



**Forsikringssselskabet
Dansk Sundhedssikring A/S**

**Annual report
2021**

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Management review

General information

**Forsikringselskabet
Dansk Sundhedssikring A/S**

Hørkær 12B
DK-2730 Herlev

Business registration no.:
34 73 93 07

Registered in:
Herlev

Financial year:
01.01.2021 - 31.12.2021

Parent
Oona Health A/S
Hørkær 12 B
DK-2730 Herlev

Board of Directors
Per Bay Jørgensen (Chairman)
Peter Bramwell Cartwright
Eyal Steinitz
Robert Christopher Massey
Birgitte Hass

Executive Board
Kent Jensen

Company auditors
Deloitte Statsautoriseret
Revisionspartnerselskab

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



Statement from the CEO

Financial targets met

As outlined in the annual report for 2020, we expected premium for own account of approx. DKK 400m and a result before tax in the range of DKK 60-70m. We realised a result before tax of DKK 67m and premium income for own account of DKK 430m. The revenue from our insurance business which was written in 2020 where the risk period continued into 2021 is included in the income statement as other income. The combined insurance revenue from premiums for own account and premiums booked in the income statement as other income for the year would correspond to DKK 500m.



What is important to note as well is that again this year, we have managed to keep a low churn in the Danish insurance business of 2.3%, due to our strong customer focus.



Kent Jensen, CEO
Oona Health

We continue to benefit from our market position as the largest and most specialised health insurer in Denmark and extends the distance to our competitors. We have delivered another large growth in the number of insureds in 2021, whilst maintaining high service standards and driving new product development as we continue to invest in order to further strengthening our leading position. In the table to the right the number of insureds customers is illustrated from 2018-2021. The table includes Third Party Agreements (TPA).

What is important to note as well is that again this year, we have managed to keep a low churn in the Danish insurance business of 2.3%, due to our strong customer focus.

New products in pipeline

We are constantly developing new products, and for 2022 we have four new products in our pipeline where current and new customer segments can benefit from the company's strong healthcare expertise. The main part of the products is developed specifically to the business to consumer market in order to ensure future growth for Forsikringselskabet Dansk Sundhedssikring's (DSS) business. It is our perception that our pipeline of products is meeting the customers' demands for more flexible, digital and user-friendly insurance products. These new products will support the continuous journey as the leading Danish digital health insurance company.

Total number of customers 2018 — 2021





Customer focus

Throughout 2021 we have continued with our strong focus on customers. To support this, we have in autumn 2021 established a new phone system in order to give our customers a better service.

At the beginning of 2021, we introduced a customer self-service portal, where our customers, especially in muscular skeletal area, had the possibility to choose a digital path to treatment. Several of our customers have chosen that path.

We have also improved our insurance conditions which are applicable from the 1 January 2022, where we have added pregnancy advisory and six other improvements of the conditions.

COVID-19

The year has of course been challenged by the situation caused by the COVID-19 pandemic affecting everyone in our society, and also DSS. The majority of the employees were sent home during the winter, and even after the reopening, working from home has been widely used. The customers have been very satisfied, and the claims have been handled at a high level in terms of quality and cost-efficiency. Due to COVID-19 and the nurse strike, there was a lot of pressure on the public hospitals in 2021. This was also reflected in the number of claims reported to us on private hospital treatments.

Strategic focus areas for 2022

Our key strategic area for 2022 is successful launch of new products which will speed up DSS' entry into the business to consumer market and ensure continuous growth.

In addition we want to continuously improve operational excellence in form of digitalisation and process optimisation to support our fast growth and ensure scalability of DSS' business.



Kent Jensen, CEO

Management commentary

Primary activities of Forsikringselskabet Dansk Sundhedssikring

Forsikringselskabet Dansk Sundhedssikring A/S (DSS) 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.

DSS 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 DSS provides services and handling of claims without bearing the insurance risk).

2021 is the first full accounting year where DSS has operated as an insurance company with insurance contracts on own books. Therefore, there is no comparable numbers in the insurance technical account balances in the financial statements.

Key figures and financial ratios

Result

Profit before tax for the year shows a profit of DKK 66.7m in 2021, compared to DKK 18.6m in 2020. Profit for the year shows a profit of DKK 52.3m in 2021, compared to DKK 14.4m in 2020. As outlined in the annual report for 2020 the expectation was a result of DKK 60-70m before tax, why the realised result for 2021 is in the higher end of expectations.

Premiums

Premium income for own account totalled DKK 430.3m. Last year premium income was included in the income statement as other income, as the insurance contracts was underwritten at a third party insurance company and accordingly not on our account.

