

# **Forsikringssselskabet Dansk Sundhedssikring A/S**

## **Annual Report 2020**

Hørkær 12B  
DK-2730 Herlev  
Business Registration No. 34739307

The Annual General Meeting adopted the annual report on

28. April 2021    Per Bay Jørgensen

Chairman of the general meeting

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## GENERAL INFORMATION

### **Company:**

Forsikringsselskabet Dansk Sundhedsforsikring A/S  
Hørkær 12 B  
DK-2730 Herlev

Business registration no.: 34739307  
Registered in: Herlev  
Financial year: 01.01.2020 - 31.12.2020

### **Parent**

Sundhedsgruppen A/S  
Hørkær 12 B  
DK-2730 Herlev

### **Board of Directors**

Per Bay Jørgensen (Chairman)  
Peter Bramwell Cartwright  
Klaus Henrik Busch  
Robert Christopher Massey  
Birgitte Hass

### **Executive Board**

Kent Jensen

### **Company auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
DK-2300 Copenhagen S  
Business Registration No. 33963556

## Management commentary

### Primary activities of Forsikringsselskabet Dansk Sundhedssikring

At 11 December 2020, Dansk Sundhedssikring has received the Danish Financial Supervisory Authority's insurance license to carry out insurance business in insurance class 1. Accidents and insurance class and 2. Sickness. The authorisation does not include the authorisation of insurance against industrial injury or occupational diseases.

Dansk Sundhedssikring has previously been authorised by the Danish Financial Supervisory Authority to operate as an insurance intermediary. The portfolio that Dansk Sundhedssikring has built up is renewed in 2021 with Dansk Sundhedssikring as risk bearer.

Dansk Sundhedssikring is an insurance company which operates health insurance. Health insurance is primarily offered to companies and their employees. The health insurance typically covers assistance with physiotherapy, chiropractor, psychologist, specialist medical consultations and operations. The services of the health insurance are provided by a competent health care unit, which includes nurses, psychologists, physiotherapists and social and health care assistants. Dansk Sundhedssikring provides both health insurance in its own name, but also via outsourcing from other pension and non-life insurance companies' health insurance policies (a third-party administrator (TPA) for which Dansk Sundhedssikring provides services and handling of claims without bearing the insurance risk).

### Key figures and financial ratios

Profit before tax for the year shows a profit of DKK 18.6 million in 2020, compared to DKK 4.3 million in 2019. Profit for the year shows a profit of DKK 14.4 million in 2020, compared to DKK 2.0 million in 2019.

There has been no insurance activity in 2020 why the technical result is DKK 0.

In 2020, there has been other income which includes fees from underwriting companies and TPA agreements of DKK 431.9 million against DKK 349,7 million in 2019. The growth in other income was a result of high growth again in 2020 generated by Dansk Sundhedssikring's own customers, but also due to an outsourcing agreement made with AP Pension. Dansk Sundhedssikring handled over 80,000 new policyholders, of whom approximately 60,000 were from AP Pension, corresponding to a growth of 32% and a total population at year-end of 336,000 policyholders, of whom 269,000 are under Dansk Sundhedssikring's own product.

In 2020, there were other expenses of DKK 411.3 million compared to DKK 345.1 million in 2019. The increase in other expenses is driven by the growth in the number of insured persons and by the fact that Dansk Sundhedssikring through 2020 has built up risk management and control functions preparing the company for becoming an insurance company.

The year has of course been affected by the situation the COVID-19 virus has imposed on everyone in our society, and also Dansk Sundhedssikring. The majority of the employees were sent home during the first wave in March, and even after the first wave, homework has been widely used since. The customers have been very satisfied, and the claims have been handled reasonably in terms of quality and cost-efficiency. During the first Corona wave in March-April, the number of injuries by number of policyholders declined significantly, after which the frequency level fell back to the same level as in the previous year and has since remained there. There has been a tendency at the end of the year towards a small increase in treatments in private hospitals, due to the fact that the public treatment guarantee has been put out of effect because of Corona. This has led to increased pressure on private hospitals and health insurances in general.

