

# KMD A/S

Lautrupparken 40

2750 Ballerup

CVR No. 26911745

## Annual Report 2020/21

Årsrapporten er fremlagt og  
godkendt på selskabets  
generalforsamling.

Dato: 25. juni 2021

Dirigent: Jacob Drøhse



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## Management's Statement

Today, Management has considered and adopted the Annual Report of KMD A/S for the financial year 1 April 2020 - 31 March 2021.

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 2021 and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 2021.

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

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

Ballerup,

### Executive Board

Per Erik Mikael Johansson  
CEO

Fumihiko Hisamitsu  
Director

Jannich Lund  
CFO

### Board of Directors

Masakazu Yamashina  
Chair

Jens Due Olsen  
Deputy Chair

Naoki Yoshida

Daichi Iwata

Tomonori Hira

Asako Aoyama

Henrik Harder Olsen  
Employee Repr.

Thomas Bisballe  
Employee Repr.

Kim Skovgaard  
Employee Repr.

## Independent Auditors' Report

To the shareholders of KMD A/S

### Opinion

We have audited the financial statements of KMD A/S for the financial year 1 April 2020 - 31 March 2021, which comprise an 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 financial position at 31 March 2021 and of the results of its operations for the financial year 1 April 2020 - 31 March 2021 in accordance with the Danish Financial Statements Act.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibility for the financial statements

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

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

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

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- \* Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent Auditors' Report

- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on Management's Review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen,

**KPMG**

**Statsautoriseret Revisionspartnerskab**

CVR-no. 25578198

David Olafsson  
State Authorised Public Accountant  
mne19737

Kenn Wolff Hansen  
State Authorised Public Accountant  
mne30154

KMD A/S

## Company details

<b>Company</b>	KMD A/S Lautrupparken 40 2750 Ballerup
CVR No.	26911745
Registered office	Ballerup
<b>Board of Directors</b>	Masakazu Yamashina Jens Due Olsen Naoki Yoshida Daichi Iwata Tomonori Hira Asako Aoyama Henrik Harder Olsen Thomas Bisballe Kim Skovgaard
<b>Executive Board</b>	Per Erik Mikael Johansson, CEO Fumihiko Hisamitsu, Director Jannich Lund, CFO

## Management's Review

### Welcome to KMD

KMD is one of Denmark's largest IT and software companies, with locations in Copenhagen, Aarhus, Odense and Aalborg. The KMD Group also comprises subsidiaries in Norway, Sweden, Finland and Poland.

### Development in activities and financial matters

The Company's Income Statement of the financial year 1 April 2020 - 31 March 2021 shows a result of TDKK 2.893 and the Balance Sheet at 31 March 2021 a balance sheet total of TDKK 3.986.888 and an equity of TDKK 1.593.949.

The company has recognised the following special items during the fiscal year:

#### Reorganization and structural adjustments:

Expenses relating to reorganization and structural adjustments primarily concern redundancy costs to employees amounting to MDKK 18.1m (2019/20 : DKK 34.7m).

#### Impairment of intangible assets

Impairment of intangible assets covers impairment of completed development projects amounting to MDKK 177.6 (2019/20 DKK 0m).

#### Transformation programs

Expenses relating to transformation programs primarily concern expenses associated with changing the business setup, including server, mainframe operation amounts to DKK 18.7m (2019/20: DKK 138.7m).

#### Other

Other expenses of a special nature, including acquisition-related expenses and special compensation payments to customers as well as transaction cost in relation to the NEC takeover amounts to DKK 57.4m (2019/20 DKK 106.3m).

The effect of COVID-19 is limited on the Company due to the nature of activity. Management also assessed that there is no effect on the valuation of the long-term investments in group enterprises due to the unusual circumstances.

### Net profit/loss for the year compared with expected developments in the most recently published annual report

Due to uncertainties related to Covid-19 the Annual report for 2019/20 did not contain detailed expectations for KMD A/S for 2020/21. Revenue is considered to have met the outlook and the operating profit is lower than expected compared to 2019/20 mainly due to the impact of an impairment of development projects amounting to MDKK 177.6.

### Business risks

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

Work to identify risks, consolidate the overview and ensure that relevant measures are initiated is an integral part of managing the business. KMD's enterprise risk management processes are executed within the frameworks defined by the Board of Directors. A significant part of KMD's business is delivered in the form of customer projects, with performance terms outlined in the relevant contracts.