As outlined in the annual report for 2020 the expectation was premium for own account of DKK 400m, why DSS outperformed the expectations. The high growth in premium is derived from strong sales to new customers and in general a low churn of customers.

Claims

The claims ratio for 2021 was 64.2% (2020: 61.9%). Claims ratio includes the change in risk margin and claims handling costs. It is relevant to highlight that the new business is often less profitable than old business why we as an insurance company with high growth rates in

430.3m

Premium income
(DKK)

61.1m

Insurance technical result
(DKK)

85.8%

Combined ratio
(%)

66.7m

Profit before tax
(DKK)

853m

Total assets
(DKK)

174%

Solvency ratio
(%)

number of insureds, also will be affected by increased claims in the first year of a new contract and then afterwards the claims will stabilise and be at a normal level. However, in longer term, the initial higher claims will be offset by higher profitability. In addition, there has been a tendency towards an increase in treatments in private hospitals, due to the fact that the public treatment guarantee was suspended as a result of COVID-19 and nurse strike. This has led to increased pressure on private hospitals and health insurances in general. At the same time, profitability initiatives such as online treatment, should also help sustain the improvement in the underlying claims development.

Insurance operating costs

Insurance operating costs amounts to DKK 92.8m. Last year, the insurance operating costs were included in the income statement as other costs, as the insurance contracts were not on own books.

Other income and other costs

Other income amounts to DKK 101.4m (2020: DKK 431.9m). Other costs amounts to DKK 92.6m (2020: DKK 411.3m). The development in other income and other costs is due to DSS having transferred the insurance contracts to own account gradually in 2021 as they expired.

Claims provisions

The most significant uncertainty in recognition and measurement in DSS is the calculation of claims provisions. However, health care is a business line with stable frequency of claims and therefore possible to forecast with high degree of certainty. Measurement of insurance technical provisions is further described in the disclosure for Accounting principles.

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 the budget into account.

The company's capital base is DKK 176.5m at the end of 2021. It must be held against a solvency capital requirement of DKK 101.1m, which gives a solvency ratio of 174%.

The company has prepared sensitivity analysis showing how the change in significant risk categories affects the established capital base and the solvency capital requirement. The analysis are published on the company's website:

[Sensitivity analysis](#) [Go to →](#)

DKKm	2021	2020
Equity	216.1	188.8
Intangible assets	-40.0	-23.6
Proposed dividend	-40.0	-25.0
Expected profit included in future premiums ¹	40.4	-
Own Funds	176.5	140.2
SCR	101.1	61.4
Solvency Ratio	174 %	228 %
<p>¹ 2021 is the first full accounting year where DSS has operated as an insurance company with insurance contracts on own books, therefore there is no expected profit included in the future premiums included in the own funds for 2020.</p>		

The company's intellectual capital

The company employed an average of 154 full-time employees in 2021 (2020: 124). 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 customers' 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.



We focus on developing the competencies of our employees to ensure that they become even better at providing the professional and effective help that our customers expect.



Claus Brink, COO
Oona Health

CSR

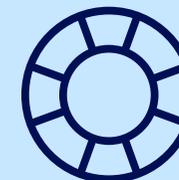
The company focuses on corporate social responsibility and the parent company, Oona Health, joined the UN Global Compact in 2020. This has resulted in Oona Health's first CSR report based on the framework of UN Global Compact. The report is published on DSS website:

 [UN Global Compact](#) [Go to →](#)

In 2020 DSS participated, through the parent company, Oona Health, for the second time in EcoVardis' annual CSR assessment, which includes more than 75,000 companies' sustainability work. The result of the assessment is that Oona Health is among the 20% best on four key parameters: Environment, labour and human rights, ethics and sustainable procurement. We have throughout 2021 worked with the recommendations from EcoVardis' assessment in 2020, which includes optimisation of the reporting on CSR.

The company's Board of Directors focuses on promoting diversity and it is a permanent item on the agenda at the company's board meetings. The company has agreed upon a policy for diversity in the Board of Directors, which is available on DSS' website:

 [Policy for Diversity](#) [Go to →](#)



9,014

companies are insured with us



154

Average number of full-time employees in DSS

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. Remuneration must be in accordance with the company's business and risk management strategy, risk profile, goals and risk management practices as well as the company's long-term interests and results as a whole. Furthermore, the remuneration must not be of such a size or composition that involves a risk of conflicts of interest or does not harmonise with the company's desire to specifically protect customers.

The remuneration policy is published on DSS' website:

[🔗 The Remuneration Policy](#) [Go to →](#)

Whistleblower protection

The company has established a whistleblower reporting channel. Here, employees have the possibility to report anonymously any violation or suspicion of noncompliance with financial legislation by employees or board members. No reports have been received in 2021.