### Uncertainty in recognition and measurement

The most significant uncertainties in recognition and measurement as insurance intermediary are the income recognised from the Company's profit-sharing agreements concluded with the insurance companies that bore the risk of the Company's customers.

As an operating insurance company in 2021, the Company's main uncertainty in recognition and measurement will be related to the calculation of technical provisions.

### Capital and solvency ratios

The Company applies the standard EIOPA model for calculating the solvency capital requirement.

The solvency capital requirement reflects the Company's risk profile and shows the requirement for the Company's capital base. The solvency capital requirement is calculated on the basis of the Company's business area and risk profile with the risks identified for the Company.

The solvency capital requirement is calculated at the amount necessary for the Company to hedge the risk on existing and new businesses for the next 12 months. The estimate thus takes account of the forecast.

The Company's capital base is DKK 140.2 million at the end of 2020. It must be held against a solvency capital requirement of DKK 61.4 million, which is thus a solvency ratio of 228%.

The Company has prepared sensitivity analyses showing how the change in significant risk categories affects the established capital base and the solvency capital requirement. The cost-benefit analyses are published on the Company's website <https://ds-sundhed.dk/>.

### **The Company's intellectual capital**

The Company employed an average of 124 full-time employees in 2020. The primary focus of the employees is, and must continue to be, to create value for the customers and ensure the correct treatment from a health professional point of view as well as provide a good service to the customers of the Company throughout the customer's journey in all forms of contact with the Company. In order for employees to be equipped to create most value for the Company's customers, Management focuses on continuous upgrading and training of employees and creates an optimal framework for employee engagement and motivation. It is also important to maintain efficient processes, which makes demands for the Company's supporting IT tools.

### **CSR**

The Company focuses on corporate social responsibility and the Parent Company, Sundhedsgruppen, joined the UN Global Compact in 2020.

In 2020, the Company participated, through the Parent Company, Sundhedsgruppen, for the second time in EcoVardis' annual CSR assessment, which includes more than 75,000 companies' sustainability work, and Sundhedsgruppen is among the 20% best on four key parameters: Environment, labour and human rights, ethics and sustainable procurement. We are proud to be among the 20% best in comparable companies worldwide for our CSR efforts. Sundhedsgruppen will continue its ambitious goals in the CSR field and the goal is to become even better and get even higher ranking in the 2021 analysis. The Company's Board of Directors focuses on promoting diversity and it is a permanent point on the agenda at the Company's board meetings from 2021.

### **Remuneration policy**

The Board of Directors has established a remuneration policy aimed at ensuring and promoting sound and effective risk management so that the Company's remuneration policy does not encourage excessive risk-taking that exceeds the Company's risk-tolerance limits. In addition, the remuneration policy aims to determine and identify significant risk takers and to prevent potential conflicts of interest.

### **Whistleblower protection**

In 2020, the Company established a whistleblower reporting channel. Here, employees have the opportunity to report anonymously any violation or suspicion of noncompliance with financial legislation by employees or board members. No reports have been received in 2020.

### **Distribution of profit/loss**

The Board of Directors proposes that a dividend of DKK 25.0 million be paid to the Parent Company Sundhedsgruppen.

### **Expectations for 2021**

In the first full year as an insurance company, there will be a strong focus on the mutual cooperation between the 4 lines of defence – actuarial, risk, compliance and internal audit and in general deliver on the required reporting to the Danish Financial Supervisory Authority.

In 2021, there will be a strong focus on developing new products – both for the business market and for the private market. There will also be a focus on digital initiatives that can both improve customer success and increase scalability.

The Company expects gross premiums written of approximately DKK 450 million and premium income on own account of DKK 400 million. The Company expects a pre-tax profit of approximately DKK 60 million - DKK 70 million, provided that the interest-rate level in 2021 remains unchanged compared to 31 January 2020.