### Expectations for the future

The company expects revenue to be at the same level for the coming year and at the same time it expects its operating profit to develop positively.

### Research and development activities

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

## Management's Review

### Environment and climate

The company has implemented policies and procedures to ensure compliance and progress in respect of environment and climate. The company target is zero CO<sub>2</sub>-emissions from our business by 2030.

[www.kmd.net/sustainabilityreport2020](http://www.kmd.net/sustainabilityreport2020)

### Knowledge resources

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

### Subsequent events

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

### Statement regarding corporate social responsibility - cf. Sections 99a of the Danish Financial Statements Act

KMD is working with multiple activities in the CSR field. A statement regarding corporate social responsibility and targets for the underrepresented gender on the Board of Directors for KMD A/S, cf. Sections 99a of the Danish Financial Statements Act, can be found on KMD's website:

[www.kmd.net/sustainabilityreport2020](http://www.kmd.net/sustainabilityreport2020)

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

At KMD, 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. KMD presents many female leaders as role models. The proportion of women at KMD is currently 34 %, which is three point higher than 2019/20. By comparison, women make up 24 % of the industry as a whole. Compared with the business community in general and the IT industry in particular, women are relatively well-represented at KMD's top management level.

In management, there were 33 % women by the end of the fiscal year, which is 3 % lower than previous year.

In 2020/21, women made up 29 % of all managers status, an increase of 5% compared to 2019/20.

KMD has set a goal for the share of female Board members to be 33% by end-2021. A female Board member was elected to the Board in April 2021. KMD anticipates reaching our target on underrepresented gender with two out of six female Board members, in the coming years. This target is maintained from 2020/21 until end of Financial Year 2023/24.

To strengthen workplace diversity, we consult with our employees, and together with our managers they are invited to propose improvements. In 2019/20, a diversity task force was established, with the intent of assessing ongoing diversity initiatives and proposing new initiatives, policies and targets to promote greater diversity. KMD is committed to implementing targets every year, prioritizing, though not exclusively focusing on fair and representative gender demographics. In that way, the gender distribution must constantly improve.



## Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017</b>	<b>2016</b>
Revenue	4.298.560	4.834.075	6.003.808	5.192.299	5.073.800
Operating profit/loss	13.400	251.654	-196.464	289.802	340.800
Profit/loss for the year	2.893	173.758	-238.595	-177.523	244.400
Investment in tangible assets	21.278	22.167	17.988	17.970	37.852
Total equity	1.593.949	1.591.056	1.417.297	942.375	1.164.600
Total assets	3.986.888	4.248.669	3.650.385	3.617.705	3.706.100
Profit margin (%)	0	5	-4	-3	7
Solvency ratio (%)	41	37	39	26	31
Avg. number of full-time employees	1.751	1.893	2.096	2.583	2.920

For definitions of key ratios, see Accounting Policies.

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

## Income Statement

	Note	2020/21 DKK'000	2019/20 DKK'000
Revenue	1	4.298.560	4.834.075
Other operating income		750	814
Other external expenses		-2.498.710	-2.878.706
Staff expenses	2	-1.371.467	-1.473.559
Depreciation, amortisation expense and impairment losses		-415.733	-230.970
<b>Profit from ordinary operating activities</b>		<b>13.400</b>	<b>251.654</b>
Income from investments in group enterprises		11.230	11.318
Financial income	3	9.663	18.807
Financial expenses	4	-26.942	-52.498
<b>Profit before tax</b>		<b>7.351</b>	<b>229.281</b>
Tax expense	5	-4.458	-55.523
<b>Profit</b>		<b>2.893</b>	<b>173.758</b>
<b>Proposed distribution of results</b>	6		

