{EBITDA margin} = \frac{\text{Operating profit/loss before depreciation and amortization} \times 100}{\text{Revenue}}$$

$$\text{Return on equity} = \frac{\text{Operating profit/loss [EBIT]} \times 100}{\text{Average equity}}$$

$$\text{ROIC excl. goodwill} = \frac{\text{EBITDA}}{\text{Average capital investment excl. goodwill}}$$

2. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The determination of carrying values and preparation of the annual report build upon estimates made by Management of the likely effect of future events on the value of plant equipment and fleet and development projects. In addition, Management has determined fair value of separable intangible assets acquired through business combination, including impairment test of goodwill and other intangible assets. The estimates used build upon assumptions, which, in the opinion of Management, are valid albeit inherently uncertain and unpredictable. An assessment is made of the possibility of recovering the carrying value of intangible and tangible assets. The assessment of recoverable amounts is based upon estimated returns generated by those assets in the cash-generating unit. Refer to the additional information and amounts disclosed in the notes to the consolidated financial statements.

Notes

3. Revenue

DKK	2017	2016	2015
Member fees	164.969.315	162.412.820	162.501.013
Other revenue	347.489	404.085	388.741
Revenue, total	165.316.804	162.816.905	162.889.754

The Group is exempt from providing information of segments.

4. Staff expenses

DKK	2017	2016	2015
Salaries and wages	100.627.145	101.562.373	106.281.636
Pension	9.848.046	11.526.812	6.140.519
Other staff expenses	4.016.090	3.901.690	5.095.540
Staff expenses, total	114.491.281	116.990.875	117.517.695

Average number of employees	180	169	203
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The Group received government grants in the form of wage subventions, which have been recognised in the income statement as a reduction of staff costs. The grants compensate the Group for staff costs primarily related to social security as well as hiring certain categories of employees such as trainees, disabled persons, long-term unemployed and employees in certain age groups.

Management and board of directors remuneration can be specified as follows:

DKK	2017	2016
Salaries and wages	7.976.200	7.894.500
Bonus	0	0
Pension	682.700	418.908
	8.658.900	8.313.408

The Executive Board and a number of executives in the parent company is subject to special bonuses depending on individually defined performance and an incentive system to enter into force upon any transfer of the group.

Notes

5. Depreciation

DKK	2017	2016	2015
Goodwill	0	0	0
Other intangible rights	325.921	61.750	44.438
Plant and equipment	820.322	902.325	909.719
Leasehold improvements	185.897	251.385	199.688
Profit of disposed assets	-3.610	0	(5.758)
Depreciation, total	1.338.530	1.215.460	1.148.087

6. Financial income

DKK	2017	2016	2015
Other interest income	12.228	69.964	69.964
Interest income intercompany	26.928	79.409	0
Exchange rate gain	117.615	332.526	280.800
Financial income, total	156.771	481.899	342.249

7. Financial expenses

DKK	2017	2016	2015
Interest expenses, authorities	64.157	166.891	0
Leasing interest	83.129	80.421	242.242
Other interest expenses	273.512	112.835	99.133
Exchange rate loss	278.388	206.014	477.150
Bank fees	115.343	114.656	160.290
Amortization intercompany loan	0	0	0
Financial expenses, total	814.529	680.817	978.815

Notes

8. Tax on profit/(loss) for the year

DKK	2017	2016	2015
Current tax on profit/(loss) for the year	3.165.935	5.328.462	4.763.548
Adjustment current tax, prior years	(54.448)	211.186	0
Change in deferred tax	(445.913)	(173.062)	(739.829)
Adjustment deferred tax, prior years	0	0	15.805
Effect from change in tax percentage	0	0	1.696
Tax on profit/(loss) for the year, total	2.665.574	5.366.586	4.041.220
Profit/(loss) before tax	9.909.293	17.102.164	13.929.568
Effective tax rate	26.9 %	31.4 %	27.9 %
Computation of effective tax rate			
Statutory income tax rate in Denmark	22.0 %	22.0 %	23.5 %
Tax on profit/(loss), statutory tax rate	2.180.044	3.762.476	3.393.237
Non-tax deductible expenses less non-taxable income	539.977	1.392.924	630.482
Effect of changes in tax percent (23.5% - 22.0% in 2017)	0	0	1.696
Effect of changes relating to prior years	-54.447	211.186	15.805
Effect from foreign tax rates	0	0	0
	2.665.574	5.366.586	4.041.220
Tax of the year			
Tax on profit/(loss)	2.665.574	5.366.586	4.041.220
Tax on other comprehensive income	0	0	0
	2.665.574	5.366.586	4.041.220

9. Proposed dividend for the year

DKK	2017	2016	2015
Ordinary dividend	4.000.000	6.000.000	6.000.000
Dividend per share	100.0 %	100.0 %	100.0 %

Notes

10. Intangible assets

DKK	2017			2016		
	Goodwill	Other intangible rights	Total	Goodwill	Other intangible rights	Total
Cost at 1 January	12.796.880	0	12.796.880	12.796.880	707.050	13.503.930
Additions	317.057	7.248.072	7.565.129	0	177.211	177.211
Disposals	0	0	0	0	(884.261)	(884.261)
Cost at 31 December	13.113.937	7.248.072	20.362.009	12.796.880	0	12.796.880
Depreciation at 1 January	(12.628.852)	0	(12.628.852)	(12.628.852)	(126.194)	(12.755.046)
Depreciation	0	(335.921)	(335.921)	0	(61.750)	(61.750)
Disposals	0	0	0	0	187.944	187.944
Depreciation at 31 December	(12.628.852)	(335.921)	(12.964.773)	(12.628.852)	0	(12.628.852)
Carrying amount at 31 December	485.085	6.912.151	7.397.236	168.028	0	168.028