### **Significant events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would materially influence the evaluation of this annual report or which are of significant importance for the assessment of the Company's financial position.

### **Management positions of the Executive Board and the Board of Directors**

The entire Board of Directors shall be in charge of the functions of the Audit Committee.

In addition to holding directorships of Forsikringsselskabet Dansk Sundhedssikring A/S, the Executive Board and the Board of Directors hold the following management positions in other companies:

**Executive Board:****Kent Jensen**

CEO of Sundhedsgruppen A/S

**Board of Directors:****Per Bay Jørgensen, Chairman**

CEO in:

11/11-05 Holding ApS  
Bay Consult International ApS  
NKB Invest 114 ApS  
NKB Invest 115 ApS

Member of the Board of Directors of:  
Sundhedsgruppen A/S (Chairman)  
Daytona Acquisitions Limited, Guernsey (Chairman)  
Daytona Midco Limited, Guernsey (Chairman)  
11/11-05 Holding ApS  
Bay Consult International ApS  
NKB Invest 114 ApS  
NKB Invest 115 ApS

**Peter Cartwright**

CEO in:

AnaCap Financial Partners Limited

Member of the Board of Directors of:  
Sundhedsgruppen A/S

**Birgitte Hass**

CEO in:

NIVO  
NEMConnect

Member of the Board of Directors of:  
Sundhedsgruppen A/S  
Liga Nordic  
IT Vest

**Robert Massey**

Member of the Board of Directors of:  
Forsikringsselskabet Dansk Sundhedssikring A/S  
Daytona Acquisition Limited, Guernsey  
Daytona Midco Limited, Guernsey  
Brightside Group Ltd  
Belvedere Bidco Ltd.  
Belvedere Midco Ltd.  
Belvedere Holdings (Guernsey) Ltd.  
Sundhedsgruppen  
Daytona Acquisitions Limited  
Daytona Midco Limited  
Avalon Topco Limited  
Avalon Holdco Limited  
Avalon Midco Limited  
Avalon Bidco Limited  
Wealthtime Financial Limited

**Klaus Busch**

CEO in:

CBVB Holding ApS

Member of the Board of Directors of:  
Sundhedsgruppen A/S  
Daytona Acquisitions Limited, Guernsey  
Daytona Midco Limited, Guernsey  
CBVB Holding ApS  
Crossteppper Me-Mover ApS  
Primora Holding ApS (Chairman)

# INDEPENDENT AUDITOR'S REPORT

## To the shareholder of Forsikringsselskabet Dansk Sundhedssikring A/S

### Opinion

We have audited the financial statements of Forsikringsselskabet Dansk Sundhedssikring A/S for the financial year 1 January 2020 to 31 December 2020, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are presented in accordance with the Danish Financial Business Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of its operations for the financial year 1 January 2020 to 31 December 2020 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our long-form audit report submitted to the Audit Committee and the Board of Directors.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) no. 537/2014.

Forsikringsselskabet Dansk Sundhedssikring A/S achieved status as an insurance company, and it is therefore a public interest entity at 11 December 2020 and since this date, no ordinary general meeting has been conducted. Forsikringsselskabet Dansk Sundhedssikring A/S will appoint the auditor by election on the next annual general meeting

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 1 January 2020 to 31 December 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b><i>Change in accounting principles</i></b>	<b><i>How the matter was addressed in the audit</i></b>
<p>Forsikringsselskabet Dansk Sundhedssikring A/S obtained license as an insurance company in December 2020 from the Danish Financial Supervisory Authority.</p> <p>Accordingly, the annual report is prepared in accordance with the Danish Financial Business Act. Management has described the impact of the transition to the new accounting framework in the accounting principles at page 20.</p>	<ul style="list-style-type: none"><li>• We have obtained an understanding of the accounting process of preparing the annual report. Additionally, we have obtained and evaluated an annual report checklist under the new regime filled out by management.</li><li>• We have evaluated the appropriateness of the impact of the change in accounting principles including the effect on the measurement and recognition principles as well as the presentation and disclosures in the annual report.</li></ul>

### **Statement on the management commentary**

Management is responsible for the Management's Report.