## Balance Sheet as of 31 March

	Note	2021 DKK'000	2020 DKK'000
<b>Assets</b>			
Completed development projects	7	355.919	627.227
Software	8	4.463	45.589
Customer relationships	9	1.009	5.049
Goodwill	10	112.967	140.088
Development projects in progress	11	189.815	119.233
<b>Intangible assets</b>		<b>664.173</b>	<b>937.186</b>
Land and buildings	12	46.759	49.468
Plant and machinery	13	918	2.383
Fixtures, fittings, tools and equipment	14	18.176	14.317
Leasehold improvements	15	44.468	42.853
<b>Property, plant and equipment</b>		<b>110.321</b>	<b>109.021</b>
Investments in group enterprises	16, 17	1.439.654	1.439.694
Deposits	18	38.499	40.162
<b>Investments</b>		<b>1.478.153</b>	<b>1.479.856</b>
<b>Fixed assets</b>		<b>2.252.647</b>	<b>2.526.063</b>
<b>Inventories</b>		<b>4.635</b>	<b>3.156</b>
Short-term trade receivables		307.043	396.189
Contract work in progress	19	350.104	354.279
Short-term receivables from group enterprises		402.040	529.686
Short-term tax receivables from group enterprises		0	23.232
Other short-term receivables		39.981	23.673
Prepaid costs	20	453.663	216.216
<b>Receivables</b>		<b>1.552.831</b>	<b>1.543.275</b>
<b>Cash and cash equivalents</b>		<b>176.775</b>	<b>176.175</b>
<b>Current assets</b>		<b>1.734.241</b>	<b>1.722.606</b>
<b>Assets</b>		<b>3.986.888</b>	<b>4.248.669</b>

**Balance Sheet as of 31 March**

	<b>Note</b>	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
<b>Liabilities and equity</b>			
Share capital		240.000	240.000
Reserve for development costs		421.906	536.736
Retained earnings		932.043	814.320
<b>Equity</b>		<b>1.593.949</b>	<b>1.591.056</b>
Provisions for deferred tax	21	64.187	73.689
Other provisions	22	912	20.232
<b>Provisions</b>		<b>65.099</b>	<b>93.921</b>
Payables to group enterprises		18.200	0
Other payables		154.573	74.365
Lease liability		4.300	37.330
<b>Long-term liabilities other than provisions</b>	23	<b>177.073</b>	<b>111.695</b>
Short-term part of long-term liabilities other than provisions	23	21.150	81.760
Short-term part of long-term liabilities group enterprises	23	5.200	0
Prepayments received from customers		24.163	14.752
Prepayments received for work in progress		100.736	82.284
Trade payables		1.107.083	1.222.255
Payables to group enterprises		494.844	587.714
Tax payables		15.409	0
Other payables		331.852	397.938
Deferred income	24	50.330	65.294
<b>Short-term liabilities other than provisions</b>		<b>2.150.767</b>	<b>2.451.997</b>
<b>Liabilities and equity</b>		<b>3.986.888</b>	<b>4.248.669</b>
Financial risks	25		
Significant events occurring after end of reporting period	26		
Significant assessments and accounting estimates	27		
Contingent liabilities	28		
Lease obligations	29		
Related parties	30		
Fees for auditors elected on the general meeting	31		

**Statement of changes in Equity**

DKK'000

	Share capital	Reserve for Development costs	Retained earnings	Total
Equity 1 April 2020	240.000	536.736	814.320	1.591.056
Profit (loss)	0	-114.830	117.723	2.893
<b>Equity 31 March 2021</b>	<b>240.000</b>	<b>421.906</b>	<b>932.043</b>	<b>1.593.949</b>

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 KMD A/S for 2020/21 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 not included a cash flow statement due to Danish Financial Statements Act §86, 4.

The accounting policies applied remain unchanged from last year.

### Consolidated Financial Statements

With reference to § 112 of the Danish Financial Statements Act, no Consolidated Financial Statement have been prepared because the Group enterprises are subsidiaries of a higher-ranking group.

### Reporting currency

The Annual Report is presented in thousand Danish kroner.

### Translation policies

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

## General Information

### Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or 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.

## Accounting Policies

### Income Statement

#### Revenue

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

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

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

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

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

#### Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets.

#### 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, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

#### Amortization and impairment of tangible and intangible assets

Amortization 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 amortized 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	3-8 years
Customer relationships and software	3-8 years
Goodwill	10 years
Land and buildings	20-50 years
Plant and machinery	2-5 years
Fixtures, fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Land is not amortised.

## Accounting Policies

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.

Useful life and residual values are yearly reassessed.

### Income from investments in group enterprises

Income from investments in subsidiaries comprises dividends received from subsidiaries so far as they do not exceed the accumulated earnings in the subsidiary during the ownership period.

Dividends from investments in subsidiaries are recognised as income in the financial year in which the dividends are declared.

