

Sundhedsgruppen A/S

Annual Report 2020

Hørkær 12B
DK-2730 Herlev
Business Registration No. 39653486

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

Sundhedsgruppen A/S
Høkær 12B
DK-2730 Herlev

Business registration no.: 39 65 34 86
Registered in: Herlev
Financial year: 01.01.2020 - 31.12.2020

Parent

Daytona Midco Limited
Hørkær 12B
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.: 33 96 35 56

Management commentary

Primary activities of Sundhedsgruppen

Sundhedsgruppen's primary activities comprise possessing ownership shares in Forsikringsselskabet Dansk Sundhedssikring A/S, PrimaCare A/S, VitalityGuard A/S and WL Care AB (in the process of changing name to DSS Hälsa AB).

At 11 December 2020, Dansk Sundhedssikring 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).

PrimaCare is a network health care company providing physiotherapy, chiropractic and psychological help to insurance companies, including Dansk Sundhedssikring in particular, but also health care solutions in its own name primarily to state-controlled entities and their employees. Such health care solutions typically comprise treatment arrangements with physiotherapy, chiropractic and massage at the location, psychological help, health certificate, occupational therapist examinations or other prevention initiatives.

VitalityGuard is a digital health care company primarily obtaining knowledge about the health care conditions of companies' employees through surveys. Such surveys are utilised by the companies for their prevention efforts in general, just as VitalityGuard provides a coach at the disposal of employees with health care issues. VitalityGuard typically supports Dansk Sundhedssikring's customers with prevention measures in addition to delivering services to own customers.

WL Care (DSS Hälsa) is a health care agency in Sweden that sells health insurance to private persons. The company was acquired by Sundhedsgruppen at 31 December 2020, and at present, Protector AB is the underlying insurance company.

Key figures and financial ratios

Profit before tax for the year for the Parent shows a profit of DKK 9.3 million in 2020, compared to DKK 17.7 million deficit in 2019.

Profit for the year shows a profit of DKK 10.4 million in 2020, compared to DKK 14.9 million deficit in 2019.

Profit before tax for the year for the Group shows a profit of DKK 9.0 million in 2020, compared to DKK 15.8 million deficit in 2019.

Profit for the year shows a profit of DKK 7.4 million in 2020, compared to DKK 14.8 million deficit in 2019.

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

In 2020, there were other expenses of DKK 532.1 million compared to DKK 455.5 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. In addition, growth in PrimaCare has also affected growth in other expenses compared to 2019.

The year has of course been affected by the situation the COVID-19 virus has imposed on everyone in our society, and also Sundhedsgruppen. 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.

Management commentary

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 Group's capital base is DKK 114.2 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 186%.

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 sensitivity analyses are published on the Company's website <https://ds-sundhed.dk/>.

The Company's intellectual capital

The Company employed an average of 142 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 EcoVadis' 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.

Management commentary

Distribution of profit/loss

The Board of Directors proposes that profit for the year is added to equity.

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.

Forsikringsselskabet Dansk Sundhedssikring A/S 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.

PrimaCare expects to be able to continue the positive development with more state-controlled entities as its own customers and external revenue (in addition to DSS) of DKK 40-50 million. In addition, PrimaCare is expected to continue to support Dansk Sundhedssikring's increasing growth and to be able to keep up with Dansk Sundhedssikring by delivering the same amount of physiotherapy, chiropractic and psychological help as in 2020.

VitalityGuard continues to support primarily Dansk Sundhedssikring's customers with prevention activities and analyses.

DSS Hälsa AB is expected to show a loss in 2021, as 2021 will be affected by the construction of a portfolio on the Swedish market.