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

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

Moreover, it is our responsibility to consider whether the Management's Report provides the information required under the Danish Financial Business Act.

Based on the work we have performed, we conclude that the Management's Report is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement in the Management's Report.

### **Management's responsibilities 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 Business, 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 company's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in the preparation of the financial statements unless Management either intends to liquidate the 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 is 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 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 additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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.

Copenhagen, 24 March 2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

Anders Oldau Gjelstrup  
State-Authorised  
Public Accountant  
Identification No mne10777

Kasper Bruhn Udam  
State-Authorised  
Public Accountant  
Identification No mne29421

## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the annual report of Forsikringsselskabet Dansk Sundhedssikring A/S for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Business Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2020 and of its financial performance for the financial year 1 January to 31 December 2020.

The management commentary contains a fair review of the development of the Company's activities and financial position as well as a description of the most significant risks and elements of uncertainty, which may affect the Company.

We recommend the annual report for adoption at the Annual General Meeting.

Herlev, 24 March 2021

### **Executive Board:**

Kent Jensen

### **Board of Directors:**

Per Bay Jørgensen

Peter Bramwell Cartwright

Klaus Busch

Robert Christopher Massey

Birgitte Hass

## INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

DKK'000	Note	2020	2019
Gross premium written		0	0
Change in premium provision		0	0
Premium income, net of reinsurance		0	0
Insurance technical interest, net of reinsurance		0	0
Claims paid		0	0
Reinsurance cover received		0	0
Change in claims provisions		0	0
Change in risk margin		0	0
Change in the reinsurers' share of claims provisions		0	0
Claims, net of reinsurance		0	0
<i>Insurance operating costs, net of reinsurance:</i>			
Acquisition costs		0	0
Administration costs		0	0
Reinsurance commissions and profit participation from reinsurers		0	0
Insurance operating costs, net of reinsurance		0	0
<b>Technical result</b>		<b>0</b>	<b>0</b>
<i>Investment activities:</i>			
Interest income and dividends	3	1.006	768
Value adjustments	4	-242	0
Interest expenses		-2.801	-1.011
Administration expenses in connection with investment activities		0	0
Total investment return		-2.036	-243
Return on insurance provisions		0	0
<b>Total investment return after insurance technical interest</b>		<b>-2.036</b>	<b>-243</b>
Other income	5	431.904	349.691
Other costs	6	-411.316	-345.148
<b>Profit/loss before tax</b>		<b>18.552</b>	<b>4.300</b>
Tax	7	-4.164	-2.332
<b>Profit/loss for the year</b>		<b>14.388</b>	<b>1.968</b>
<b>Other comprehensive income</b>			
Other comprehensive income		0	0
Tax on other comprehensive income		0	0
Total other comprehensive income after tax		0	0
<b>Comprehensive income</b>		<b>14.388</b>	<b>1.968</b>
<b>Proposed distribution of profit and loss:</b>			
Retained earnings		-10.612	1.968
Proposed dividends		25.000	0
<b>Proposed distribution of profit and loss</b>		<b>14.388</b>	<b>1.968</b>

## BALANCE SHEET - ASSETS

DKK'000	Note	2020	2019
<b>Intangible assets</b>	8	<b>23.641</b>	<b>24.199</b>
Operating equipment		3.023	2.726
Owner-occupied property		11.069	13.836
<b>Total property, plant and equipment</b>	9	<b>14.091</b>	<b>16.562</b>
Bonds		119.572	0
<b>Total other financial investment assets</b>		<b>119.572</b>	<b>0</b>
<b>Total investment assets</b>		<b>119.572</b>	<b>0</b>
Reinsurers' share of premium provisions		0	0
Reinsurers' share of claims provisions		0	0
Total reinsurers' share of provisions for insurance contracts		0	0
Receivables from policyholders		0	0
Total receivables in connection with direct insurance contracts		0	0
Deposits		14	0
Receivables from subsidiaries		54.330	53.214
Other receivables		65.297	48.113
<b>Total receivables</b>		<b>119.642</b>	<b>101.327</b>
Current tax assets		356	356
Cash at bank		38.389	54.824
<b>Total other assets</b>		<b>38.745</b>	<b>55.180</b>
Other prepayments and accrued income		1.042	374
<b>Total prepayments and accrued income</b>		<b>1.042</b>	<b>374</b>
<b>Total assets</b>		<b>316.732</b>	<b>197.642</b>