### 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 revenue 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.

The Company and other Danish Group Companies are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

## Balance Sheet

### Intangible assets

Acquired goodwill is measured at cost on initial recognition and subsequently at cost less accumulated amortisation and impairment losses.

An impairment test of goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

Other intangible assets, including licences and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses.

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.



## Accounting Policies

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

### Tangible assets

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

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

### Investments in group enterprises

Equity investments in subsidiaries are measured at cost. Dividends that exceed accumulated earnings of the subsidiaries during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

### Deposits

Deposits are measured at cost.

### Inventories

Inventories are measured at cost on the basis of the FIFO principle. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

## 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.

### Construction contracts

Construction contracts 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.

When the selling price of a construction contract cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value. The individual construction contract is recognised in the balance sheet as receivables or payables, respectively.

Net assets comprise the total of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of construction contracts where progress billings exceed the selling price.

### Prepaid costs

Prepaid costs recognised in assets comprises prepaid and accrued costs regarding subsequent financial years.

### Cash and cash equivalents

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

### Equity

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

### Reserve for development costs

Reserve for development cost includes capitalized development costs less tax effect. The reserve is not available for the payment of dividends or cover of losses. The reserve is deducted or dissolved by depreciation, amortization and impairment losses on capitalized development projects.

Deductions are made of transfers from distributable reserves.

### Other 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.

## Accounting Policies

### Other provisions

Other provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Other 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.

Other 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.

### Financial liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction paid. In subsequent periods, the financial liabilities are measured at amortised costs.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

### Deferred income

Deferred income entered as liabilities consists of payments received regarding income in the subsequent financial years, when the revenue recognition criteria are met.

### Contingent assets and liabilities

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

## Explanation of financial ratios

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

Profit margin	=	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Solvency ratio (%)	=	$\frac{\text{Equity}}{\text{Total liabilities and equity}}$

## Notes

## 1. Revenue

	2020/21	2019/20
	DKK'000	DKK'000
<b>Segment Information</b>		
Local Government	2.141.253	2.597.075
Central Government	873.017	933.000
Business / Private	1.284.290	1.304.000
<b>Revenue</b>	<b>4.298.560</b>	<b>4.834.075</b>

## 2. Staff expenses

	2020/21	2019/20
	DKK'000	DKK'000
Wages and salaries	1.251.922	1.345.679
Post-employment benefit expense	114.665	120.095
Social security contributions	4.880	7.785
	<b>1.371.467</b>	<b>1.473.559</b>

*Hereof remuneration to management*

Management	11.859	9.910
Board of directors	1.194	1.195
	<b>13.053</b>	<b>11.105</b>

Average number of employees	1.751	1.893
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## 3. Financial income

	2020/21	2019/20
	DKK'000	DKK'000
Other financial income	6.981	16.655
Financial income from group enterprises	2.682	2.152
	<b>9.663</b>	<b>18.807</b>

## 4. Financial expenses

	2020/21	2019/20
	DKK'000	DKK'000
Financial expenses arising from group enterprises	3.871	3.722
Other financial expenses	23.071	48.776
	<b>26.942</b>	<b>52.498</b>

## Notes

## 5. Tax expense

	2020/21	2019/20
	DKK'000	DKK'000
Current tax	13.960	-4.434
Deferred tax	645	59.957
Adjustment of deferred tax prior years	-10.147	0
	<b>4.458</b>	<b>55.523</b>

## 6. Proposed distribution of results

	2020/21	2019/20
	DKK'000	DKK'000
Transferred to reserve for development costs	-114.830	112.907
Retained earnings	117.723	60.851
	<b>2.893</b>	<b>173.758</b>

## 7. Completed development projects

	2021	2020
	DKK'000	DKK'000
Cost at the beginning of the year	1.156.272	1.038.454
Addition during the year, incl. improvements	33.782	54.553
Transfers during the year to other items	45.051	63.265
<b>Cost at the end of the year</b>	<b>1.235.105</b>	<b>1.156.272</b>
Depreciation and amortisation at the beginning of the year	-529.045	-380.385
Amortisation for the year	-172.606	-148.660
Impairment losses for the year	-177.535	0
<b>Impairment losses and amortisation at the end of the year</b>	<b>-879.186</b>	<b>-529.045</b>
<b>Carrying amount at the end of the year</b>	<b>355.919</b>	<b>627.227</b>