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 Forsikringsselskabet Dansk Sundhedssikring 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:

Forsikringsselskabet Dansk Sundhedssikring 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

Management commentary

Peter Cartwright

CEO in:

AnaCap Financial Partners Limited

Member of the Board of Directors of:

Forsikringsselskabet Dansk Sundhedssikring A/S

Birgitte Hass

CEO in:

NIVO

NEMConnect

Member of the Board of Directors of:

Forsikringsselskabet Dansk Sundhedssikring 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:

Forsikringsselskabet Dansk Sundhedssikring A/S

Daytona Acquisitions Limited, Guernsey

Daytona Midco Limited, Guernsey

CBVB Holding ApS

Crosstepper Me-Mover ApS

Primora Holding ApS (Chairman)

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Sundhedsgruppen A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Sundhedsgruppen A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement and statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020, and of the results of their operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Business Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 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 Sundhedsgruppen 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 consolidated and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2020 and of their financial performance for the financial year 1 January to 31 December 2020.

The management commentary contains a fair review of the development of the Group's and the Parent'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

GROUP CONSOLIDATED INCOME STATEMENT

| 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 |
| Technical result | | 0 | 0 |
| <i>Investment activities:</i> | | | |
| Income from associated companies | | 0 | 255 |
| Interest income and dividends | 5 | 26 | 915 |
| Value adjustments | | -242 | 0 |
| Interest expenses | | -2.840 | -987 |
| Administration expenses in connection with investment activities | | 0 | 0 |
| Total investment return | | -3.056 | 183 |
| Return on insurance provisions | | 0 | 0 |
| Total investment return after insurance technical interest | | -3.056 | 183 |
| Other income | 3 | 544.105 | 439.491 |
| Other costs | 4 | -532.059 | -455.471 |
| Profit/loss before tax | | 8.990 | -15.797 |
| Tax | 6 | -1.617 | 996 |
| Profit/loss for the year | | 7.373 | -14.801 |
| Other comprehensive income | | | |
| Other comprehensive income | | 0 | 0 |
| Tax on other comprehensive income | | 0 | 0 |
| Total other comprehensive income after tax | | 0 | 0 |
| Comprehensive income | | 7.373 | -14.801 |
| Proposed distribution of profit and loss: | | | |
| Retained earnings | | 7.373 | -14.801 |
| Proposed dividends | | 0 | 0 |
| Proposed distribution of profit and loss | | 7.373 | -14.801 |

GROUP BALANCE SHEET - ASSETS

| DKK'000 | Note | 2020 | 2019 |
|---|------|----------------|----------------|
| Intangible assets | 7 | 29.136 | 28.608 |
| Operating equipment | 8 | 3.156 | 2.917 |
| Owner-occupied property | | 11.069 | 13.836 |
| Total property, plant and equipment | | 14.225 | 16.753 |
| Investments in group enterprises | | 0 | 0 |
| Total investments in group enterprises | | 0 | 0 |
| Equity investments | | 0 | 0 |
| Bonds | | 119.572 | 0 |
| Total other financial investment assets | | 119.572 | 0 |
| Total investment assets | | 119.572 | 0 |
| 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 |
| Receivables from insurancebrokers | | 0 | 0 |
| Total receivables in connection with direct insurance contracts | | 0 | 0 |
| Receivables from insurance enterprises | | 0 | 0 |
| Deposits | | 14 | 3 |
| Receivables from subsidiaries | | 10.127 | 10.101 |
| Other receivables | | 66.983 | 38.535 |
| Total receivables | | 77.124 | 48.639 |
| Current tax assets | | 0 | 356 |
| Deferred tax | | 1.545 | 2.613 |
| Cash at bank | | 43.509 | 55.878 |
| Total other assets | | 45.054 | 58.847 |
| Interest receivable | | 0 | 0 |
| Prepaid acquisition costs | | 0 | 0 |
| Other prepayments and accrued income | | 29.268 | 103.751 |
| Total prepayments and accrued income | | 29.268 | 103.751 |
| Total assets | | 314.379 | 256.597 |