DKK	2015		
	Goodwill	Other intangible rights	Total
Cost at 1 January	12.796.880	545.153	13.342.033
Additions	0	161.897	161.897
Disposals	0	0	0
Cost at 31 December	12.796.880	707.050	13.503.930
Depreciation at 1 January	(12.628.852)	(81.756)	(12.710.608)
Depreciation	0	(44.438)	(44.438)
Disposals	0	0	0
Depreciation at 31 December	(12.628.852)	(126.194)	(12.755.046)
Carrying amount at 31 December	168.028	580.856	748.884

Notes

11. Property, plant and equipment

DKK			2017		2016	
	Leasehold improvements	Plant and equipment	Total	Leasehold Improvements	Plant and equipment	Total
Cost at 1 January	1.667.941	9.335.427	11.003.368	1.234.801	8.226.709	9.461.510
Exchange rate adj.	(22.468)	(28.567)	(51.035)	(20.484)	(91.076)	(111.560)
Additions	67.258	604.675	671.933	453.624	1.199.794	1.653.418
Disposals	0	(357.009)	(357.009)	0	(0)	(0)
Cost at 31 December	1.712.731	9.554.526	11.267.257	1.667.941	9.335.427	11.003.368
Depreciation at 1 January	(1.108.999)	(6.953.570)	(8.062.569)	(797.273)	(6.102.097)	(6.899.370)
Exchange rate adj.	14.080	18.092	32.172	(29.952)	18.095	(11.857)
Depreciation	(219.384)	(782.559)	(1.001.943)	(281.774)	(869.568)	(1.151.342)
Disposals	0	298.950	298.950	0	0	0
Depreciation at 31 December	(1.314.303)	(7.419.087)	(8.733.390)	(1.108.999)	(6.953.570)	(8.062.569)
Carrying amount at 31 December	398.429	2.099.498	2.533.867	558.942	2.381.857	2.940.799
Herof carrying amount at 31 December of assets held under finance leases	0	909.736	909.736	0	707.464	707.464

Notes

11. Property, plant and equipment (continued)

DKK	2015		
	Leasehold improvements	Plant and equipment	Total
Cost at 1 January	1.044.528	8.310.230	9.354.758
Exchange rate adj.	23.059	(110.183)	(87.124)
Additions	167.214	2.207.912	2.375.126
Disposals	0	(2.181.250)	(2.181.250)
Cost at 31 December	1.234.801	8.226.709	9.461.510
Depreciation at 1 January	(565.960)	(5.458.601)	(6.024.561)
Exchange rate adj.	(29.835)	128.057	98.222
Depreciation	(201.478)	(903.927)	(1.105.405)
Disposals	0	132.374	132.375
Depreciation at 31 December	(797.273)	(6.102.097)	(6.899.369)
Carrying amount at 31 December	437.528	2.124.612	2.562.140
Herof carrying amount at 31 December of assets held under finance leases	0	497.723	497.723

The Group leases vehicles under a number of finance lease agreements. The leased equipment secures lease obligations.

12. Trade receivables

DKK	2017	2016	2015
Trade receivables	19.917.780	23.845.112	21.643.695

A provision account to reduce the carrying amount of trade receivables and services whose value is impaired based on a general provision.

Notes

12. Trade receivables (continued)

A provision account to reduce the carrying amount of trade receivables and services whose value is impaired based on a general provision.

DKK	2017	2016	2015
Provision account at January 1 st ,	2.173.433	2.344.779	1.233.546
Impairment losses recognised/reversed	1.888.215	(171.346)	1.111.233
Provision account at December 31st,	4.061.658	2.173.433	2.344.779

For the financial year, no interest income has been recognised related to impairment losses.

The ageing of provision of trade receivables at the reporting date was:

DKK	2017	2016	2015
Not past due	1.809.321	848.407	1.022.729
Past due 1 to 30 days	1.332.899	748.872	95.579
Past due 31 to 60 days	564.450	339.022	561.498
Past due 61 to 90 days	267.421	133.643	220.588
Past due 91 to 120 days	87.568	89.523	200.535
More than 121 days	0	13.966	243.850
Total	4.061.659	2.173.433	2.344.779

13. Cash and cash equivalents

DKK	2017	2016	2015
Cash and bank deposits	6.621.732	3.585.903	9.784.999
Loans in banks	(8.880.656)	(2.155.639)	(1.337.461)
Cash and cash equivalents, total	(2.258.924)	1.430.264	8.447.538
Recognized in the statement of financial position			
Assets	6.621.732	3.585.904	9.784.999
Liabilities	(8.880.656)	(2.155.639)	(1.337.461)
	(2.258.924)	1.430.264	8.447.538

The Group company has unused drawing rights in banks for	0	2.051.292	2.647.033
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Notes

14. Leasing

DKK	2017	2016	2015
Due within 12 months from balancing day	372.667	210.911	160.732
Due between 1 and 5 years from the balancing day	548.635	486.913	345.566
Due 5 years after the balancing day	0	0	0
	921.303	697.824	506.298
Amortization addition to future expensing	0	0	0
	921.303	697.824	506.298

Financial leases are in average leased over a period of 3 years. All lease contracts have a repayment profile and no agreements contain contingent rent.