Distribution of profit/loss

The Board of Directors proposes that a dividend of DKK 40m be paid to the parent company Oona Health A/S.

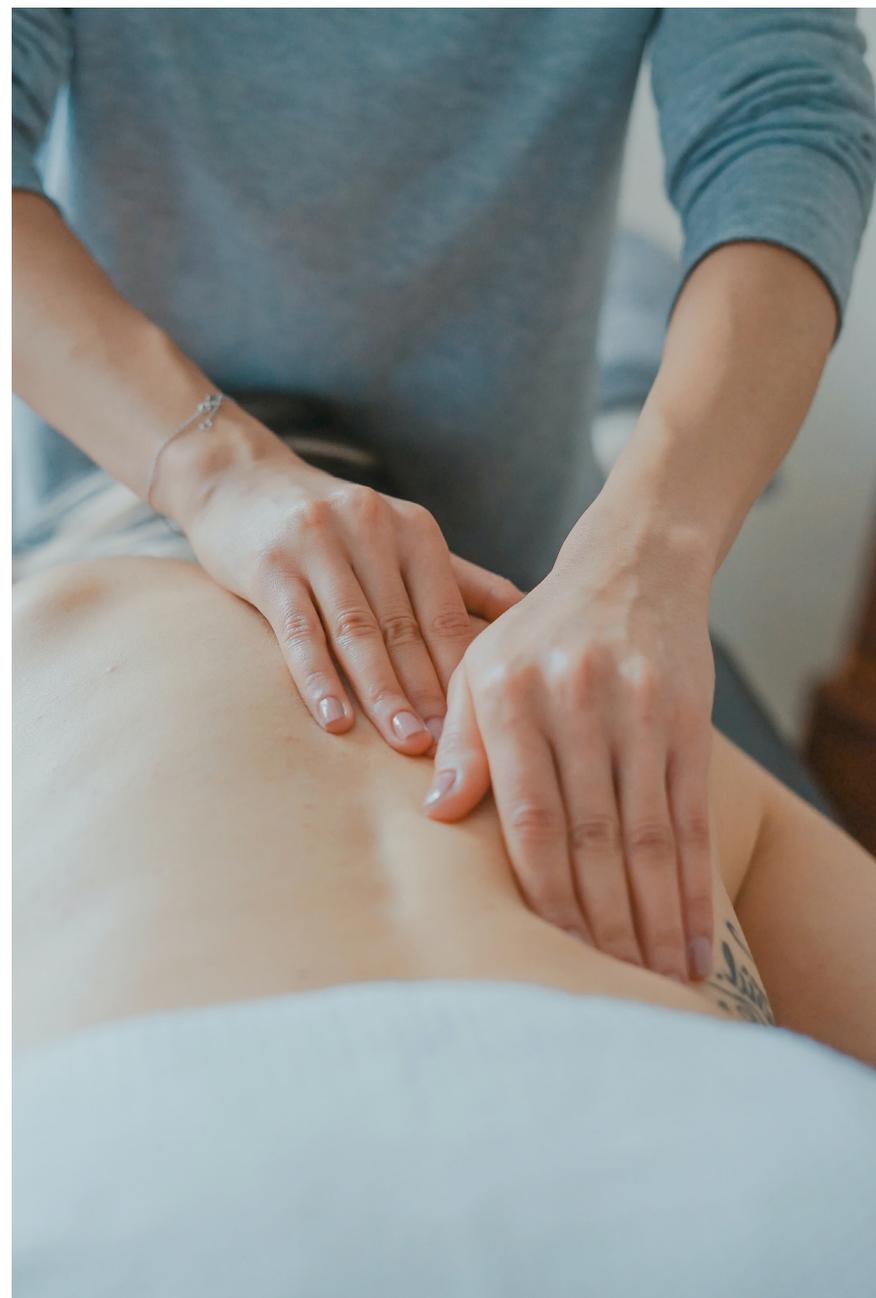
Expectations for 2022

DSS expects premium income for own account of DKK 590-615m. DSS expects a pre-tax profit of approximately DKK 90m - DKK 110m. A combined ratio in the range of 82-84 %. The expectations is dependent on, that we in 2022 deliver on our strategic focus areas as outlined in the statement from the CEO.

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.

A draft bill for an increase of the corporate tax rate for the financial sector in Denmark has been published for consultation in February 2022. If passed into law, the corporate tax rate will increase to 25.2% in 2023 and 26% in 2024 and onwards.