GROUP BALANCE SHEET - LIABILITIES

| DKK'000 | Note | 2020 | 2019 |
|---|------|----------------|----------------|
| Share capital | | 1.001 | 1.000 |
| Retained earnings | | 143.843 | -18.529 |
| Proposed dividends | | 0 | 0 |
| Total equity | | 144.844 | -17.529 |
| Premium provisions | | 0 | 0 |
| Claims provisions | | 0 | 0 |
| Risk margin on insurance contracts | | 0 | 0 |
| Total provisions for insurance contracts | | 0 | 0 |
| Pensions and similiar obligations | | 0 | 0 |
| Total provisions | | 0 | 0 |
| Reinsurance depository | | | |
| Debt relating to direct insurance | | 0 | 0 |
| Debt relating to reinsurance | | 0 | 0 |
| Payables to subsidiaries | | 0 | 0 |
| Current tax liabilities | | 187 | 0 |
| Other debt | | 132.023 | 151.400 |
| Total debt | | 132.210 | 151.400 |
| Accruals and deferred income | | 37.325 | 122.726 |
| Total equity and liabilities | | 314.379 | 256.597 |

| | |
|-------------------------------------|-----------|
| Financial highlights | 1 |
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GROUP STATEMENT OF CHANGES IN EQUITY

DKK'000

| | Share capital | Retained earnings | Proposed dividends | Total |
|-----------------------------------|---------------|-------------------|--------------------|----------------|
| Equity at 1 January 2019 | 1.000 | 5.953 | | 6.953 |
| Dividend paid | | | | 0 |
| Profit/loss for the year | | -18.271 | | -18.271 |
| Other entries on equity | | -6.210 | | -6.210 |
| Proposed dividends | | | | 0 |
| Equity at 31 December 2019 | 1.000 | -18.529 | 0 | -17.529 |
| Equity at 1 January 2020 | 1.000 | -18.529 | 0 | -17.529 |
| Increase of capital | 1 | 154.999 | | 155.000 |
| Profit/loss for the year | | 7.373 | | 7.373 |
| Proposed dividends | | | | 0 |
| Equity at 31 December 2020 | 1.001 | 143.843 | 0 | 144.844 |

GROUP NOTES

1. Financial highlights

| Key figures DKK'000 | 2020 | 2019 | 2018 |
|---|---------|---------|---------|
| Return on investment after technical interest | -3.056 | 183 | 0 |
| Profit/loss for the year | 7.373 | -14.801 | 5.489 |
| Total equity | 144.844 | -17.529 | 6.953 |
| Total assets | 314.379 | 256.597 | 194.375 |

Ratios

| | | | |
|----------------------|------|-------|-------|
| Return on equity (%) | 11,6 | 279,9 | 157,9 |
|----------------------|------|-------|-------|

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 |
|---------|------|------|
|---------|------|------|

2. Staff costs

| | | |
|--|---------------|---------------|
| Wages and salaries | 84.036 | 64.718 |
| Remuneration to the Board of Directors | 300 | 250 |
| Pension costs | 4.700 | 4.838 |
| Other social security | 781 | 712 |
| Other staff costs | 5.312 | 1.662 |
| Total | 95.129 | 72.181 |

| | | |
|---------------------------------------|------------|------------|
| Average number of full-time employees | 143 | 133 |
|---------------------------------------|------------|------------|

Staff costs are recognised in the item 'Other expenses'

Vested remuneration for the Executive Board:

| | | |
|-------------|-------|-------|
| Kent Jensen | 2.882 | 2.708 |
|-------------|-------|-------|

| | | |
|--------------|--------------|--------------|
| Total | 2.882 | 2.708 |
|--------------|--------------|--------------|

| Remuneration to the Board of Directors | 2020 | 2019 |
|--|------------|------------|
| 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 |
| Total | 300 | 250 |

Allocation of remuneration:

| | 2020 | | 2019 | |
|----------------------|--------------|------------|--------------|------------|
| | Fixed | Variable | Fixed | Variable |
| Executive Management | 1.982 | 900 | 1.858 | 850 |
| Board of Directors | 300 | 0 | 250 | 0 |
| Total | 2.282 | 900 | 2.108 | 850 |

Vested remuneration for significant risk takers:

The Executive Board constitutes the significant risk takers in Sundhedsgruppen A/S.