Minimum lease payments are due as above.

Financial leasing commitments are due for payment as below:

Due within 12 months from balancing day	372.667	210.911	160.732
Due between 1 and 5 years from the balancing day	548.635	486.913	345.566
Due 5 years after the balancing day	0	0	0
	921.303	697.824	506.298

15. Deferred tax

DKK	2017	2016	2015
Deferred tax liabilities/(assets), net at 1 January	(1.084.137)	(832.167)	(56.314)
Exchange rate adj.	127.502	(78.908)	(53.525)
Adjustments to deferred tax liabilities/(assets), net at 1 January	0	0	15.805
Deferred tax adjustment, for the year recognized in the income statement	(559.832)	(173.062)	(739.829)
Effect of change in tax percent	0	0	1.696
Deferred tax liabilities/(assets), net at 31 December	(1.516.466)	(1.084.137)	(832.167)

Notes

15. Deferred tax (continued)

Deferred tax can be specified as below:

DKK	2017	2016	2015
Intangible assets	135.169	36.966	106.774
Plant and equipment	(39.672)	(25.220)	(96.242)
Current assets	(1.611.963)	(1.095.883)	(842.699)
	(1.516.466)	(1.084.137)	(832.167)

Recognised in the statement of financial position as follows

Deferred tax liabilities	0	0	0
Deferred tax assets	1.516.466	1.084.137	832.167
	1.516.466	1.084.137	832.167

Deferred tax liabilities not recognised in the statement of financial position

In 2017, there were no (2016/2015: none/none) unrecognised deferred tax liabilities related to investments in associates or subsidiaries.

16. Trade payables

DKK	2017	2016	2015
Trade payables	4.052.313	4.659.925	3.160.315

The accounting value equals the fair value of the commitment.

17. Other liabilities

DKK	2017	2016	2015
VAT	2.343.992	3.672.351	4.435.935
Other payables	4.306.415	2.113.109	3.775.365
Other liabilities, total	6.650.407	5.785.460	8.211.300

The accounting value equals the fair value of the commitment.

Notes

18. Employee liabilities

DKK	2017	2016	2015
Holiday pay etc.	5.199.750	5.656.333	5.888.197
Payable salaries and commissions	153.075	338.338	5.235.364
	5.352.825	5.994.671	11.123.561

19. Related parties

Related parties with a controlling interest

The following related parties have a controlling interest in EGN Group A/S:

Name	Registered office	Basis of influence
Netværk Danmark Holding A/S	Svendborg, Denmark	Parent with 100% of the shares
J.G. Holding, Svendborg ApS	Svendborg, Denmark	Owner of Netværk Danmark Holding A/S
Kasko Holding A/S	Holte, Denmark	Owner of Netværk Danmark Holding A/S

The following shareholders are registered as holding more than 5% of the voting share capital or more than 5% of the nominal value of the share capital:

Netværk Danmark Holding A/S
Ryttermarken 8
5700 Svendborg

Netværk Danmark Holding A/S is registered as the single owner of shares in EGN Group A/S in the company's registers.

The Group has elected EGN Group A/S as parent and Netværk Danmark Holding A/S is the top level parent before the ultimate parents of Netværk Danmark Holding A/S, J.G. Holding, Svendborg ApS and Kasko Holding A/S. Consolidated financial statement is prepared and includes the subsidiaries of EGN Group A/S as set out in the group chart on page 34.

Transactions with subsidiaries during the financial year consist of contributed loans. Intercompany balances and calculated interests for intercompany balances has been eliminated during the consolidated financial statements.

The receivables from subsidiaries are listed in the balance sheet of the parent.

Notes

20. Related parties (continued)

Other related parties

EGN Group A/S' related parties with controlling interest includes owners and associated companies as well as the board of directors and the management including the families thereto. Related parties, furthermore, includes companies in which the above mentioned range of persons has controlling interest.

Transactions with related parties:

2017:

Key members of staff: As outlined in note 4.

Buying of services from Kasko Holding A/S.

2016:

Key members of staff: As outlined in note 4.

Buying of services from Kasko Holding A/S.

2015:

Key members of staff: As outlined in note 4.

Buying of services from Kasko Holding A/S.

21. Recourse guarantee commitments and contingent liabilities

The Parent Company has guaranteed the subsidiaries' debt to 946 DKK'000.

The Parent has signed irremovable leasehold agreements, as specified below:

6 months notice	1.305 DKK'000 commitment
At expiry 30.06.2019 / 15.11.2022	9.653 DKK'000 commitment

Joint taxation

EGN Group A/S is jointly taxed with the parent Netværk Danmark Holding A/S. As a fully owned subsidiary EGN Group A/S is guaranteeing unlimited and be jointly and severally responsible with the other companies in the joint taxation for national corporate taxes including withholding taxes on interests, royalties and dividends for all associated Danish companies in the Group. Any correction made to the jointly taxable income or withholding taxes might affect the liability for the company.

Notes

22. Financial risks

The Group is according to the operation, investments and its limited funding is not significantly exposed for market changes i.e. in terms of exchange rates and interest levels. The Parent company is managing all the financial risks within the Group centrally and coordinates the liquidity of the Group.

The Group does not make use of derivative financial instruments.

23. Credit risks

Credit risks related to financial assets is equal to the recognized value.