## BALANCE SHEET - LIABILITIES

DKK'000	Note	2020	2019
Share capital	10	726	725
Retained earnings		188.097	18.710
<b>Total equity</b>		<b>188.823</b>	<b>19.435</b>
Premium provisions		0	0
Claims provisions		0	0
Risk margin on insurance contracts		0	0
<b>Total provisions for insurance contracts</b>		<b>0</b>	<b>0</b>
Deferred tax liability	11	4.006	913
<b>Total provisions</b>		<b>4.006</b>	<b>913</b>
Other debt		113.040	143.791
<b>Total debt</b>		<b>113.040</b>	<b>143.791</b>
<b>Accruals and deferred income</b>		<b>10.863</b>	<b>33.503</b>
<b>Total equity and liabilities</b>		<b>316.732</b>	<b>197.642</b>

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## STATEMENT OF CHANGES IN EQUITY

DKK'000

	Share capital	Retained earnings	Proposed dividend	Total
<b>Equity at 1 January 2019</b>	725	16.742		17.467
Profit/loss for the year		2.835		2.835
Change in accounting policies		-867		-867
Other comprehensive income		0	0	0
<b>Equity at 31 December 2019</b>	<b>725</b>	<b>18.710</b>	<b>0</b>	<b>19.435</b>
<b>Equity at 1 January 2020</b>	725	18.710	0	19.435
Increase of capital	1	154.999		155.000
Profit/loss for the year		-10.612	25.000	14.388
Other comprehensive income		0	0	0
<b>Equity at 31 December 2020</b>	<b>726</b>	<b>163.097</b>	<b>25.000</b>	<b>188.823</b>

## NOTES

### 1. Financial highlights

Key figures (DKK'000)	2020	2019	2018*	2017*	2016
Return on investment after technical interest	-2.036	0	0	0	0
Profit for the year	14.388	1.968	9.909	8.133	8.005
Total equity	188.823	19.435	16.942	7.033	8.332
Total assets	316.732	197.642	198.093	100.964	68.353

### Ratios

Return on equity (%)	13,8	10,8	82,7	105,9	174,8
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\*Ratios for 2017-2018 have not been adjusted after the merger with Primora IT.

Ratios are calculated in accordance with the Danish FSA's Executive Order on Financial Reports of Insurance Companies and Lateral Pension Funds.

DKK'000	2020	2019
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### 2. Staff costs

#### Total staff costs:

Wages and salaries	67.015	47.171
Pension costs	3.817	3.220
Other social security	1.024	912
Other staff costs	4.508	3.334
<b>Total</b>	<b>76.364</b>	<b>54.637</b>

Average number of full-time employees	<b>124</b>	<b>112</b>
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The staff costs are recognised in the item 'Other expenses'

The following is the total remuneration for the Executive Board and the Board of Directors, which has been earned in the group for Sundhedsgruppen

	2020	2019
<u>Vested remuneration for the Executive Board:</u>		
Kent Jensen	2.882	2.708
<b>Total</b>	<b>2.882</b>	<b>2.708</b>

	2020	2019
<u>Remuneration to the Board of Directors</u>		
Per Bay Jørgensen (Chairman)	200	200
Robert Christopher Massey	0	0
Peter Bramwell Cartwright	0	0
Birgitte Hass	100	50
Klaus Henrik Busch	0	0
<b>Total</b>	<b>300</b>	<b>250</b>

Allocation of remuneration:	2020		2019	
	Fixed	Variable	Fixed	Variable
Executive Management	1.982	900	1.858	850
Board of Directors	300	0	250	0
<b>Total</b>	<b>2.282</b>	<b>900</b>	<b>2.108</b>	<b>850</b>

#### Vested remuneration for the Executive Board:

The Executive Board is employed in the Parent, Sundhedsgruppen A/S, from which the remuneration is paid.