GROUP NOTES

3. Other income

Other income consists of the Company's income from agencies on health insurances and arrangements in which the Company Other income also comprises income from health care services to insurances companies, pension funds and municipalities.

Income is also included from the sale of digital products and coaching.

4. Other expenses

Other expenses comprise the Company's expenses in connection with agencies on health insurances and arrangements in which Other expenses also comprise expenses for the purchase of health care services sold to insurances companies, pension funds and municipalities.

Expenses are also included to operate digital products and coaching. Staff costs are specified separately in Note 2.

| | <u>2020</u> | <u>2019</u> |
|--|--------------|--------------|
| Fees to the auditor appointed by the Annual General Meeting | | |
| Statutory audit services | 742 | 478 |
| Tax advice | 0 | 0 |
| Other services* | 431 | 1.434 |
| Total | 1.173 | 1.912 |

*Other services for 2020 consists of various accounting advisory and advisory in connection with acquisition of WL Care AB.

5. Interest income and dividends

| | | |
|------------------------------------|-----------|------------|
| Financial income from subsidiaries | 0 | 60 |
| Interest income | 26 | 855 |
| Total | 26 | 915 |

6. Tax

Tax on profit/loss for the year:

| | | |
|--------------------------------|--------------|-------------|
| Tax on accounting profit/loss | 187 | 0 |
| Deferred tax | 1.430 | -2.190 |
| Tax adjustment, previous years | 0 | 1.194 |
| Total | 1.617 | -996 |

Tax on profit/loss for the year:

| | | |
|--------------------------------|--------------|-------------|
| Tax on accounting profit/loss | 1.978 | -3.475 |
| Tax regulation, other | -361 | 1.285 |
| Tax adjustment, previous years | 0 | 1.194 |
| Total | 1.617 | -996 |

| | | |
|--------------------|-------|------|
| Effective tax rate | 18,0% | 6,3% |
|--------------------|-------|------|

| | Completed develop- ment projects | Acquired intangible assets | Goodwill | Develop- ment costs | Client relationships | Total |
|--|---|---|-----------------|--------------------------------|---------------------------------|----------------|
| 7. Intangible assets | | | | | | |
| Cost at 1 January | 32.148 | 150 | 9.407 | 0 | 0 | |
| Additions for the year | 16.350 | 0 | 0 | 8.871 | 5.495 | |
| Cost at 31 December | 48.497 | 150 | 9.407 | 8.871 | 5.495 | |
| Amortisation and write-downs at 1 January | -6.970 | -54 | -6.073 | 0 | 0 | |
| Impairment losses and write-downs for the year | -21.302 | -96 | -3.333 | -5.456 | 0 | |
| Amortisation and write-downs at 31 Dec. | -28.271 | -150 | -9.407 | -5.456 | 0 | |
| Carrying amount at 31 December | 20.226 | 0 | 0 | 3.415 | 5.495 | |
| Cost at 1 January | | | | | | 41.705 |
| Additions for the year | | | | | | 30.715 |
| Cost at 31 December | | | | | | 72.420 |
| Amortisation and write-downs at 1 January | | | | | | -13.097 |
| Impairment losses and write-downs for the year | | | | | | -30.187 |
| Amortisation and write-downs at 31 December | | | | | | -43.284 |
| Carrying amount at 31 December | | | | | | 29.136 |

GROUP NOTES

| | Owner- occupied property | Operating equipment | Total |
|--|--------------------------------|------------------------|---------------|
| 8. Property, plant and equipment | | | |
| Cost at 1 January | 16.603 | 5.522 | 22.125 |
| Additions for the year | 0 | 1.543 | 1.543 |
| Disposals for the year | 0 | 0 | 0 |
| Cost at 31 December | 16.603 | 7.065 | 23.668 |
| Accumulated depreciation and value adjustments at 1 January | -2.767 | -2.606 | -5.373 |
| Depreciation for the year | -2.767 | -1.304 | -4.071 |
| Accumulated depreciation and value adjustments at 31 December | -5.534 | -3.909 | -9.444 |
| Carrying amount at 31 December | 11.069 | 3.156 | 14.225 |

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

9. Risk

In the daily operations of the Group several risks may affect the results. The most significant risks for the Group are described

Insurance risk

During the financial year, there have been no operating activities in the Group and thus no risk.

