

Oona Health A/S

Annual Report 2023

1 January - 31 December 2023

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

The Annual General Meeting adopted the annual report on

Pernille Lundin Larsen, Chairman of the general meeting

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GENERAL INFORMATION

Company

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

Business registration no.: 39 65 34 86
Registered in: Herlev
Financial year: 01.01.2023 - 31.12.2023

Parent

Topdanmark BidCo A/S
Borupvang 4
DK-2750 Ballerup

Board of Directors

Peter Hermann (Chairman)
Lars Kufall Beck
Kasper Tjørntved Davidsen
Rasmus Ruby-Johansen

Executive Board

Kent Jensen
Allan Møller

Internal audit

Lars Skovsende

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S
Business registration no.: 33 96 35 56

Management commentary

Primary activities of Oona Health A/S

Oona Health's primary activities comprise possessing 100 % ownership of the shares in Forsikringsselskabet Dansk Sundhedssikring A/S, PrimaCare A/S and DSS Hälsa AB.

Forsikringsselskabet Dansk Sundhedssikring A/S (DSS) is an insurance company which operates with health insurance. Health insurance is offered to companies and their employees as well as private individuals. 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 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 for which DSS provides services and handling of claims without carrying the insurance risk.

PrimaCare A/S is a network health care company providing physiotherapy, chiropractic and psychological help to insurance companies, including DSS 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 entity's premises, and psychological help, health certificate, occupational therapist examinations or other prevention initiatives at external locations.

DSS Hälsa AB is an insurance agency in Sweden providing health insurance products and administration in connection with the insurance policies.

Key figures and financial ratios

Result

Profit before tax for the year shows a profit of DKK 71m in 2023 for the group, compared to DKK 68m in 2022. Profit for the year shows a profit of DKK 41m in 2023 for the group, compared to DKK 52m in 2022.

Profit before tax for the year shows a profit of DKK 66m in 2023 for the parent, compared to DKK 45m in 2022. Profit for the year shows a profit of DKK 67m in 2023, compared to DKK 46m in 2022.

The result for the parent and group is primarily supported by the result in DSS of DKK 77m. PrimaCare and DSS Hälsa AB affected the year's result negatively with respectively minus DKK 3m and minus DKK 22m.

As outlined in the group annual report for 2022 the expectation was a profit after tax of DKK 135-150m why the realised result for 2023 is not satisfying. The reasons for not meeting our guided result for 2023 is mainly driven by an increase in claims frequencies and associated cost to handle the increase in the number of claims. Furthermore, we did not realise our growth target on premiums for the financial year. In addition to this we realised a one-off effect from impairment of the deferred tax asset related to our Swedish business (DKK 7m).

Premiums

Premium income for own account totalled DKK 707m, compared to DKK 613m in 2022.

The increase in premiums derived from an increasing number of insureds and premium increases on existing portfolio of insured.

Claims

The claims ratio for 2023 was 71.4% (2022: 60.6%). For 2023 we saw an increase in claims frequencies for treatments in general which affected the claims ratio negatively for the year. The increases in claims frequencies were specifically large on the mental area and the treatment area related to private hospitals and doctors. Both of these are believed to be market-wide trends and not specific to us.

The claims ratio was negatively affected by updated assumptions and estimates in the model for cost allocation. This is further described in the Accounting Policies disclosure.

Insurance operating costs

Insurance operating costs amounts to DKK 114m compared to DKK 114 in 2022.

The insurance operating costs were positively affected by updated assumptions and estimates in DSS cost allocation. This is further described in the Accounting Policies disclosure.

Other income and other costs

Other income amounts to DKK 90m (2022: DKK 92m). Other costs amount to DKK 119m (2022: DKK 139m).

Other income is in level with 2022 as expected.

Other costs in 2023 have improved. 2022 was negatively affected by costs from the period, where DSS served as an MGA.

Claims provisions

The most significant uncertainty in recognition and measurement in the group is the calculation of claims provisions. However, on the claims side DSS's business is characterized by high claims frequency and therefore the claims are relatively stable and possible to forecast. Measurement of insurance technical provisions is further described in the disclosure for Accounting Policies.