#### Vested remuneration for the Board of Directors:

Remuneration to the Board of Directors is settled in total for the Group by the Parent, Sundhedsgruppen A/S.

#### Vested remuneration for significant risk takers:

Significant risk takers are employed in the Parent, Sundhedsgruppen A/S, from which their remuneration is paid.

## NOTES

### 3. Interest income and dividends

Interest income	1.006	768
<b>Total</b>	<b>1.006</b>	<b>768</b>

### 4. Value adjustments

Bonds	242	0
<b>Total</b>	<b>242</b>	<b>0</b>

### 5. Other income

Other income consists of the Company's income from agencies on health insurances and arrangements in which the Company handles portfolios for other insurance companies.

### 6. Other costs

Other expenses comprise the Company's expenses in connection with agencies on health insurances and arrangements in which the Company handles portfolios for other insurance companies.

According to the Danish Executive Order on the Presentation of Financial Statements S §108 subsection 2, the audit fee is disclosed in the consolidated financial statements.

Staff costs are specified separately in Note 2

<b>DKK'000</b>	<b>2020</b>	<b>2019</b>
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### 7. Tax

#### Tax on profit/loss for the year:

Tax on accounting profit/loss	0	0
Deferred tax	-4.164	-1.153
Adjustment concerning previous years	0	-1.179
<b>Total</b>	<b>-4.164</b>	<b>-2.332</b>

#### Tax on profit/loss for the year:

Tax on accounting profit/loss	-4.081	-946
Tax effect of:		
Adjustment of non-taxable income		
Adjustment of non-taxable costs	-4	-17
Recognition of owner occupied property cf. IFSR 16	-78	-190
Tax adjustment, previous years	0	-1.179
<b>Total</b>	<b>-4.164</b>	<b>-2.332</b>

Effective tax rate	22,4%	54,2%
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### 8. Intangible assets

	<i>Completed development projects</i>	<i>Goodwill</i>	<i>Development cost</i>	<b>Total</b>
Cost at 1 January	25.302	9.407	0	34.708
Additions for the year	16.243	0	8.871	25.113
<b>Cost at 31 December</b>	<b>41.544</b>	<b>9.407</b>	<b>8.871</b>	<b>59.822</b>
Amortisation and write-downs at 1 January	-4.436	-6.073	0	-10.510
Impairment losses and write-downs for the year	-16.882	-3.333	-5.456	-25.671
<b>Amortisation and write-downs at 31 December</b>	<b>-21.318</b>	<b>-9.407</b>	<b>-5.456</b>	<b>-36.181</b>
<b>Carrying amount at 31 December</b>	<b>20.226</b>	<b>0</b>	<b>3.415</b>	<b>23.641</b>

## NOTES

	<i>Owner- occupied property</i>	<i>Operating equipment</i>	<b>Total</b>
<b>9. Property, plant and equipment</b>			
Cost at 1 January	16.603	5.260	21.863
Additions for the year	0	1.543	1.543
Disposals for the year	0	0	0
<b>Cost at 31 December</b>	<b>16.603</b>	<b>6.803</b>	<b>23.406</b>
Accumulated depreciation and value adjustments at 1 January	-2.767	-2.534	-5.301
Depreciation for the year	-2.767	-1.246	-4.013
<b>Accumulated depreciation and value adjustments at 31 December</b>	<b>-5.534</b>	<b>-3.780</b>	<b>-9.314</b>
<b>Carrying amount at 31 December</b>	<b>11.069</b>	<b>3.023</b>	<b>14.092</b>

Group - Occupied property is leased. There is no variable lease payments. The rent is adjusted yearly.