Financial risk

The Group's financial risk for the financial year is investments in bonds with low risk.

Operational risk

Operational risk of losses due to unintended events or risk of systematic misstatements. The risk of IT crashes is also included. The Group has a procedure for handling such events.

Credit risk

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

10. Capital base

The Company's capital base is stated at DKK 115,708 thousand. The capital base appears as equity of DKK 144,844 thousand less the value of intangible assets of DKK 29,136 thousand.

11. Related party transactions

In 2020, a capital increase was adopted to strengthen the Company's financial resources in connection with the transition to Administration of intercompany entities is handled by Forsikringselskabet Dansk Sundhedssikring A/S. Income from the administration of intercompany entities is performed on cost covering base.

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.

Intercompany balances carry interest at 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

12. Related parties with control

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

13. Collateral

The Group's banker has a company charge in the Group of DKK 12.3 million covering claims, goodwill, inventories and operating equipment.

The payable constitutes DKK 0 at 31 December 2020.

14. Subsidiaries

| | Registered in | Corporate form | Ownership interest i % | Equity DKK'000 | Profit/loss DKK'000 |
|---|------------------|-------------------|---------------------------|-------------------|------------------------|
| Forsikringselskabet Dansk Sundhedssikring A/S | Herlev | A/S | 100,0 | 188.823 | 14.388 |
| PrimaCare A/S | Herlev | A/S | 100,0 | -1.581 | -804 |
| VitalityGuard A/S | Herlev | A/S | 100,0 | -4.893 | -3.119 |
| WL Care AB* | Stockholm | AB | 100,0 | 2.429 | 2.237 |

*Since the acquisition had closing as of 31 december 2020 there is no impact in Sundhedsgruppen A/S income statement for the period 1 January to 31 December 2020.

Parent income statement

| 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 |
| Technical result | | 0 | 0 |
| <i>Investment activities:</i> | | | |
| Income from subsidiaries | | 13.520 | -4.041 |
| Interest income and dividends | | 200 | 233 |
| Value adjustments | | 0 | 0 |
| Interest expenses | | -1.011 | -856 |
| Total investment return | | 12.709 | -4.664 |
| Return on insurance provisions | | 0 | 0 |
| Total investment return after insurance technical interest | | 12.709 | -4.664 |
| Other income | | 0 | 0 |
| Other costs | | -3.428 | -12.996 |
| Profit/loss before tax | | 9.282 | -17.660 |
| Tax | 3 | 1.146 | 2.807 |
| Profit/loss for the year | | 10.427 | -14.852 |
| Other comprehensive income | | | |
| Other comprehensive income | | 0 | 0 |
| Tax on other comprehensive income | | 0 | 0 |
| Total other comprehensive income after tax | | 0 | 0 |
| Comprehensive income | | 10.427 | -14.852 |
| Proposed distribution of profit and loss: | | | |
| Retained earnings | | 10.427 | -14.852 |
| Proposed dividends | | 0 | 0 |
| Proposed distribution of profit and loss | | 10.427 | -14.852 |

PARENT BALANCE SHEET - ASSETS

| DKK'000 | Note | 2020 | 2019 |
|--|------|----------------|---------------|
| Intangible assets | 4 | 5.495 | 0 |
| Operating equipment | | 0 | 0 |
| Owner-occupied property | | 0 | 0 |
| Total property, plant and equipment | | 0 | 0 |
| Investments in group enterprises | 5 | 191.251 | 20.302 |
| Total investments in group enterprises | | 191.251 | 20.302 |
| Equity investments | | 0 | 0 |
| Bonds | | 0 | 0 |
| Total other financial investment assets | | 0 | 0 |
| Total investment assets | | 191.251 | 20.302 |
| 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 |
| Receivables from subsidiaries | | 19.900 | 6.412 |
| Other receivables | | 0 | 0 |
| Total receivables | | 19.900 | 6.412 |
| Deferred tax | | 3.772 | 3.561 |
| Cash at bank | | 289 | 384 |
| Total other assets | | 4.061 | 3.945 |
| Interest receivable | | 0 | 0 |
| Prepaid acquisition costs | | 0 | 0 |
| Total prepayments and accrued income | | 0 | 0 |
| Total assets | | 220.707 | 30.659 |