Management commentary

Capital and solvency ratios

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

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

The solvency capital requirement is calculated at the amount necessary for the group to hedge the risk on existing and new businesses for the next 12 months. The estimate thus takes next year's budget into account.

The group's capital base is DKK 196.1m at the end of 2023. It must be held against a solvency capital requirement of DKK 130.3m, which gives a solvency ratio of 150%.

DKKm	2023	2022
Equity	233.2	213.8
Intangible assets	(68.1)	(53.4)
Proposed dividend	(38.0)	(20.0)
Expected profit included in future premiums ¹	69.0	66.0
Own Funds	196.1	206.4
SCR	130.3	128.6
Solvency Ratio	150 %	160 %

The group has prepared sensitivity analyses showing how the change in significant risk categories affects the established capital base and the solvency capital requirement. The analyses are published on the DSS' website: <https://ds-sundhed.dk/om-os/finansielle-informationer/>

The group's intellectual capital

The group employed an average of 233 full-time employees in 2023 (2022: 211). 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 group throughout the customers' journey in all forms of contact with the group. In order for employees to be equipped to create most value for the group'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 lead to a demand for the group's supporting IT tools.

CSR

The group focuses on corporate social responsibility and Oona Health joined the UN Global Compact in 2020. Our latest CSR report based on the framework of UN Global Compact is published on our website: <https://oonahealth.com/corporate-responsibility>

In 2023 Oona Health A/S participated, for the fourth time in EcoVardis' annual CSR assessment, which includes more than 75,000 companies' sustainability work. The result of the assessment is that Oona Health A/S is among the 3% best in their industry on four key parameters: Environment, labour and human rights, ethics and sustainable procurement.

The company's Board of Directors focuses on promoting diversity and it was a permanent item on the agenda at the company's board meetings throughout 2023. The company has agreed upon a policy for diversity in the Board of Directors, which is available on DSS website: <https://ds-sundhed.dk/daekninger-og-betingelser/finanstilsynet-og-anden-regulering/>

Remuneration policy

The Board of Directors has established a remuneration policy aimed at ensuring and promoting sound and effective risk management so that the group's remuneration policy does not encourage excessive risk-taking that exceeds the groups risk-tolerance limits. Remuneration must be in accordance with the group's business and risk management strategy, risk profile, goals and risk management practices as well as the group's long-term interests and results as a whole.

Furthermore, the remuneration must not be of such a size or composition that it involves a risk of conflicts of interest or does not harmonise with the group's desire to specifically protect customers.

The remuneration policy is published on DSS website: <https://ds-sundhed.dk/daekninger-og-betingelser/finanstilsynet-og-anden-regulering/>

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. One report has been received in 2023 and is closed without sanctions.

Distribution of profit/loss

The Board of Directors proposes that a dividend of DKK 38m be paid to the Parent Company Topdanmark BidCo A/S.

Management commentary

Expectations for the next financial year

The group expects a pre-tax profit of approximately DKK 120m - DKK 140m and a combined ratio in the range of 83-88 % before run-off. The most significant assumptions in the expectations for 2024 relates to our sales of products to the private segment and our assumptions related to the expected level of claims frequencies.

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 parent and group's financial position.

Management positions of the Executive Board and the Board of Directors

In addition to holding directorships of Oona Health A/S and the 100 % owned subsidiaries, the Executive Board and the Board of Directors hold the following management positions in other companies:

Executive Board:

Kent Jensen

Member of the Board of Directors of:

ACTIVCARE A/S

SUNDEVIKAR A/S

Allan Møller

No other positions.