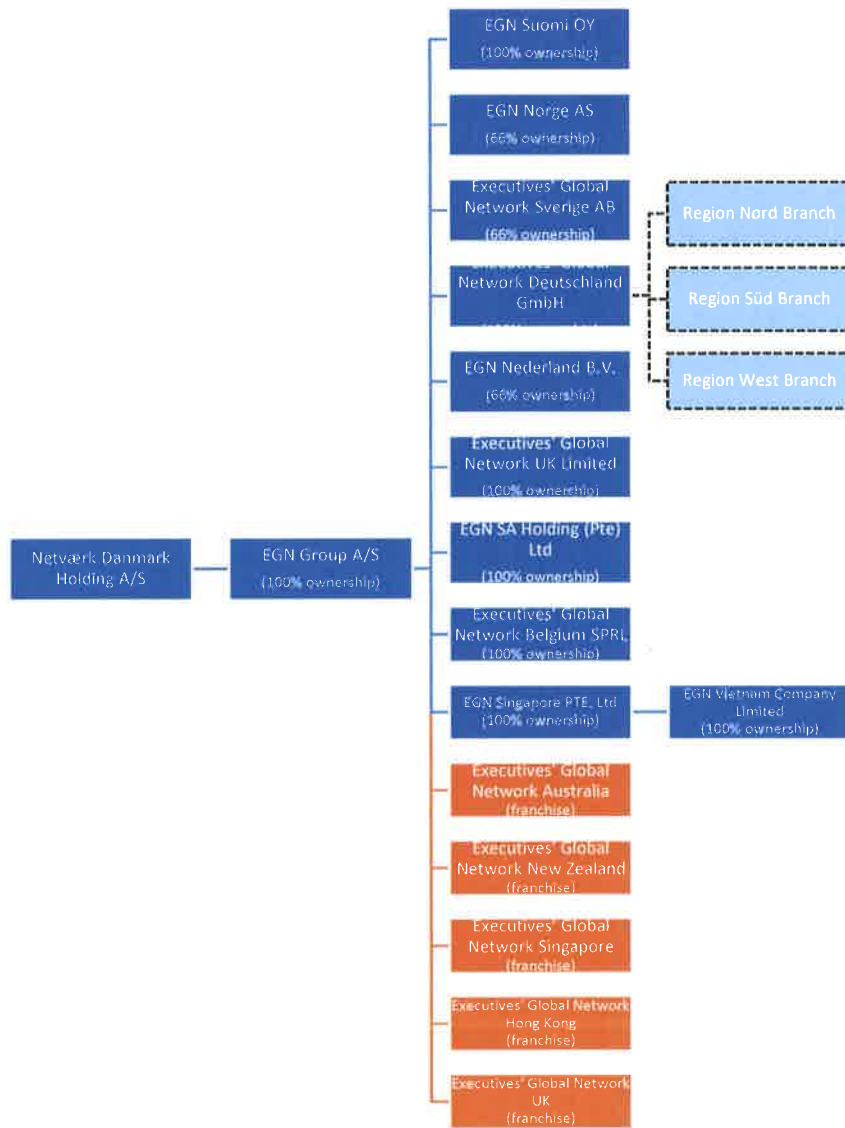
The credit risks of the Group are mainly related to receivables from trade and services.

The level of credit risks is equal to the recognized value of receivables from trade and services. Large clients and business partners are regularly credit rated and the risks is expected to be very small.

24. New legislation

A set of new standards has been issued during the process of the annual report 2017. None of this new standard is expected to impact the financials significantly.

Group chart





**Financial
statements
parent
company
2017**



Income statement

1 January – 31 December

DKK	Note	2017	2016	2015
Revenue	1	97.330.682	103.799.468	105.064.291
Other external expenses		(20.183.667)	(15.046.955)	(18.580.326)
Staff expenses	2	(68.096.401)	(67.355.259)	(72.585.761)
Depreciation	3	(1.125.516)	(878.856)	(927.306)
Operating profit before other items		7.925.098	20.518.398	12.970.898
Other income and expenses, net		0	0	0
Operating profit (EBIT)		7.925.098	20.518.398	12.970.898
Financial income	4	2.165.051	4.001.431	2.656.873
Financial expenses	5	(619.176)	(470.058)	(958.404)
Amortization of subsidiaries and intercompany loans		(2.248.066)	(1.515.350)	(8.336.690)
Profit/(loss) before tax (EBT)		7.222.907	22.534.421	6.332.677
Tax on profit/(loss) for the year	6	(1.738.276)	(4.607.336)	(2.972.602)
Net profit/(loss) for the year		5.484.631	(17.927.085)	(3.360.075)
Attributable to:				
Owners of EGN Group A/S		5.484.631	17.927.085	3.360.075
Non-controlling interests		0	0	0
Net profit/(loss) for the year		5.484.631	17.927.085	3.360.075