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

## Notes

## 8. Software

	2021 DKK'000	2020 DKK'000
Cost at the beginning of the year	222.828	222.828
Addition during the year, incl. improvements	278	0
Disposal during the year	-126.755	0
<b>Cost at the end of the year</b>	<b>96.351</b>	<b>222.828</b>
Depreciation and amortisation at the beginning of the year	-177.239	-156.033
Amortisation for the year	-14.997	-21.206
Reversal of impairment losses and amortisation of disposed assets	100.348	0
<b>Impairment losses and amortisation at the end of the year</b>	<b>-91.888</b>	<b>-177.239</b>
<b>Carrying amount at the end of the year</b>	<b>4.463</b>	<b>45.589</b>

Booked value of leased assets amounts to DKK 4.463k (2019/20: DKK 45.589k)

## 9. Customer relationships

	2021 DKK'000	2020 DKK'000
Cost at the beginning of the year	110.296	110.296
<b>Cost at the end of the year</b>	<b>110.296</b>	<b>110.296</b>
Depreciation and amortisation at the beginning of the year	-105.247	-96.517
Amortisation for the year	-4.040	-8.730
<b>Impairment losses and amortisation at the end of the year</b>	<b>-109.287</b>	<b>-105.247</b>
<b>Carrying amount at the end of the year</b>	<b>1.009</b>	<b>5.049</b>

## 10. Goodwill

	2021 DKK'000	2020 DKK'000
Cost at the beginning of the year	322.377	345.257
Disposal during the year	0	-22.880
<b>Cost at the end of the year</b>	<b>322.377</b>	<b>322.377</b>
Depreciation and amortisation at the beginning of the year	-182.289	-178.045
Amortisation for the year	-27.121	-27.124
Reversal of impairment losses and amortisation of disposed assets	0	22.880
<b>Impairment losses and amortisation at the end of the year</b>	<b>-209.410</b>	<b>-182.289</b>
<b>Carrying amount at the end of the year</b>	<b>112.967</b>	<b>140.088</b>

## Notes

**11. Development projects in progress**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Cost at the beginning of the year	119.233	79.708
Addition during the year, incl. improvements	115.633	102.790
Transfers during the year to other items	-45.051	-63.265
<b>Cost at the end of the year</b>	<b>189.815</b>	<b>119.233</b>
<b>Carrying amount at the end of the year</b>	<b>189.815</b>	<b>119.233</b>

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.

**12. Land and buildings**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Cost at the beginning of the year	139.276	139.276
Addition during the year, incl. improvements	11	0
<b>Cost at the end of the year</b>	<b>139.287</b>	<b>139.276</b>
Depreciation and amortisation at the beginning of the year	-89.808	-87.072
Amortisation for the year	-2.720	-2.736
<b>Impairment losses and amortisation at the end of the year</b>	<b>-92.528</b>	<b>-89.808</b>
<b>Carrying amount at the end of the year</b>	<b>46.759</b>	<b>49.468</b>

**13. Plant and machinery**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Cost at the beginning of the year	218.047	227.122
Addition during the year, incl. improvements	360	0
Disposal during the year	-183.208	-9.075
<b>Cost at the end of the year</b>	<b>35.199</b>	<b>218.047</b>
Depreciation and amortisation at the beginning of the year	-215.664	-220.337
Amortisation for the year	-1.766	-4.402
Reversal of impairment losses and amortisation of disposed assets	183.149	9.075
<b>Impairment losses and amortisation at the end of the year</b>	<b>-34.281</b>	<b>-215.664</b>
<b>Carrying amount at the end of the year</b>	<b>918</b>	<b>2.383</b>

## Notes

**14. Fixtures, fittings, tools and equipment**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Cost at the beginning of the year	176.377	175.153
Addition during the year, incl. improvements	12.004	14.259
Disposal during the year	-33.327	-13.035
<b>Cost at the end of the year</b>	<b>155.054</b>	<b>176.377</b>
Depreciation and amortisation at the beginning of the year	-162.060	-164.601
Amortisation for the year	-8.145	-10.494
Reversal of impairment losses and amortisation of disposed assets	33.327	13.035
<b>Impairment losses and amortisation at the end of the year</b>	<b>-136.878</b>	<b>-162.060</b>
<b>Carrying amount at the end of the year</b>	<b>18.176</b>	<b>14.317</b>