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 Forsikrings-selskabet 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 Oona Health A/S
CEO of DSS Hälsa AB
CEO of PrimaCare 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:
Oona Health 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

Robert Massey

Member of the Board of Directors in:
Daytona Acquisitions Limited, Guernsey
Daytona Midco Limited, Guernsey
Belvedere Bidco Ltd.
Belvedere Midco Ltd.
Belvedere Holdings (Guernsey) Ltd.
Oona Health A/S
Avalon Topco Limited
Avalon Holdco Limited
Avalon Midco Limited
Avalon Bidco Limited
Wealthtime Financial Limited

Peter Cartwright

CEO in:
AnaCap Financial Partners Limited

Member of the Board of Directors of:
Oona Health A/S
Avalon Midco Limited
Avalon Bidco Limited
Wealthtime Limited
Market Pay - Supervisory Board
Match Topco
Belvedere Bidco Limited
Belvedere Midco Limited
Belvedere Holdings [Guernsey] Limited

Eyal Steinitz

CEO in:
Komplementarselskabet Omera Consulting ApS
Eyal Steinitz ApS
Omera Consulting P/S
De Fantastiske 4 ApS

Member of the Board of Directors of:
Daytona Acquisitions Limited, Guernsey
Daytona Midco Limited, Guernsey
Omera Consulting P/S
Centaflow A/S
Oona Health A/S
Crosstepper Me-Mover ApS

Birgitte Hass

CEO in:
Nivo Performance ApS
NemConnect X ApS

Member of the Board of Directors in:
Oona Health A/S
Liga ApS
Liga Software ApS
Liga Invest ApS
NemConnect X ApS

Financial review

Independent auditor's report

To the shareholder of Forsikringselskabet Dansk Sundhedssikring A/S

Opinion

We have audited the financial statements of Forsikringselskabet Dansk Sundhedssikring A/S for the financial year 1 January 2021 to 31 December 2021, 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 prepared 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 2021 and of its financial performance for the financial year 1 January 2021 to 31 December 2021 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our audit book comments issued 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

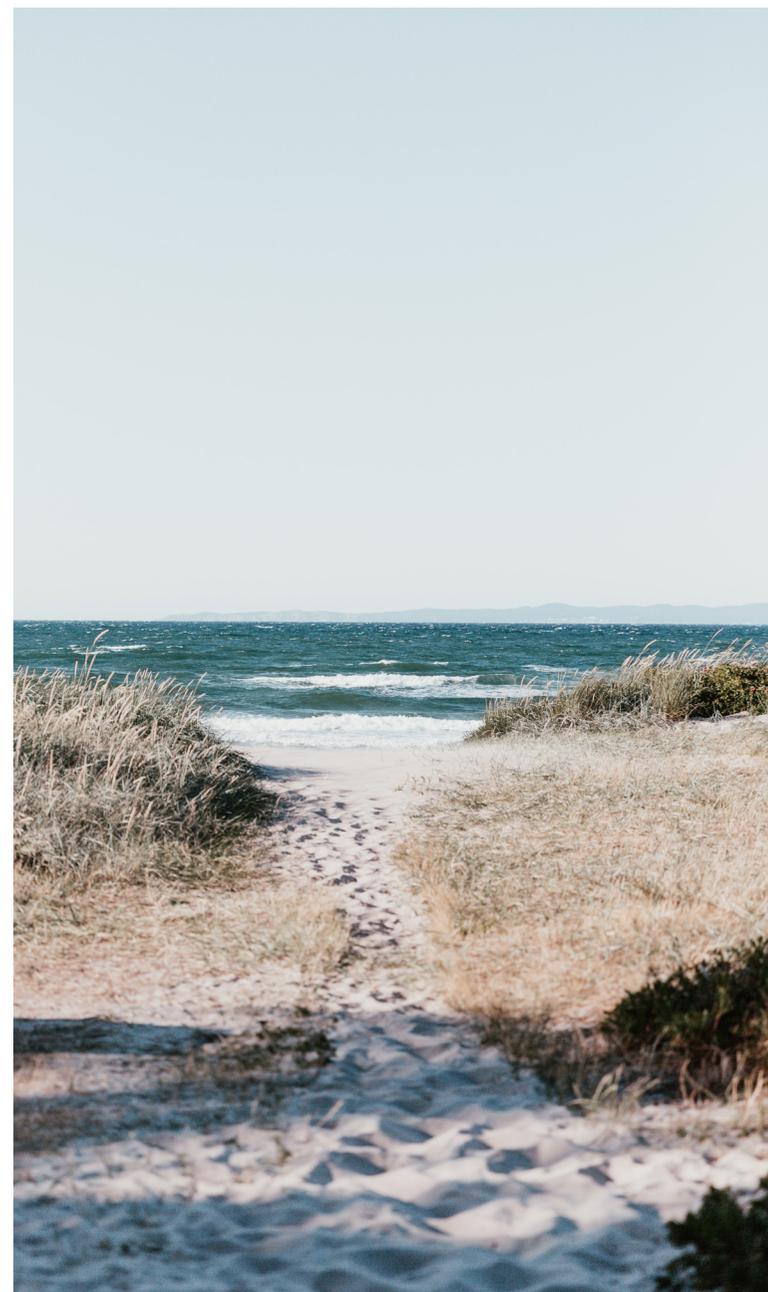
financial statements" section of this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark,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