PARENT BALANCE SHEET - LIABILITIES

| DKK'000 | Note | 2020 | 2019 |
|--|------|----------------|----------------|
| Share capital | 6 | 1.001 | 1.000 |
| Reserve for net revaluation according to the equity method | | 18.726 | 4.338 |
| Retained earnings | | 131.591 | -19.448 |
| Proposed dividends | | 0 | 0 |
| Total equity | | 151.318 | -14.110 |
| Premium provisions | | 0 | 0 |
| Claims provisions | | 0 | 0 |
| Total provisions for insurance contracts | | 0 | 0 |
| Pensions and similar obligations | | 0 | 0 |
| Total provisions | | 0 | 0 |
| Reinsurance depository | | | |
| Payables to subsidiaries | | 54.330 | 41.930 |
| Other debt | | 15.059 | 2.839 |
| Total debt | | 69.389 | 44.769 |
| Total equity and liabilities | | 220.707 | 30.659 |

| | |
|-------------------------------------|-----------|
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PARENT STATEMENT OF CHANGES IN EQUITY

DKK'000

| | Share capital | Reserve for net revaluation according to the equity method | Retained earnings | Proposed Dividend | Total |
|-----------------------------------|---------------|---|----------------------|----------------------|----------------|
| Equity at 1 January 2019 | 1.000 | 8.289 | -2.336 | | 6.953 |
| Dividend paid | | | | | 0 |
| Profit/loss for the year | | -3.951 | -10.901 | | -14.852 |
| Other entries on equity | | | -6.210 | | -6.210 |
| Proposed dividends | | | | | 0 |
| Equity at 31 December 2019 | 1.000 | 4.338 | -19.448 | 0 | -14.110 |
| Equity at 1 January 2020 | 1.000 | 4.338 | -19.448 | 0 | -14.110 |
| Increase of capital | 1 | | 154.999 | | 155.000 |
| Profit/loss for the year | | 14.388 | -3.961 | | 10.427 |
| Other comprehensive income | | | | | 0 |
| Proposed dividends | | | | | 0 |
| Equity at 31 December 2020 | 1.001 | 18.726 | 131.591 | 0 | 151.318 |

PARENT NOTES

1. Financial highlights

| Key figures - DKK'000 | 2020 | 2019 | 2018 |
|---|---------|---------|--------|
| Return on investment after technical interest | 12.709 | -4.664 | 0 |
| Profit/loss for the year | 10.427 | -14.852 | 5.489 |
| Total equity | 151.318 | -14.110 | 6.953 |
| Total assets | 220.707 | 30.659 | 41.576 |
| Ratios | | | |
| Return on equity (%) | 15,2 | 415,0 | 157,9 |

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 |
|---------------------------------------|---------------|---------------|
| 2. Staff costs | | |
| Wages and salaries | 9.641 | 9.074 |
| Pension costs | 436 | 446 |
| Other social security | 21 | 22 |
| Other staff costs | 59 | 1.527 |
| Total | 10.158 | 11.069 |
| Average number of full-time employees | 5 | 4 |

Vested remuneration for the Executive Board:

| | | |
|--------------|--------------|--------------|
| Kent Jensen | 2.882 | 2.708 |
| Total | 2.882 | 2.708 |

Vested remuneration for the Board of Directors:

| | 2020 | 2019 |
|------------------------------|------------|------------|
| 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 |
| Total | 300 | 250 |

Allocation of remuneration:

| | 2020 | | 2019 | |
|--------------------|--------------|------------|--------------|------------|
| | Fixed | Variable | Fixed | Variable |
| Executive Board | 1.982 | 900 | 1.858 | 850 |
| Board of Directors | 300 | 0 | 250 | 0 |
| Total | 2.282 | 900 | 2.108 | 850 |