### 10. Share capital

	<b>Amount</b>	<b>Nominal value DKK</b>	<b>Face value DKK</b>
Share capital	726.001	1	726.001
	<b>726.001</b>		<b>726.001</b>

The share capital has been increased by DKK 1,000 during the year. The increase is performed by 1,000 shares at the denomination of DKK 1.

<b>DKK'000</b>	<b>2020</b>	<b>2019</b>
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### 11. Deferred tax liability

Intangible assets	5.201	5.029
Property, plant and equipment	-18	30
Tax deficits	-1.188	-4.157
Other temporary differences	11	11
<b>Total</b>	<b>4.006</b>	<b>913</b>

### Development in deferred tax

Deferred Tax at 1 January	913
Change in deferred tax recognised in income statement	4.164
ax deficits transferred from other group companies	-1.071
Deferred tax at 31. december	<b>4.006</b>

### 12. Risk

In the daily operations of the Company several risks may affect the results. The most significant risks for Forsikringselskabet Dansk Sundhedssikring A/S are described below.

#### Insurance risk

During the financial year, there have been no operating activities for which the risk did not exist.

#### Financial risk

The financial risk during the financial year constituted investments in Danish mortgage bonds with low risk.

The term for mortgage bonds is between 1 and 22 years.

#### Operational risk

Operational risk of losses due to unintended events or risk of systematic misstatements. The risk of IT crashes is also included. Forsikringselskabet Dansk Sundhedssikring A/S has a procedure for handling such events.

#### Credit risk

The Company's credit risk has been reduced to potential bad debts and losses of contracts. The Company has not been engaged in any lendings or speculation.

## NOTES

### 13. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Daytona Midco limited serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

### 14. Own funds

The own funds is stated at DKK 140,182 thousand. Own funds appears as equity of DKK 188,823 thousand less reserved for dividends 25,000 thousand and the value of intangible assets of DKK 23,641 thousand.

### 15. Transactions with related parties

In 2020, a capital increase was adopted to strengthen the Company's financial resources in connection with the transition to becoming an insurance company. The Parent, Sundhedsgruppen A/S, subscribed nominal shares at 1,000 at a premium of 15,500 each.

Administration of intercompany entities is handled by Forsikringselskabet Dansk Sundhedssikring A/S. Income from the administration of intercompany entities is performed on cost covering basis.

The members of the Company's Management are remunerated by the Parent, Sundhedsgruppen A/S. Expenses for Management are allocated to the individual entities of the Group based on a cost allocation base.

The Company has intercompany balances with the Parent, Sundhedsgruppen A/S. Interest on the balances are paid on market terms.

Other intercompany transactions are made at market terms.

Via his wholly-owned company CBVB Holding ApS, the board member Klaus Busch has provided a loan of DKK 20 million which has been partially repaid at 09.12.2020 by the amount of DKK 10 million. The average interest rate was of 6%. Interest expenses of a total of DKK 1.1 million has been paid to CBVB Holding ApS in 2020.

### 16. Related parties with control

Name and registered office of the ultimate Parent:  
Daytona Midco Limited, St Peter Port, Guernsey, United Kingdom.

### 17. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Sundhedsgruppen A/S, Herlev

### 18. Collateral

Credit facility at Sydbank is secured by way of a company charge of DKK 12.3 million.  
The debt amounts to DKK 0 at 31 December 2020.

**19. Accounting policies**

The annual report has been prepared in accordance with the Danish Financial Business Act and the Executive Order on Financial Reports for Insurance Companies ('the Executive Order').

Further, the Insurance Company has changed its overall accounting policy from being prepared in accordance with the Danish Financial Statement Act for the 2019 financial statements to being prepared in accordance with the Danish Financial Business Act for the 2020 financial statements.