Board of Directors:

Peter Hermann, Chairman

On the Executive Board for:

Topdanmark A/S

Topdanmark Forsikring A/S

Member of the Board of Directors of:

Forsikring & Pension

Topdanmark BidCo A/S

Topdanmark Invest A/S

KBC Insurance NV

Lars Kufall Beck

On the Executive Board for:

Topdanmark A/S

Topdanmark Forsikring A/S

Member of the Board of Directors in:

TDP.0007 A/S

Topdanmark BidCo A/S

Topdanmark Invest A/S

Topdanmark EDB A/S

Topdanmark EDB IV ApS

E. & G. Business Holding A/S

Rasmus Ruby-Johansen

On the Executive Board for:

Topdanmark BidCo A/S

Member of the Board of Directors in:

Dansk Vindmøllepark A/S

Topdanmark EDB A/S

Topdanmark EDB IV ApS

Kasper Tjørntved Davidsen

On the Executive Board for:

Topdanmark EDB A/S

Shift | Executive Consulting ApS

Tjørntved Holding ApS

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Oona Health A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Oona Health A/S 01.01.2023 - 31.12.2023, 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 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 31.12.2023 and of their financial performance for the financial year 01.01.2023 - 31.12.2023 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

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.

We were appointed auditors of Oona Health A/S for the first time on 25.08.2020 for the financial year 2020. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 3 years up to and including the financial year 2023.

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 01.01.2023 - 31.12.2023. 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 tDKK 82,189 on 31 December 2023 (tDKK 73,699 in 2022).

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:

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

INDEPENDENT AUDITOR'S REPORT

- Changes in methods, models and data applied
- Determining future expectations and assessing claims incurred in relation to outstanding claims provisions.
- Management judgements for actuarial calculations to mitigate the risk of adverse developments in claims for damages related to outstanding 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.

INDEPENDENT AUDITOR'S REPORT

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 by 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, 29. April 2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Oldau Gjelstrup

State Authorised Public Accountant
Identification No (MNE) mne10777

Kristian Ehrenreich Hansen

State Authorised Public Accountant
Identification No (MNE) mne46662

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the annual report of Oona Health A/S for the financial year 01.01.2023 - 31.12.2023.

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 2023 and of their financial performance for the financial year 1 January to 31 December 2023.

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, 29 April 2024

Executive Board:

Kent Jensen

Allan Møller

Board of Directors:

Peter Hermann
Chairman

Lars Kufall Beck

Kasper Tjørntved Davidsen

Rasmus Ruby-Johansen

GROUP CONSOLIDATED INCOME STATEMENT

DKK'000	Note	2023	2022
Gross premium written		756,516	732,439
Ceded premiums		-254	0
Change in premium provision		-44,505	-83,278
Change in profit margin		-4,951	-36,560
Total premium income	2	706,806	612,601
Claims paid		-500,506	-372,130
Change in claims provisions		-8,490	2,553
Change in risk margin		4,390	-1,792
Total claims cost	3	-504,607	-371,369
<i>Insurance operating costs</i>			
Acquisition costs		-80,224	-36,812
Administration costs	4, 5	-34,206	-77,258
Insurance operating costs		-114,430	-114,070
Technical result		87,770	127,162
<i>Investment activities</i>			
Interest income and dividends	6	9,561	1,320
Value adjustments	7	4,756	-11,054
Interest expenses		-894	-2,031
Administration expenses in connection with investment activities		-242	-93
Total investment return		13,181	-11,858
Total investment return		13,181	-11,858
Other income	8	89,536	91,926
Other costs	9	-119,391	-139,032
Profit/loss before tax		71,095	68,198
Tax	10	-30,504	-16,547
Profit/loss for the year		40,591	51,651
Other comprehensive income			
Exchange rate adjustments of foreign entities		-1,220	-785
Total other comprehensive income after tax		-1,220	-785
Comprehensive income		-1,220	-785
Proposed distribution of profit and loss			
Retained earnings		2,591	31,651
Proposed dividends		38,000	20,000
Proposed distribution of profit and loss		40,591	51,651

GROUP CONSOLIDATED BALANCE SHEET - ASSETS			
DKK'000	Note	2023	2022
Intangible assets	11	68,077	53,426
Operating equipment		1,067	1,891
Owner-occupied property		7,510	11,664
Total property, plant and equipment	12	8,577	13,554
Bonds		294,661	91,203
Total other financial investment assets		294,661	91,203
Total investment assets		294,661	91,203
Receivables from policyholders		552,708	559,461
Total receivables in connection with direct insurance contracts		552,708	559,461
Other receivables		14,905	51,325
Total receivables		567,612	610,786
Deferred tax		2,527	0
Cash at bank		129,234	191,833
Total other assets		131,761	191,833
Prepaid acquisition costs		2,714	266
Other prepayments and accrued income		51,357	42,474
Total prepayments and accrued income		54,071	42,739
Total assets		1,124,759	1,003,542