Vested remuneration for significant risk takers:

The Executive Board in Sundhedsgruppen A/S constitutes the risk takers.

| DKK'000 | 2020 | 2019 |
|--|--------------|--------------|
| 3. Tax | | |
| Tax on profit/loss for the year: | | |
| Tax on accounting profit/loss | 0 | 0 |
| Deferred tax | 928 | 2.807 |
| Adjustment of current tax related to prior years | 218 | 0 |
| Total | 1.146 | 2.807 |
| Tax on profit/loss for the year: | | |
| Tax on accounting profit/loss | -2.042 | 3.885 |
| Tax effect of: | | |
| Adjustment of non-taxable income | -5 | 0 |
| Investments in group enterprises | 2.974 | -889 |
| Tax adjustment, previous years | 218 | 0 |
| Total | 1.146 | 2.996 |
| Effective tax rate | -12,3% | 17,0% |

PARENT NOTES

| | Client relationships | Total |
|--|-------------------------|--------------|
| 4. Intangible assets | | |
| Cost at 1 January | 0 | 0 |
| Additions for the year | 5,495 | 5,495 |
| Cost at 31 December | 5,495 | 5,495 |
| Amortisation and write-downs at 1 January | 0 | 0 |
| Impairment losses and write-downs for the year | 0 | 0 |
| Amortisation and write-downs at 31 December | 0 | 0 |
| Carrying amount at 31 December | 5,495 | 5,495 |

5. Investments in group enterprises

| | Investments in group enterprises |
|---------------------------------------|--|
| Cost at 1 January | 15,965 |
| Additions for the year | 157,429 |
| Cost at 31 December | 173,393 |
| Revaluations at 1 January | 4,338 |
| Share of profit | 13,520 |
| Revaluations at 31 December | 17,858 |
| Carrying amount at 31 December | 191,251 |

A specification of investments in subsidiaries appears from the notes to the consolidated financial statements.

Acquisition of businesses

On 31 December 2020 Sundhedsgruppen A/S acquired WL Care AB and achieved control of the entity by 100 % ownership.

WL Care AB (DSS Hälsa) is a health care agency (MGA) in Sweden that sells health insurance to private persons. The company was acquired by Sundhedsgruppen A/S at 31 December 2020, and at present, Protector AB is the underlying insurance company.

The table provides a summary of the purchase price for WL Care AB and the allocation of the fair value of acquired assets and liabilities at the acquisition date.

| | |
|----------------------------|--------------|
| | 2020 |
| Cash at bank | 2,476 |
| Receivables | 394 |
| Client relationships | 5,495 |
| Total assets | 8,366 |
| Debt | 442 |
| Total liabilities | 442 |
| Acquired net assets | 7,924 |

Since the acquisition had closing as of 31 December 2020 there is no impact in Sundhedsgruppen A/S income statement for the period 1 January to 31 December 2020.

6. Share capital

| | Amount | Nominal value DKK | Face value DKK |
|---------------|--------------|-------------------------|----------------------|
| Share capital | 1,001 | 1 | 1,001 |
| | 1,001 | | 1,001 |

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.

7. Risk

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

Insurance risk

During the financial year, there have been no operating activities and thus no risk.

Financial risk

The financial risk during the financial year constituted investments in bonds with low risk. The investments have been made in the subsidiary Forsikringsselskabet Dansk Sundhedssikring A/S.

Operational risk

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

Credit risk

The Company's credit risk has been reduced to potential losses in the subsidiaries.

8. Contingent liabilities

Sundhedsgruppen A/S serves as the administration company and participates in a Danish joint taxation arrangement. 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.

9. Capital base

The Company's capital base is stated at DKK 151,318 thousand. The capital base equals equity in Sundhedsgruppen A/S.

10. Related party transactions

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, Daytona Midco Limited subscribed nominal shares at 1,000 at a premium of 15,500 each.