The change has no monetary effect on the income statement or balance sheet, only classification and presentation, except effect from recognising of lease asset (right-of-use assets) and lease liabilities in the balance sheet. Lease assets comprise 'Group-occupied property'. Lease liabilities are recognised in the line item 'Other debt'. The total impact on the result and balance sheet for the prior period was:

<b>DKKt</b>	
<b>Result</b>	-0,9
<b>Assets</b>	
Group-occupied property	13,8
Total assets	13,8
<b>Equity and liabilities</b>	
Other debt	14,7
Total equity and liabilities	14,7

**Recognition and measurement**

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and where the asset has a value that can be measured reliably.

Liabilities are recognised in the balance sheet, when it is probable that future economic benefits will flow from the entity, and where the value of the liability can be measured reliably.

The recognition and measurement take into consideration predictable losses and risks, which have occurred prior to the presentation of the Annual Report, and which provide evidence of conditions that existed at the balance sheet date. Income is recognised in the income statement when earned. Similarly, all expenses are recognised which relate to the financial year, including amortisation and impairment. The initial recognition of financial instruments is made at fair value on the date of settlement.

**Measurement of fair value**

Fair value is the price which would be achieved on the sale of an asset or paid for the transfer of a liability in a normal transaction between the market players at the time of measurement. The entity only holds level 1 financial instruments measured at fair value (bonds). The calculation the fair value of the bonds is based on the listed prices of transactions in active markets. The measurement is based on the closing price end of year

**Income statement****Investment return**

Interest comprise all earned interest income received in the year. Realised and unrealised gains and losses on investment are included in revaluations.

**Other income and expenses**

Income and expenses that do not relate to the administration of insurance portfolios or investment assets are included in other income and expenses.

**Taxation**

The tax charge for the year comprises the current corporation tax for the year and any changes in deferred tax. The tax charge related to profit for the year is included in the income statement. The current tax for the year is calculated

The company is jointly taxed with Daytona Midco Limited. The joint tax contributions are distributed to the jointly taxed companies on a proportionate basis relative to their taxable income. Furthermore, those companies with tax losses receive joint tax contributions from those companies which have been able to use this loss to reduce their own taxable income.

**Balance Sheet****Intangible assets**

Development projects which are clearly defined and definable are measured at costs incurred and depreciated over the expected useful life of a maximum of 7 years. Impairment is assessed end of year, and the carrying amount is written down to a lower recoverable amount.

Development projects under construction are subjected to an impairment test end of year. The carrying amount is written down to a lower recoverable amount.

## Notes

### **Tangible assets**

IT equipment, other equipment and cars as well as improvements of rental properties are depreciated over their expected useful life of up to 5 years. Impairment is assessed end of year, and the carrying amount is written down to a lower recoverable amount.

### **Leasing - right-of-use assets and lease liability**

Right-of-use asset (ROU asset) and lease liability are recognised at the lease commencement date. The ROU asset is initially measured the cost, which comprises the initial amount of the lease liability adjusted for:

- lease payments made at or before the commencement date
- any initial direct cost incurred
- estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset

ROU assets are tested for impairment.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, Forsikringsselskabet Dansk Sundhedssikring A/S uses its incremental borrowing rate. Subsequently the lease liability is measured at amortised cost using the effective interest method and is presented as part of other debt. It is re-measured when there is a change in future lease payments.

### **Bonds**

Bonds are measured at fair value with any value adjustment through profit and loss.

### **Receivables at amortised cost**

At initial recognition receivables are measured at fair value, and subsequently at amortised cost. The receivables are regularly assessed for impairment and written down to a lower recoverable amount. Such impairments are generally made collectively on the basis of a due date analysis. When an individual receivable is considered irrevocable, the impaired amount is transferred from the account for collective allowances.

### **Other provisions**

Provisions are recognised when the entity has a legal or constructive obligation because of an event prior to or at the statement of financial position date, and it is probable that future economic benefits will flow out of the entity. Provisions are measured at the best estimate by management of the expenditure required to settle the present obligation.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.