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.

Forsikringselskabet Dansk Sundhedssikring A/S achieved status as a public interest entity 11 December 2020 and since this date, we were first elected as auditors at the general meeting conducted 28 April 2021 for the Financial year 2021.

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 2021 to 31 December 2021. 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.



Claims provisions

Management's estimates of the claims provisions are based on actuarial methods and involve complex statistical methods as well as estimates of future events. Changes in methods and assumptions may result in a material impact on the size of the claims provisions. Consequently, the audit of the claims provisions is considered a key audit matter.

The claims provisions amount to t.DKK 76.252 on 31 December 2021 (DKK 0 in 2020).

Management has specified the principles for determining claims provisions in accounting policies, note 20, and the related significant risks in note 14.

The following elements are particularly complex and/or have been significantly influenced by management estimates, assessments, and methodologies, where even minor changes may have significant impact:

- Changes in methods, models and data applied
- Determination of expectations for the future: Claims incurred related to outstanding claims provisions
- Claims incurred related to outstanding claims provisions
- Management add-ons for actuarial calculations to mitigate the risk of adverse developments in claims for damages related to outstanding claims provisions.

How the matter was addressed in the audit

- In cooperation with our own internationally qualified actuaries and based on our knowledge of the industry, experience and historical observations, we have assessed the statistical models applied to estimate the claims provisions and we have tested significant estimates and assumptions focusing on consistency and possible changes.
- We have tested the accuracy and the completeness of the data that are included in the actuarial estimates of the claims provisions.
- Based on the actuarial estimates of the claims provisions and in cooperation with our own internationally qualified actuaries, we have assessed the development in the claims provisions, including run-off gains/losses and the development in the size of the margin included in Management's estimate of the claims provisions

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 Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 scepticism throughout the audit. We also:

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

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

- Evaluate the overall presentation, structure and content 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, safeguards put in place and measures taken to eliminate threats.

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary 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 commentary provides the information required under the Danish Financial Business Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 23 March 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Anders Oldau Gjelstrup

State-Authorised
Public Accountant
Identification No 10777

Kasper Bruhn Udam

State-Authorised
Public Accountant
Identification No 29421

Statement by management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Forsikrings-selskabet Dansk Sundhedssikring A/S for the financial year 01.01.2021 - 31.12.2021.

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 2021 and of its financial performance for the financial year 1 January to 31 December 2021

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.

Executive Board:

Herlev, 23 March 2022

Kent Jensen
CEO

Board of Directors:

Herlev, 23 March 2022

Per Bay Jørgensen
Chairman

Peter Bramwell Cartwright

Eyal Steinitz

Robert Christopher Massey

Birgitte Hass

Income statement, balance sheet and notes

Income statement and statement of comprehensive income

DKK'000	Note	2021	2020
Gross premium written		897,863	0
Change in premium provision		-415,721	0
Change in profit margin		-51,817	
Total premium income	2	430,325	0
Claims paid		-192,538	0
Change in claims provisions		-76,252	0
Change in risk margin		-7,657	0
Total claims cost	3	-276,448	0
<i>Insurance operating costs</i>			
Acquisition costs		-28,901	0
Administration costs	4	-63,881	0
Insurance operating costs		-92,782	0
Technical result		61,096	0
<i>Investment activities:</i>			
Interest income and dividends	5	1,459	1,006
Value adjustments	6	-3,148	-242
Interest expenses		-1,017	-2,801
Administration costs in connection with investment activities		-443	0
Total investment return		-3,149	-2,036
Return on insurance provisions		0	0
Total investment return after insurance technical interest		-3,149	-2,036

DKK'000	Note	2021	2020
Other income	7	101,351	431,904
Other costs	8	-92,630	-411,316
Profit/loss before tax		66,669	18,552
Tax	9	-14,401	-4,164
Profit/loss for the year		52,268	14,388
Other comprehensive income			
Other comprehensive income		0	0
Tax on other comprehensive income		0	0
Total other comprehensive income		0	0
Comprehensive income		52,268	14,388
Proposed distribution of profit and loss:			
Retained earnings		12,268	-10,612
Proposed dividends		40,000	25,000
Proposed distribution of profit and loss		52,268	14,388