Statement of cash flows

1 January - 31 December

DKK	Note	2017	2016	2015
Net profit/(loss)		5.484.630	17.927.085	3.360.075
Depreciation and amortisation		1.125.516	878.856	927.306
Changes in working capital		1.809.486	16.999	(1.389.134)
Adjustment of tax of the year		1.738.276	4.607.336	2.972.602
Changes in provisions, pensions and similar obligations		-142.755	(5.727.487)	8.034.630
Income taxes paid		-4.652.785	(3.276.728)	(4.892.479)
Cash flow from operating activities		5.362.368	14.426.060	9.013.000
Cash flow from investing activities				
Acquisition of intangible assets, property, plant and equipment		(7.877.114)	(1.108.001)	(2.458.554)
(Acquisition)/disposal of financial assets		61.669	696.317	2.053.961
Acquisition of subsidiaries		(1.101.822)	0	(138.439)
Disposal of subsidiaries		0	0	5.448.813
Cash flow from investing activities		(8.917.267)	(411.684)	4.905.781
Cash flow from financing activities				
Proceeds from borrowings		467.175	429.726	1.473.914
Repayment of borrowings		(243.696)	(238.200)	(2.193.574)
Change in intercompany receivables/liabilities		3.954.718	(9.735.766)	648.916
Change in other liabilities		(910.223)	(115.875)	138.759
Paid dividend		(6.000.000)	(6.000.000)	(13.000.000)
Cash flow from financing activities		(2.732.026)	(15.660.116)	(12.931.985)
Total cash flow		(6.286.925)	(1.645.740)	986.798
Cash and cash equivalents at 1 January		(1.998.705)	(352.967)	(1.339.765)
Total cash flow		(6.286.927)	(1.645.740)	986.798
Foreign exchange adjustments		0	0	0
Cash and cash equivalents at 31 December		(8.285.632)	(1.998.707)	(352.967)

Statement of financial position

at 31 December

DKK	Note	2017	2016	2015
Assets				
Intangible assets	8	7.080.179	168.028	748.884
Property, plant and equipment	9	2.082.178	2.304.400	2.190.716
Deferred tax assets	15	338.813	124.260	231.804
Investments in subsidiaries	10	2.479.241	1.377.419	6.687.793
Amounts owed by subsidiaries	11	16.456.550	17.636.840	11.408.953
Amounts owed by group companies		303.476	583.053	681.333
Other financial assets		1.253.689	1.132.116	684.680
Non-current assets		29.994.127	23.326.116	17.323.789
Trade receivables	12	8.761.556	10.049.932	10.414.036
Receivables from subsidiaries		1.536.339	4.031.190	584.843
Other receivables		587.957	809.350	164.263
Cash and cash equivalents	13	532.944	156.425	971.899
Current assets		11.418.796	15.046.897	12.135.041
Total assets		41.412.923	38.373.013	29.458.830

Statement of financial position (continued)

at 31 December

DKK	Note	2017	2016	2015
Equity and liabilities				
Total equity attributable to owners of EGN Group A/S		17.912.191	18.427.561	6.500.476
Non-controlling interests		0	0	0
Total equity		17.912.191	18.427.561	6.500.476
Non-current liabilities				
Leasing	14	548.635	486.913	345.566
Deferred tax	15	0	0	0
Non-current liabilities		548.635	486.913	345.566
Current liabilities				
Bank	13	8.818.579	2.155.132	1.324.866
Trade payables	16	2.608.484	2.247.735	1.815.127
Leasing, short-term debt	14	372.667	210.911	160.732
Tax payables		2.013.368	4.652.786	3.276.728
Other liabilities	17	1.023.034	1.933.257	2.049.124
Employee liabilities	18	3.852.205	3.899.226	9.255.911
Provisions		4.263.760	4.359.492	4.730.300
Current liabilities		22.952.097	19.458.539	22.612.788
Total liabilities		23.500.732	19.945.452	22.958.354
Total equity and liabilities		41.412.923	38.373.013	29.458.830

Equity

1 January - 31 December

2017

DKK	Share capital	Retained earnings	Total
Equity at 1 January	500.000	17.927.561	18.427.561
Net profit/(loss) for the year	0	5.484.631	5.484.631
Adjustment prior years	0	0	0
Transactions with owners			
Dividends paid	0	(6.000.000)	(6.000.000)
Total changes in equity	0	(515.369)	(513.369)
Equity at 31 December	500.000	17.412.192	17.912.192

Dividends

A dividend of DKK 4.000.000 has been proposed before the Annual Report was issued.

2016

DKK	Share capital	Retained earnings	Total
Equity at 1 January	500.000	6.000.476	6.500.476
Net profit/(loss) for the year	0	17.927.085	17.927.085
Adjustment prior years	0	0	0
Transactions with owners			
Dividends paid	0	(6.000.000)	(6.000.000)
Total changes in equity	0	11.927.085	11.927.085
Equity at 31 December	500.000	17.927.561	18.427.561

Dividends

A dividend of DKK 6.000.000 has been proposed before the Annual Report was issued.

Equity (continued)

1 January - 31 December

2015

DKK	Share capital	Retained earnings	Total
Equity at 1 January	500.000	15.640.401	16.140.401
Net profit/(loss) for the year	0	3.360.075	3.360.075
Adjustment prior years	0	0	0
Transactions with owners			
Dividends paid	0	(13.000.000)	(13.000.000)
Total changes in equity	0	(9.639.925)	(9.639.925)
Equity at 31 December	500.000	6.000.476	6.500.476

Dividends

A dividend of DKK 6.000.000 has been proposed before the Annual Report was issued.

Notes - parent

1. Revenue

DKK	2017	2016	2015
Member fees	94.496.395	98.536.112	100.903.463
Other revenue	2.834.287	5.263.356	4.160.828
Revenue, total	97.330.682	103.799.468	105.064.291

The Parent is exempt from providing information of segments.