**15. Leasehold improvements**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Cost at the beginning of the year	90.410	85.313
Addition during the year, incl. improvements	8.903	7.908
Disposal during the year	-488	-2.811
<b>Cost at the end of the year</b>	<b>98.825</b>	<b>90.410</b>
Depreciation and amortisation at the beginning of the year	-47.557	-42.746
Amortisation for the year	-6.800	-7.622
Reversal of impairment losses and amortisation of disposed assets	0	2.811
<b>Impairment losses and amortisation at the end of the year</b>	<b>-54.357</b>	<b>-47.557</b>
<b>Carrying amount at the end of the year</b>	<b>44.468</b>	<b>42.853</b>

**16. Investments in group enterprises**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Cost at the beginning of the year	1.439.694	1.412.754
Addition during the year, incl. improvements	0	26.940
Disposal during the year	-40	0
<b>Cost at the end of the year</b>	<b>1.439.654</b>	<b>1.439.694</b>
<b>Carrying amount at the end of the year</b>	<b>1.439.654</b>	<b>1.439.694</b>



## Notes

## 17. Disclosure in long-term investments in group enterprises

DKK'000

*Group enterprises - Denmark*

Name	Registered office	Share held in %	Equity	Profit/loss
Edlund A/S	Frederiksberg, Denmark	100,00	32.893	-6.296
UV Data A/S	Aalborg, Denmark	100,00	121.199	18.833
KMD Venture A/S	Ballerup, Denmark	100,00	2.777	-258
Scan Jour A/S	Ballerup, Denmark	100,00	18.127	7.650
Charlie Tango A/S	Copenhagen, Denmark	100,00	-5.007	-9.440
			<b>169.989</b>	<b>10.489</b>

*Group enterprises - other countries*

Name	Registered office	Share held in %	Equity	Profit
KMD Poland sp. z.o.o.	Warsaw, Poland	100,00	56.427	11.538
BanqSoft AS	Oslo, Norway	100,00	97.959	27.012
KMD Australia Pty Ltd.	Brisbane, Australia	100,00	2.258	-206
			<b>156.644</b>	<b>38.344</b>

Management has prepared an impairment test in respect of the carrying amount of the investments in subsidiaries stated above.

The impairment test is based on the subsidiaries budgeted contribution to EBIT for the coming 5 years and in addition a constant growth in the terminal period after 5 years. The WACC applied is 7,1% and the increase in the growth in the terminal period is 3% for all entities. The applied growth of 3% is in line with the expectations to the Danish long-term GDP Growth.

The recoverable amount is estimated to be above the carrying amount.

Probable changes in the basic preconditions for the main part of the investments will not lead to a situation whereby the carrying amount of the investment in subsidiaries will significantly exceed the recoverable amount calculated in the impairment test.

A minor part equivalent to 12% of the carrying amount of investment is sensitive to simultaneous negative change in the growth rate and applied WACC, but the risk is not considered more than likely and hence it is still expected that the carrying part of the investment will exceed the recoverable amount calculated in the impairment test.

## 18. Deposits

	2021 DKK'000	2020 DKK'000
Deposit at the beginnig of the year	40.162	39.639
Additions	0	523
Disposals	-1.663	0
	<b>38.499</b>	<b>40.162</b>

## Notes

**19. Contract work in progress**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Selling price of work in progress	0	0
Payments received on account	0	0
<b>Net value of contract work</b>	<b>0</b>	<b>0</b>
<i>Recognised in the balance sheet as follows:</i>		
Contract work in progress recognised in assets	0	0
Prepayments received recognised in debt	0	0
	<b>0</b>	<b>0</b>

**20. Prepaid costs**

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

**21. Provisions for deferred tax**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Intangible assets	119.040	171.769
Property, plant and equipment	-31.602	-34.493
Provisions	-201	-4.451
Receivables	-247	-253
Short term liabilities other than provisions	-16.605	-42.656
Tax losses	-6.198	-16.227
<b>Balance at the end of the year</b>	<b>64.187</b>	<b>73.689</b>

**22. Other provisions**

Other provisions relate essentially to expected expenses in connection with customer projects and legal cases. There is some uncertainty regarding the size of the actual amounts and the time they fall due.