Balance Sheet

Assets

DKK'000	Note	2021	2020
Intangible assets	10	40,026	23,641
Operating equipment		2,938	3,023
Owner-occupied property		14,014	11,069
Total property, plant and equipment	11	16,952	14,091
Bonds		119,869	119,572
Total other financial investment assets		119,869	119,572
Total investment assets		119,869	119,572
Receivables from policyholders		400,239	0
Total receivables in connection with direct insurance contracts		400,239	0
Receivables from group enterprises	17	54,444	54,330
Other receivables		53,382	65,311
Total receivables		508,065	119,642
Current tax assets		0	356
Cash at bank		150,909	38,389
Total other assets		150,909	38,745
Other prepayments and accrued income		17,512	1,042
Total prepayments and accrued income		17,512	1,042
Total assets		853,333	316,732

Liabilities

DKK'000	Note	2021	2020
Share capital	12	726	726
Retained earnings		215,365	188,097
Total equity		216,091	188,823
Profit margin		51,817	0
Premium provisions		415,721	0
Claims provisions		76,252	0
Risk margin on insurance contracts		7,657	0
Total provisions for insurance contracts		551,447	0
Deferred tax liability		8,365	4,006
Total provisions		8,365	4,006
Current Tax liabilities		10,042	0
Other debt		66,045	113,040
Total debt		76,087	113,040
Accruals and deferred income		1,342	10,863
Total equity and liabilities		853,333	316,732

Statement of changes in equity

DKK'000

	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2020	725	18,710		19,435
Increase of capital	1	154,999		155,000
Profit/loss for the year		-10,612	25,000	14,388
Equity at 31 December 2020	726	163,097	25,000	188,823
Equity at 1 January 2021	726	163,097	25,000	188,823
Paid dividends			-25,000	-25,000
Profit/loss for the year		12,268	40,000	52,268
Other comprehensive income		0	0	0
Equity at 31 December 2021	726	175,365	40,000	216,091

Overview of Notes

	Note	Direct link
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Intangible assets	10	Go to →
Property, plant and equipment	11	Go to →
Share capital	12	Go to →
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Notes

Note 1: Financial highlights**

Key figures (DKK'000)	2021	2020	2019	2018*	2017*
Premium income, net of reinsurance	430,325	0	0	0	0
Claims	-276,448	0	0	0	0
Insurance operating costs, net of reinsurance	-92,782	0	0	0	0
Return on investment after technical interest	-3,149	-2,036	0	0	0
Profit for the year	52,268	14,388	1,968	9,909	8,133
Total provisions for insurance contracts	551,447	0	0	0	0
Total equity	216,091	188,823	19,435	16,942	7,033
Total assets	849,013	316,732	197,642	198,093	100,964
Number of claims	118,402	0	0	0	0
Average cost for incurred claims	2,335	0	0	0	0
Ratios					
Claims ratio	64.2	0.0	0.0	0.0	0.0
Expense ratio	21.6	0.0	0.0	0.0	0.0
Combined ratio	85.8	0.0	0.0	0.0	0.0
Operating ratio	0.0	0.0	0.0	0.0	0.0
Relative run-off gains/losses	0.0	0.0	0.0	0.0	0.0
Return on equity (%)	25.8	13.8	10.8	82.7	105.9
Claims frequency (%)	35.7	0.0	0.0	0.0	0.0

*Ratios for 2017-2018 have not been adjusted after the merger with Primora IT.

**Comparable numbers for insurance technical accounts is only available for 2021, as DSS first operated as an insurance company in 2021. Therefore there is no comparable numbers.

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

Notes

DKK '000	2021	2020
Note 2: Premium income, net of insurance		
Gross Premium Written	897,863	0
Change in premium provision	-415,721	0
Change in profit margin	-51,817	0
Total	430,325	0

All insurance contracts are within Denmark.

DSS received license as an insurance company from the Danish Financial Supervisory Authority on 11 December 2020. After the license was granted DSS initiated the conversion of the insurance portfolio from external insurance providers to own risk. The conversion to own risk was finally completed in the beginning of 2021. In accordance with the recognition principles for insurance contracts as described in the disclosure for accounting principles DSS, recognizes insurance contracts when the company is bound by the contract and have no option to exit. Therefore no insurance contracts was on own risk as of the balance sheet date as of 31 December 2020. The insurance contracts have a duration of one year. The main part of the portfolio follows the calendar year.