GROUP CONSOLIDATED BALANCE SHEET - LIABILITIES

DKK'000	Note	2023	2022
Share capital		1,001	1,001
<i>Revaluation reserves:</i>			
Retained earnings		194,172	192,800
Proposed dividends		38,000	20,000
Total equity		233,173	213,801
Premium provisions		543,505	498,999
Profit Margin		93,328	88,377
Claims provisions	3	82,189	73,699
Risk margin on insurance contracts		5,060	9,449
Total provisions for insurance contracts		724,081	670,525
Deferred Tax liabilities	10	15,802	4,874
Other liabilities		4,000	0
Total provisions		19,802	4,874
Debt relating to reinsurance operations		121	0
Payables from subsidiaries		12,189	3,754
Current tax liabilities		22,267	8,244
Other debt		113,127	102,344
Total debt		147,704	114,342
Total equity and liabilities		1,124,759	1,003,542

GROUP STATEMENT OF CHANGES IN EQUITY

DKK'000

	Share capital	Exchange rate adjustment of foreign entities for the year	Retained earnings	Proposed dividends	Total
Equity at 1 January 2022	1,001	0	161,934	18,000	180,935
Paid dividends				-18,000	-18,000
Increase of capital					0
Profit/loss for the year		-785	31,651	20,000	50,866
Proposed dividends					0
Equity at 31 December 2022	1,001	-785	193,585	20,000	213,801
Equity at 1 January 2023	1,001	-785	193,585	20,000	213,801
Paid dividends				-20,000	-20,000
Increase of capital					0
Profit/loss for the year		-1,220	2,591		1,372
Proposed dividends				38,000	38,000
Equity at 31 December 2023	1,001	-2,005	196,176	38,000	233,173

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GROUP NOTES

1. Financial highlights *

Key figures DKK'000	2023	2022	2021	2020	2019
Premium income, net of reinsurance	706,806	612,601	430,325	0	0
Claims cost**	-504,607	-371,369	-276,448	0	0
Insurance operating costs, net of reinsurance**	-114,430	-114,070	-92,782	0	0
Insurance technical result**	87,770	127,162	61,096	0	0
Return on investment after technical interest	13,181	-11,858	-3,909	-3,056	0
Profit/loss for the year	40,591	51,651	36,091	7,373	-14,801
Run-off result	661	12,321	0	0	0
Total provisions for insurance contracts	724,081	670,525	551,447	0	0
Total equity	233,173	213,801	180,935	144,844	-17,529
Total assets	1,124,759	1,003,542	812,498	314,379	256,597
Number of claims	175,969	150,819	118,402	0	0
Average cost for incurred claims**	2,868	2,462	2,335	0	0
Ratios					
Claims ratio	71.4	60.6	64.2	0.0	0.0
Expense ratio	16.2	18.6	21.6	0.0	0.0
Combined ratio	87.6	79.2	85.8	0.0	0.0
Operating ratio	0.0	0.0	0.0	0.0	0.0
Relative run-off gains/losses (%)	0.8	16.2	0.0	0.0	0.0
Return on equity (%)	18.2	26.2	22.2	11.6	0.0
Claims frequency (%)	38.0	41.5	35.7	0.0	0.0

*Comparable numbers for insurance technical accounts is only available for 2021 and onwards, as Forsikringselskabet Dansk Sundhedssikring A/S first operated as an insurance company in 2021. Therefore there is no comparable numbers for 2019 and 2020.

** Estimates and assumptions in the model related to the companies allocation of costs between claims costs, acquisition costs, administration costs and other costs is updated on an ongoing basis. The updated assumptions in the cost allocation model has an effect for the 2023 key figures. These key figures are not comparable with the latest period.