**23. Long-term liabilities**

	<b>Due within 1 year</b>	<b>Due between 1-5 year</b>	<b>Due after 5 years</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
Lease liabilities	17.075	4.300	0
Payables to group enterprises	5.200	18.200	0
Other payables	4.075	13.860	140.713
	<b>26.350</b>	<b>36.360</b>	<b>140.713</b>

## Notes

### 24. Deferred income

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

### 25. Financial risks

The Company is fully financed from the Group and has no external loans as of 31 March 2021. Based on this, it is the assessment of the management that the Company will have sufficient financing for the expected business activity for the coming year.

The fluctuations in exchange rates have not had a significant influence on the Company's results. The Company is not exposed to changes in interest rates, and fluctuations in exchange rates, hence these factors have no significant influence on the Company's cash flows. The Company's receivables are from large well known customers, hence management believes that the credit risk is under control.

### 26. 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 2021.

### 27. Significant assessments and accounting estimates

#### Accounting estimates

Application of the percentage of completion method

Management makes significant accounting assessments in connection with revenue recognition. If a project is customized to a high degree, revenue relating to projects in progress is recognized under the percentage of completion method, corresponding to the selling price of the work carried out based on the stage of completion. If a project does not qualify for recognition under the percentage of completion method, revenue is not recognized until risk is transferred to the purchaser. Delays, etc. can cause significant fluctuations in the timing of the Group's recognition of revenue and thus earnings relative to expectations.

#### Estimation uncertainties

Calculation of the carrying amount of certain assets and liabilities requires assessments, estimates and assumptions concerning future events. The estimates made are based on historical experiences and other factors that Management considers appropriate in the circumstances, but that by their very nature are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Moreover, the enterprise is subject to risks and uncertainties that may result in actual results differing from these estimates. It may be necessary to change estimates made previously because of changes in the circumstances that formed the basis of the previous estimates or based on new knowledge or subsequent events.

#### Impairment of assets

##### Goodwill

In performing the annual impairment test, if required, an estimate is made as to whether the individual parts of the enterprise (cash-generating units) to which goodwill relates will be able to generate sufficient positive net cash flows in the future to support the value of goodwill and other necessary investments. The estimate of future net cash flows is based on budgets and business plans for the coming year and projections for subsequent years. Key parameters are revenue development, profit margin, investments in net working capital and growth expectations for the years ahead. Budgets and business plans for the coming year are based on concrete future business measures, with risks in the key parameters being assessed and recognized in the future expected cash flows. Projections beyond this first year are based on general expectations and risks. The discount rates used to calculate the recoverable value are before tax and reflect the risk-free interest plus specific risks in the individual business areas.

## Notes

### Development projects

Completed development projects are reviewed annually for indications of impairment. Where indications of impairment are identified, an impairment test is carried out for the individual development projects. In the case of development projects in progress, an impairment test is carried out each year. The impairment test is based on various factors, including future use of the projects, the present value of expected future earnings, plus interest rate and other risks. For KMD, the measurement of development projects in progress could be significantly impacted by material changes in estimates and assumptions underlying the calculated values, including developments in technologies and interest rates.

### Investment in group enterprises

Management has prepared an impairment test in respect of the carrying amount of the investments in subsidiaries. Refer to note 17 for further details and conclusion.

## 28. Contingent liabilities

The Company is involved in normal commercial disputes. Although the final outcome of these matters cannot be predicted, Management does not consider that they will have a material impact on the Company's results or financial position.

KMD A/S is jointly taxed with the other Danish companies in the KMD Holding 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.

KMD has entered into an agreement with KL (Local Government Denmark) concerning regulation of price development and service level for certain IT systems critical in relation to local governments' administration of legislation in the welfare area.

## 29. Lease obligations

DKK'000	31 March 2021	31 March 2020
Rental commitments due within 1 year	74.405	79.815
Rental commitments due from 1 to 5 years	221.376	267.816
Rental commitments due after 5 years	357.126	397.552
Total	652.907	745.183

Rental commitments relate primarily to properties where contracts have been entered into that are non-cancelable. The longest running contracts terminates in March 2035.

	31 March 2021	31 March 2020
Other commitments due within 1 year	28.153	48.196
Other commitments due from 1 to 5 years	63.293	50.432
Other commitments due after 5 years	71.874	0
Total	163.320	98.628

Lease commitments mainly comprise lease commitments concerning third-party software/maintenance subscriptions.