In 2021 the renewal of the portfolio was conducted in December 2021 and therefore the account balances written premium, premium provisions, profit margin and receivables from policyholders reflects that DSS are bound by the contracts and have no option to exit. Accordingly, the insurance contracts are recognized in the Financial Statements 2021.

As a result of the processing of two renewals in 2021 – one for 2021 and one for 2022 – the gross premiums are unusually high whereas the accruals via premium provisions brings the net premiums earned in line with the accounting principles including normal accruals of income.

Note 3: Run-off result

Run-off result is 0, since it is the first full year with insurance contracts on own books.

DKK '000	2021	2020
Note 4: Staff costs		
Wages and salaries	74,867	67,015
Pension costs	5,439	3,817
Other social security	1,701	1,024
Other staff costs	6,305	4,508
Total	88,312	76,364

Average number of full-time employees	154	124
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The following is the total remuneration for the Executive Board and the Board of Directors, which has been earned in the group for Oona Health

DKK '000	2021	2020
Remuneration for the Executive Board:		
Kent Jensen	2,916	2,882
Total	2,916	2,882

Remuneration to the Board of Directors

Per Bay Jørgensen (Chairman)	200	200
Robert Christopher Massey	0	0
Peter Bramwell Cartwright	0	0
Birgitte Hass	150	100
Klaus Henrik Busch (left the Board of Directors in October 2021)	0	0
Eyal Steinitz (joined the Board of Directors in October 2021)	0	0
Total	350	300

Remuneration for other significant risk takers:

Other significant risktakers	10,035	0
Number of other significant risk takers	9	0

Allocation of remuneration:

	2021		2020	
	Fixed	Variable	Fixed	Variable
Executive Management	2,376	540	1,982	900
Board of Directors	350	0	300	0
Other significant risk takers	8,115	1,921	0	0
Total	10,841	2,461	2,282	900

Remuneration to the Board of Directors

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

Remuneration for the Board of Directors:

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

Notes

DKK '000	2021	2020
Note 5: Interest income and dividends		
Interest income	1,459	1,006
Total	1,459	1,006
Note 6: Value adjustments		
Bonds	-3,148	-242
Total	-3,148	-242

Note 7: 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.

Note 8: 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.

DKK '000	2021	2020
Note 9: Tax		
Tax on profit/loss for the year:		
Tax on accounting profit/loss	-10,042	0
Deferred tax	-4,359	-4,164
Adjustment concerning previous years	0	0
Total	-14,401	-4,164

DKK '000	2021	2020
Tax on profit/loss for the year:		
Tax on accounting profit/loss	-14,667	-4,081
Tax effect of:		
Adjustment of non-taxable costs	-14	-4
Recognition of owner occupied property cf. IFRS 16	0	-78
Tax adjustment, previous years - Deferred tax	280	0
Total	-14,401	-4,164
Effective tax rate	21.6%	22.4%

	Completed development projects	Goodwill	Development cost	Total
Note 10: Intangible assets				
Cost at 1 January	41,544	9,407	8,871	59,822
Additions for the year	19,280	0	0	19,280
Cost at 31 December	60,825	9,407	8,871	79,102
Amortisation and write-downs at 1 January	-21,318	-9,407	-5,456	-36,181
Depreciation for the year	-2,895	0	0	-2,895
Amortisation and write-downs at 31 December	-24,213	-9,407	-5,456	-39,076
Carrying amount at 31 December	36,611	0	3,415	40,026

Notes

DKK '000

	Owner-occupied property	Operating equipment	Total
Note 11: Property, plant and equipment			
Cost at 1 January	13,836	6,803	23,406
Additions for the year	6,232	1,188	4,652
Disposals for the year	0	0	0
Cost at 31 December	20,068	7,991	28,058
Accumulated depreciation and value adjustments at 1 January	-2,767	-3,780	-9,314
Depreciation for the year	-3,287	-1,272	-1,792
Accumulated depreciation and value adjustments at 31 December	-6,054	-5,052	-11,106
Carrying amount at 31 December	14,014	2,938	16,952

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

Note 12: Share capital

The share capital consists of 726,001 shares with a nominal value of 1 DKK.

DKK '000

	2021	2020
Note 13: Deferred tax liability		
Intangible assets	8,805	5,201
Property, plant and equipment	-440	-18
Tax deficits	0	-1,188
Other temporary differences	0	11
Total	8,365	4,006
Development in deferred tax		
Deferred Tax at 1 January	4,006	
Change in deferred tax recognised in income statement	4,359	
Tax deficits transferred from other group companies	0	
Deferred tax at 31. december	8,365	

Notes

Note 14: 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

The insurance risk includes the underwriting risk in relation to direct insurance and the claims handling. The company has not agreed upon any reinsurance contracts. The company follows the guidelines for underwriting, which are approved by the Board of Directors.