2. Staff expenses

DKK	2017	2016	2015
Salaries and wages	59.427.919	58.665.535	56.841.963
Pension	5.577.873	5.903.167	5.768.281
Other staff expenses	3.090.609	2.786.557	2.876.984
Administration expenses, total	68.096.401	67.355.259	72.585.761

Average number of employees	104	97	115
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The Parent received government grants in the form of wage subventions, which have been recognised in the income statement as a reduction of staff costs. The grants compensate the Parent for staff costs primarily related to social security as well as hiring certain categories of employees such as trainees, disabled persons, long-term unemployed and employees in certain age groups.

Management and board of directors remuneration can be specified as follows:

DKK	2017	2016
Salaries and wages	7.976.200	7.894.500
Bonus	0	0
Pension	682.700	418.908
	8.658.900	8.313.408

The Executive Board and a number of executives in the parent company is subject to special bonuses depending on individually defined performance and an incentive system to enter into force upon any transfer of the group.

Notes - parent

3. Depreciation

DKK	2017	2016	2015
Goodwill	0	0	0
Other intangible rights	335.921	61.750	44.438
Plant and equipment	658.718	704.123	785.303
Leasehold improvements	134.487	112.983	103.323
Profit of disposed assets	(3.610)	0	(5.758)
Depreciation, total	1.025.516	878.856	927.306

4. Financial income

DKK	2017	2016	2015
Dividend from subsidiaries	1.679.301	3.301.268	2.273.020
Interest income from group companies	356.501	367.570	225.747
Other interest income	11.840	67	61.449
Exchange rate gain	117.409	332.526	96.657
Financial income, total	2.165.051	4.001.431	2.656.873

5. Financial expenses

DKK	2017	2016	2015
Interest expenses, authorities	60.538	152.993	113.863
Leasing interest	83.129	80.421	242.242
Other interest expenses	97.449	42.603	2.696
Exchange rate loss	262.760	104.417	509.737
Bank fees	115.299	89.624	89.866
Financial expenses, total	619.176	470.058	958.404

Notes - parent

6. Tax on profit/(loss) for the year

DKK	2017	2016	2015
Current tax on profit/(loss) for the year	1.952.830	4.499.792	3.162.865
Adjustment current tax, prior years	0	0	0
Change in deferred tax	(214.554)	107.544	(207.764)
Adjustment deferred tax, prior years	0	0	15.805
Effect from change in tax percentage	0	0	1.696
Tax on profit/(loss) for the year, total	1.738.276	4.607.336	2.972.602
Profit/(loss) before tax	7.222.907	17.927.085	6.332.677
Effective tax rate	24.1 %	20.4 %	46.9 %
Tax on profit/(loss), statutory tax rate	1.589.039	4.957.573	1.488.179
Effect of changes in tax percent (23.5% - 22.0% in 2017)	0	0	1.696
Non-tax deductible expenses less non-taxable income	149.237	(350.237)	1.466.922
Effect of changes relating to prior years, net	0	0	15.805
	1.738.276	4.607.336	2.972.602

7. Proposed dividend for the year

DKK	2017	2016	2015
Ordinary dividend	6.000.000	6.000.000	6.000.000
Dividend per share	100.0 %	100.0 %	100.0 %

Notes - parent

8. Intangible assets

DKK	2017			2016		
	Goodwill	Other intangible rights	Name Total	Goodwill	Other intangible rights	Total
Cost at 1 January	12.796.880	0	12.796.880	12.796.880	707.050	13.503.930
Additions	0	7.248.072	7.248.072	0	177.211	177.211
Disposals	0	0	0	0	(884.261)	(884.261)
Cost at 31 December	12.796.880	7.248.072	20.044.952	12.796.880	0	12.796.880
Depreciation at 1 January	(12.628.852)	0	(12.628.852)	(12.628.852)	(126.194)	(12.755.046)
Depreciation	0	(335.921)	(335.921)	0	(61.750)	(61.750)
Disposals	0	0	0	0	187.944	187.944
Depreciation at 31 December	(12.628.852)	(335.921)	(12.964.773)	(12.628.852)	0	(12.628.852)
Carrying amount at 31 December	168.028	6.912.151	7.080.179	168.028	0	168.028

DKK	2015		
	Goodwill	Other intangible rights	Total
Cost at 1 January	12.796.880	545.153	13.342.033
Additions	0	161.897	161.897
Disposals	0	0	0
Cost at 31 December	12.796.880	707.050	13.503.930
Depreciation at 1 January	(12.628.852)	(81.756)	(12.710.608)
Depreciation	0	(44.438)	(44.438)
Disposals	0	0	0
Depreciation at 31 December	(12.628.852)	(126.194)	(12.755.046)
Carrying amount at 31 December	168.028	580.856	748.884

Notes - parent

9. Property, plant and equipment

DKK	2017			2016		
	Leasehold improvements	Plant and equipment	Total	Leasehold Improvements	Plant and equipment	Total
Cost at 1 January	787.142	8.520.293	9.307.434	744.060	7.632.584	8.376.644
Additions	67.258	561.784	629.042	43.082	887.709	930.790
Disposals	0	(357.009)	(357.009)	0	0	0
Cost at 31 December	854.400	8.725.068	9.579.467	787.142	8.520.293	9.307.434
Depreciation at 1 January	(537.621)	(6.465.412)	(7.003.034)	(424.638)	(5.761.290)	(6.185.928)
Depreciation	(134.487)	(658.718)	(793.205)	(112.983)	(704.123)	(817.106)
Disposals	0	298.950	298.950	0	0	0
Depreciation at 31 December	(672.108)	(6.825.180)	(7.497.289)	(537.621)	(6.465.412)	(7.003.034)
Carrying amount at 31 December	182.292	1.899.888	2.082.178	249.520	1.727.678	2.304.400
Herof carrying amount at 31 December of assets held under finance leases	0	909.736	909.736	0	707.464	707.464