## Notes

**30. Related parties**

The company's related parties are:	Domicile	Relationship	Ownership
NEC Corporation	Tokyo, Japan	Shareholder in Soleil ApS	85%
Fund Corporation for the Overseas Development of Japan's ICT and Postal Services	Tokyo, Japan	Shareholder in Soleil ApS	15%
Soleil ApS	Ballerup, Denmark	Shareholder in KMD Holding ApS	100%
KMD Holding ApS	Ballerup, Denmark	Shareholder in AI Keyemde 2 ApS	100%
AI Keyemde 2 ApS	Ballerup, Denmark	Shareholder in AI Keyemde 3 ApS	100%
AI Keyemde 3 ApS	Ballerup, Denmark	Shareholder in KMD Holdco 4 A/S	100%
KMD Holdco 4 A/S	Ballerup, Denmark	Shareholder in KMD A/S	100%
Edlund A/S	Copenhagen, Denmark	Shareholder in KMD Holding ApS	100%
UVdata A/S	Aalborg, Denmark	Subsidiary of KMD A/S	100%
Charlie Tango A/S	Copenhagen, Denmark	Subsidiary of KMD A/S	100%
KMD Venture A/S	Copenhagen, Denmark	Subsidiary of KMD A/S	100%
Scan Jour A/S	Copenhagen, Denmark	Subsidiary of KMD A/S	100%
KMD Poland sp. z.o.o.	Warszawa, Poland	Subsidiary of KMD A/S	100%
KMD Australia Pty. Ltd.	Brisbane, Australia	Subsidiary of KMD A/S	100%
Banqsoft AS	Oslo, Norway	Subsidiary of KMD A/S	100%
Banqsoft OY	Esbo, Finland	Subsidiary of Banqsoft AS	100%
Banqsoft sp. z o.o.	Warszawa, Poland	Subsidiary of Banqsoft AS	100%
Banqsoft Sweden Filial	Stockholm, Sweden	Branch of Banqsoft AS	100%
Bansoft Denmark A/S	Copenhagen, Denmark	Subsidiary of Banqsoft AS	100%
Banqsoft Credit Management AS	Stockholm, Sweden	Subsidiary of Banqsoft AS	100%
Concent Poland sp. z o.o.	Warszawa, Poland	Subsidiary of Banqsoft Credit Management AS	100%
InkassoNET Sverige AB	Stockholm, Sweden	Subsidiary of Banqsoft Credit Management AS	100%
Qlife	Helsingborg, Sweden	Associated company to KMD Venture A/S	<50%

## KMD A/S

### Notes

Kompis Holding ApS	Copenhagen, Denmark	Associated company to KMD Venture A/S	<50%
Code Creation IVS	Copenhagen, Denmark	Associated company to KMD Venture A/S	<50%
KUBO Robotics ApS	Copenhagen, Denmark	Associated company to KMD Venture A/S	<50%
Scoutbase Holding ApS	Copenhagen, Denmark	Associated company to KMD Venture A/S	<50%
DCR Solutions ApS	Copenhagen, Denmark	Associated company to KMD Venture A/S	<50%
Blue Atlas Robotics ApS	Copenhagen, Denmark	Associated company to KMD Venture A/S	<50%
Match Board IVS	Copenhagen, Denmark	Associated company to KMD Venture A/S	<50%
Goal Station Digital ApS	Copenhagen, Denmark	Associated company to KMD Venture A/S	<50%
Related party transactions:(DKK'000)		2020/21	
Sales of good and services		67.950	
Purchase of goods and services		311.409	
Interest income, Group		2.682	
Interest expense, Group		3.871	
Dividends received		11.230	
Receivables		402.040	
Payables		518.244	

The company's related parties compromise the Board of Directors, Executive Board and senior employees, and close family members of these persons.

Related parties also compromise companies in which the specified group of people have significant influence.

#### Remuneration

Remuneration of the Board of Directors and Executive Board are described in note 2.

KMD A/S is owned 100% by KMD Holdco 4 A/S. KMD A/S' ultimate parent company is NEC Corporation. The Company is included in the consolidated financial statements of NEC Corporation. A copy of the consolidated financial statement is available by contacting, Group Secretariat, Lautrupparken 40, 2750 Ballerup, Denmark.

## Notes

### **31. Fees for auditors elected on the general meeting**

The Company has also decided not to disclose the fees for auditors in accordance with the Danish Financial Statements Act §96, 3. The fees for auditors is included in the consolidated financial statement for NEC Corporation.