Administration of intercompany entities is handled by Forsikringsselskabet Dansk Sundhedssikring A/S. The administration of intercompany entities is performed on cost covering base.

Members of Group Management are remunerated by Sundhedsgruppen A/S. Expenses for Management are allocated to the individual entities of the Group based on a cost allocation base.

Sundhedsgruppen A/S has intercompany balances with the subsidiaries. Interest on the balances are paid on market terms.

Other intercompany transactions are made at market terms.

11. Related parties with control

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

12. Collateral

The Company has made no collateral agreements.

NOTES

15. 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:

| | |
|-------------------------------|------|
| DKK'000 | |
| Results | -0,9 |
| Assets | |
| Group-occupied property | 13,8 |
| Total assets | 13,8 |
| Equity and liabilities | |
| 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 the value of the asset 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 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.

Consolidation

Consolidated financial statements

The consolidated financial statements comprise the financial statement of Sundhedsgruppen A/S (the parent company) and the enterprises (subsidiaries) controlled by the parent company. The parent company is regarded as controlling an enterprise when it

- i) exercises a controlling influence over the relevant activities in the enterprise in question,
- ii) is exposed to or has the right to a variable return on its investment, and
- iii) can exercise its controlling influence to affect the variable return.

Business combinations

Acquired businesses are recognised in the consolidated financial statements from the date of acquisition. The date of acquisition is the date when Sundhedsgruppen A/S obtains control of the acquired entity.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. The identifiable assets, liabilities and contingent liabilities of acquired businesses are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if separable or if they arise from contractual or other legal rights. Deferred tax, if any, related to fair value adjustments is recognised.

If uncertainties exist at the acquisition date regarding identification or measurement of identifiable assets, liabilities and contingent liabilities or the consideration transferred, initial recognition will take place on the basis of provisionally determined fair values. If identifiable assets, liabilities and contingent liabilities or consideration are subsequently determined to have a different fair value at the acquisition date from that first assumed, the purchase price allocation is adjusted up to 12 months after the acquisition date and comparative figures are restated accordingly.

Acquisition-related costs are expensed when incurred.

NOTES

Basis of consolidation

The consolidated financial statements are prepared based on the financial statements of Sundhedsgruppen A/S and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature.

The financial statements used for the consolidation are prepared in accordance with the Group's accounting policies.

On consolidation, intra-group income and costs, intra-group accounts and dividends, and gains and losses arising on transactions between the consolidated enterprises are eliminated.

Items of subsidiaries are fully recognised in the consolidated financial statements.

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.

Client relationships acquired in a business combination are recognised at fair value at the acquisition date and subsequently at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of the acquired portfolio, which is 5 years.

Tangible assets

IT equipment, other equipment and cars as well as improvements of rental properties are depreciated over their expected useful lives 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, Forsikringselskabet 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.

Investments

Investments include financial assets at fair value which are recognised in the income statement. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments on initial recognition and re-evaluates this at every reporting date.

Financial assets measured at fair value with recognition of value adjustments in the income statement comprise assets that form part of a trading portfolio and financial assets designated at fair value with value adjustment via the income statement.

NOTES

Financial assets at fair value recognised in income statement

Financial assets are recognised at fair value on initial recognition if they are entered in a portfolio that is managed in accordance with fair value. Derivative financial instruments are similarly classified as financial assets held for sale, unless they are classified as security.

Realised and unrealised profits and losses that may arise because of changes in the fair value for the category financial assets at fair value are recognised in the income statement in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired, or if they have been transferred, and the Group has also transferred substantially all risks and rewards of ownership. Financial assets are recognised and derecognised on a trade date basis, the date on which the Group commits to purchase or sell the asset.

The fair values of quoted securities are based on stock exchange prices at the statement of financial position date. For securities that are not listed on a stock exchange, or for which no stock exchange price is quoted that reflects the fair value of the instrument, the fair value is determined using valuation techniques.

These include the use of similar recent arm's length transactions, reference to other similar instruments or discounted cash flow analysis.

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 and settlement of each liability.