Notes - parent

9. Property, plant and equipment (continued)

DKK	2015		
	Leasehold improvements	Plant and equipment	Total
Cost at 1 January	603.608	7.657.629	8.261.237
Additions	140.452	2.156.205	2.296.657
Disposals	0	(2.181.250)	(2.181.250)
Cost at 31 December	744.060	7.632.584	8.376.644
Depreciation at 1 January	(321.315)	(5.115.192)	(5.436.508)
Depreciation	(103.323)	(778.473)	(881.796)
Disposals	0	132.375	132.375
Depreciation at 31 December	(424.638)	(5.761.290)	(6.185.928)
Carrying amount at 31 December	319.422	1.871.294	2.190.716
Herof carrying amount at 31 December of assets held under finance leases	0	497.723	497.723

The Parent leases vehicles under a number of finance lease agreements. The leased equipment secures lease obligations.

10. Investments in subsidiaries

DKK	2017	2016	2015
Cost at 1 January	1.377.419	1.377.419	6.687.793
Addition	1.101.822	0	138.439
Disposal	0	0	(5.448.813)
Cost at 31 December	2.479.241	1.377.419	1.377.419

Notes - parent

10. Investments in subsidiaries (continued)

Subsidiaries	Share capital	Ownership		
		2017	2016	2015
Executives' Global Network				
Deutschland GmbH	25.000 EUR	100.0 %	100.0 %	100.0 %
Executives' Global Network Norge AS	100.000 NOK	66.6 %	66.6 %	66.6 %
Executives' Global Network Sverige AB	100.000 SEK	66.6 %	66.6 %	66.6 %
EGN Nederland B.V.	18.000 EUR	66.6 %	66.6 %	66.6 %
EGN Suomi Oy	2.500 EUR	100.0 %	66.6 %	66.6 %
Executives' Global Network				
UK Limited	580.513 GBP	100.0 %	100.0 %	100.0 %
EGN SA Holding (PTY) Ltd	0 EUR	100.0 %	100.0 %	100.0 %
Executives' Global Network				
Belgium SPRL	18.550 EUR	100.0 %	100.0 %	N/A
EGN Singapore PTE. Ltd	100 USD	100.0 %	N/A	N/A
EGN Vietnam Company Limited	222.600.000 VMD	100.0 %	N/A	N/A

Ownership of shares equals voting rights. Where EGN Group A/S is the minority owner of voting rights no recognition has been done in the annual report.

11. Amounts owed by subsidiaries

DKK	2017	2016	2015
Receivables, subsidiaries	16.456.550	17.636.840	11.408.953
Cost at 31 December	16.456.550	17.636.840	11.408.953

The above loans have been given on standard business terms.

12. Trade receivables

DKK	2017	2016	2015
Trade receivables	8.761.556	10.049.932	10.414.036

A provision account to reduce the carrying amount of trade receivables and services whose value is impaired based on a general provision.

A general provision for losses on receivables has been recognized during the financial year.

Notes - parent

12. Trade receivables (continued)

A provision account to reduce the carrying amount of trade receivables and services whose value is impaired based on a general provision.

DKK	2017	2016	2015
Provision account at January 1 st ,	618.212	1.400.898	577.531
Impairment losses recognised and reversed	1.355.930	(782.686)	823.367
Provision account at December 31st,	1.974.142	618.212	1.400.898

For the financial year, no interest income has been recognised related to impairment losses.

The ageing of provision of trade receivables at the reporting date was:

DKK	2017	2016	2015
Not past due	879.409	241.321	703.809
Past due 1 to 30 days	647.847	213.009	0
Past due 31 to 60 days	274.347	96.432	110.062
Past due 61 to 90 days	129.978	38.013	166.964
Past due 91 to 120 days	42.562	25.464	142.345
More than 121 days	0	3.973	0
Total	1.974.142	618.212	1.400.898

13. Cash and cash equivalents

DKK	2017	2016	2015
Cash and bank deposits	532.944	156.425	971.899
Loans in banks	(8.818.579)	(2.155.132)	(1.324.866)
Cash and cash equivalents, total	(8.285.635)	(1.998.707)	(352.967)

Recognized in the statement of financial position

Assets	532.644	156.425	971.899
Liabilities	(8.818.579)	(2.155.132)	(1.324.866)
	(8.285.635)	(1.998.707)	(352.967)

The Parent company has unused drawing rights in banks for	0	2.051.292	2.647.033
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Notes - parent

14. Leasing

DKK	2017	2016	2015
Due within 12 months from balancing day	372.667	210.911	160.732
Due between 1 and 5 years from the balancing day	548.635	486.913	345.566
Due 5 years after the balancing day	0	0	0
	921.303	697.824	506.298
Amortization addition to future expensing	0	0	0
	921.303	697.824	506.298

Financial leases are in average leased over a period of 2 years. All lease contracts have a repayment profile and no agreements contain contingent rent.

Minimum lease payments are due as above.