Financial risk

Forsikringselskabet Dansk Sundhedssikring A/S has an investment portfolio which consist of Danish Mortgage Bonds with short duration and high credit rating. The investment profile is consistent with the policy approved by the Board of Directors and is considered as low risk.

Operational risk

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

Guidelines and standard operating procedures is improved and developed on an ongoing basis as part of the controlling with operational risks.

Credit risk

The Company's credit risk has been reduced to potential bad debts. The credit risk on the company cash and Bond portfolio is deemed low due to the high credit rating of the counterparties .

Note 15: 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.

Note 16: Own funds

Own funds is DKK 176.5m (2020: DKK 140.2m). The bridge from equity to own funds is stated in the management commentary.

Note 17: Transactions with related parties

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, Oona Health A/S. Expenses for Management are allocated to the individual entities of the Group based on a cost allocation base.

The Company has intercompany receivables with the Parent, Oona Health 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 former board member Klaus Busch has provided a loan to DSS. The remaining outstanding of DKK 9.8m was repaid on 11 January 2021. The average interest rate was 6%.

Note 18: Related parties with control

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

Note 19: Consolidation

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

Notes

Note 20: 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').

As the company as of 01.01.2021 has underwritten insurance contracts on own risk, the Annual report now comprise the insurance technical account balances and disclosures as well. The accounting policies are unchanged compared to last year.

The company did not underwrite insurance contracts on own risk in 2020, and therefore is no comparable numbers in the insurance technical account balances and disclosures.

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 for Oona Health A/S.

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 of 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

Premiums

Premium income represents gross premiums written related to the accounting period and adjusted for changes in premium provisions, corresponding to an accrual of premiums to the risk period of the policies. Premiums are calculated as premium income in accordance with the risk exposure over the cover period. Insurance contracts are recognized when the company is bound by the contract and have no option to exit.

Claims expenses, net of reinsurance

Claims expenses, net of reinsurance includes the year's claims paid adjusted for movements in the claims provisions. Direct and indirect costs are recognized in the claims expenses. The part of the claims expenses that can be attributed to discounting is transferred to technical interest, while the part attributable to the changed discount rate is transferred to price adjustments. The claims cost, net of reinsurance thus includes known and expected claims expenses relating to the financial year

Costs

The share of the insurance operating costs that can be attributed to the acquisition and renewal of the insurance portfolio, is entered under acquisition costs.

Administrative costs include the accrued expenses that can be attributed to the financial year, including taxes to public authorities, as well as depreciation for the period on furniture, IT, cars and domicile property. The subsidiary's share of the joint administration is set off against the administration costs.

The proportion of administrative expenses that are directly or indirectly related to claims handling costs is transferred to gross claims.

Administrative expenses relating to the administration of the company's investment assets have been transferred to the investment costs.

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.

Notes

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 subject to an impairment test end of year. The carrying amount is written down to a lower recoverable amount.

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 at 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, Forsikrings-selskabet 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 remeasured 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.

Premium provisions and profit margin

Premiums written are recognised in the income statement (premium income) proportionally over the period of coverage and, where necessary, adjusted to reflect any time variation of the risk.

Premium provisions are calculated according to a best estimate of expected payments throughout the agreed risk period.

The profit margin on non-life insurance contracts is calculated as the expected profit on the non-expired parts of the risk periods for the non-life insurance contracts that the company has entered into.

Claims provisions

Claims provisions are management's best estimate based on actuarial and statistical projections of claims and administration of claims. The estimates are based on Forsikrings-selskabet Dansk Sundhedssikring A/S knowledge of historical data including factors that might influence future developments in the liabilities. Claims provisions are determined based on a Chain-ladder. Key assumptions include the average cost per claim and the run-off pattern for claims.

Claims provisions are discounted. Discounting is based on a yield curve reflecting duration applied to the expected future payments from the provision.

Risk Margin on insurance contracts

The risk margin represents the amount that the company may be expected to pay another insurance company to assume the risk of discrepancies between best estimates and the final settlement of future cash flows from the insurance contracts the company has entered into. The company applies the Cost-of-capital method for calculating risk margin.

Liability adequacy test

Tests are continuously performed to ensure the adequacy of the insurance provisions. In performing these tests, current best estimates of future cash flows of claims, gains and direct and indirect claims handling costs are used. Any deficiency results in an increase in the relevant provision, and the adjustment is recognised in the income statement

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.

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