Financial leasing commitments are due for payment as below:

Due within 12 months from balancing day	372.667	210.911	160.732
Due between 1 and 5 years from the balancing day	548.635	486.913	345.566
Due 5 years after the balancing day	0	0	0
	921.303	697.824	506.298

15. Deferred tax

DKK	2017	2016	2015
Deferred tax liabilities/(assets), net at 1 January	(124.260)	(231.804)	(41.541)
Adjustments to deferred tax liabilities/(assets), net at 1 January	0	0	15.805
Deferred tax adjustment, for the year recognized in the income statement	(214.554)	107.544	(207.764)
Effect of change in tax percent	0	0	1.696
Deferred tax liabilities/(assets), net at 31 December	(338.814)	(124.260)	(231.804)

Deferred tax can be specified as below:

Intangible assets	135.169	36.966	106.774
Plant and equipment	(39.672)	(25.220)	(14.288)
Current assets	(434.310)	(136.006)	(324.290)
	(338.814)	(124.260)	(231.804)

Notes - parent

15. Deferred tax (continued)

Recognised in the statement of financial position as follows

Deferred tax liabilities	0	0	0
Deferred tax assets	(338.814)	(124.260)	(231.804)
	(338.814)	(124.260)	(231.804)

Deferred tax liabilities not recognised in the statement of financial position

In 2017, there were no (2016/2015: none/none) unrecognised deferred tax liabilities related to investments in associates or subsidiaries.

16. Trade payables

DKK	2017	2016	2015
Trade payables	2.608.484	2.247.735	1.815.127

The accounting value equals the fair value of the commitment.

17. Other liabilities

DKK	2017	2016	2015
VAT	574.985	1.534.475	1.211.521
Other payables	448.049	398.782	837.603
Other liabilities, total	1.023.034	1.933.257	2.049.124

The accounting value equals the fair value of the commitment.

18. Employee liabilities

DKK	2017	2016	2015
Holiday pay etc.	3.852.205	3.560.888	4.020.549
Payable salaries and commissions	0	338.338	5.235.364
	3.852.205	3.899.226	9.255.911

Notes - parent

19. Related parties

Related parties with a controlling interest

The following related parties have a controlling interest in EGN Group A/S:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
Netværk Danmark Holding A/S	Svendborg, Denmark	Parent with 100% of the shares
J.G. Holding, Svendborg ApS	Svendborg, Denmark	Owner of Netværk Danmark Holding A/S
Kasko Holding A/S	Holte, Denmark	Owner of Netværk Danmark Holding A/S

The following shareholders are registered as holding more than 5% of the voting share capital or more than 5% of the nominal value of the share capital:

Netværk Danmark Holding A/S
Ryttermarken 8
5700 Svendborg

Netværk Danmark Holding A/S is registered as the single owner of shares in EGN Group A/S in the company's registers.

The Group has elected EGN Group A/S as parent and Netværk Danmark Holding A/S is the top level parent before the ultimate parents of Netværk Danmark Holding A/S, J.G. Holding, Svendborg ApS and Kasko Holding A/S. Consolidated financial statement is prepared and includes the subsidiaries of EGN Group A/S as set out in the group chart on page 33.

Transactions with subsidiaries during the financial year consist of contributed loans. Intercompany balances and calculated interests for intercompany balances has been eliminated during the consolidated financial statements.

The receivables from subsidiaries are listed in the balance sheet of the parent.

Other related parties

EGN Group A/S' related parties with controlling interest includes owners and associated companies as well as the board of directors and the management including the families thereto. Related parties, furthermore, includes companies in which the above mentioned range of persons has controlling interest.

Transactions with related parties:

2017:

Key members of staff: As outlined in note 2.

Buying of services from Kasko Holding A/S.

Notes - parent

19. Related parties (continued)

2016:

Key members of staff: As outlined in note 2.
Buying of services from Kasko Holding A/S.

2015:

Key members of staff: As outlined in note 2.
Buying of services from Kasko Holding A/S.

20. Recourse guarantee commitments and contingent liabilities

The Parent Company has guaranteed the subsidiaries' debt to 946 DKK'000.

The Parent has signed irremovable leasehold agreements, as specified below:

6 months notice	1.305 DKK'000 commitment
At expiry 30.06.2019 / 15.11.2022	9.653 DKK'000 commitment

21. Recourse guarantee commitments and contingent liabilities (continued)

Joint taxation

EGN Group A/S is jointly taxed with the parent Netværk Danmark Holding A/S. As a fully owned subsidiary EGN Group A/S is guaranteeing unlimited and be jointly and severally responsible with the other companies in the joint taxation for national corporate taxes including withholding taxes on interests, royalties and dividends for all associated Danish companies in the Group. Any correction made to the jointly taxable income or withholding taxes might affect the liability for the company.

22. Financial risks

The Parent is according to the operation, investments and its limited funding is not significantly exposed for market changes i.e. in terms of exchange rates and interest levels. The Parent company is managing all the financial risks within the Group centrally and coordinates the liquidity of the Group.

The Group does not make use of derivative financial instruments.

Notes - parent

23. Credit risks

Credit risks related to financial assets is equal to the recognized value.

The credit risks of the Group are mainly related to receivables from trade and services.

The level of credit risks is equal to the recognized value of receivables from trade and services. Large clients and business partners are regularly credit rated and the risks is expected to be very small.

24. New legislation

A set of new standards has been issued during the process of the annual report 2017. None of this new standard is expected to impact the financials significantly.