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

DKK '000	2023	2022
2. Premium income		
Gross Premium Written	756,516	732,439
Ceded premiums	-254	
Change in premium provision	-44,505	-83,278
Change in profit margin	-4,951	-36,560
Total	706,806	612,601

Gross Premiums earned, direct business, by location of the risk:

Denmark	688,572	612,601
Other EU-countries	18,234	0
Total	706,806	612,601

DKK'000	2023	2022
3. Run-off result		
Run-off result	661	12,321
DKK'000	2023	2022

4. Staff costs		
Wages and salaries	140,470	123,778
Remuneration to the Board of Directors	321	350
Pension costs	10,993	8,670
Other social security	1,599	1,554
Payroll tax	18,688	15,799
Other staff costs	5,919	6,017
	177,989	156,168

Average number of full-time employees	233	211
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GROUP NOTES

	2023	2022
<u>Remuneration for other significant risktakers:</u>		
Other significant risktakers	10,596	9,339
Number of other significant risktakers	10	11

<u>Allocation of remuneration:</u>	2023		2022	
	Fixed	Variable	Fixed	Variable
Other significant risktakers	9,503	1,093	8,430	909

Remuneration to the Board of Directors and the Executive Board

The Executive Board is employed in Oona Health A/S, from which the remuneration is paid. Remuneration is settled in total for the Group by the Parent, Oona Health A/S.

We refer to our remuneration report <https://ds-sundhed.dk/om-os/finansielle-informationer/>

	2023	2022
5. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	1,044	853
Tax advice	62	49
Other assurance engagements	656	84
Other non audit services	0	50
Total	1,763	1,036

Fees for non-audit services provided by Deloitte to the group amount to DKK 0t (Deloitte DKK 50t in 2022).

	2023	2022
6. Interest income and dividends		
Interest income	9,561	1,320
Total	9,561	1,320

	2023	2022
7. Value adjustments		
Bonds	4,756	-11,054
Total	4,756	-11,054

8. Other income

Other income consists of the groups income from third-party agreements in which the group handles portfolios for other insurance companies. Other income also comprises income from health care services to insurances companies, pension funds and municipalities.

9. Other expenses

Other expenses comprise from third-party arrangements in which the group handles portfolios for other insurance companies. Other expenses also comprise expenses for the purchase of health care services sold to insurances companies, pension funds and municipalities.

10. Tax

Tax on profit/loss for the year:

Tax on accounting profit/loss	22,267	19,326
Deferred tax	8,237	-2,779
Tax adjustment, previous years	0	0
Total	30,504	16,547

Tax on profit/loss for the year:

Tax on accounting profit/loss	20,079	15,004
Tax effect of:		
Tax adjustment, other	3,383	-215
Tax adjustment, new tax percentage 2023/2024 effect on deferred tax	190	1,758
Tax adjustment, previous years deferred tax	6,851	0
Total	30,504	16,547

Effective tax rate	42.9%	24.3%
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GROUP NOTES

	Acquired intangible assets	Goodwill	Completed develop- ment projects	Client relationships
11. Intangible assets				
Cost at 1 January	150	9,407	94,121	5,624
Additions for the year	0	0	26,318	0
Cost at 31 December	150	9,407	120,439	5,624
Amortisation and write-downs at 1 January	-150	-9,407	-44,731	-1,589
Impairment losses and write-downs for the year	0	0	-10,864	-803
Amortisation and write-downs at 31 Dec.	-150	-9,407	-55,595	-2,392
Carrying amount at 31 December	0	0	64,844	3,232

	Total
Cost at 1 January	109,302
Additions for the year	26,318
Cost at 31 December	135,620
Amortisation and write-downs at 1 January	-55,876
Impairment losses and write-downs for the year	-11,668
Amortisation and write-downs at 31 December	-67,543
Carrying amount at 31 December	68,077

	Owner- occupied property	Operating equipment	Total
12. Property, plant and equipment			
Cost at 1 January	22,302	8,403	30,706
Additions for the year	640	80	720
Cost at 31 December	22,942	8,483	31,426
Accumulated depreciation and value adjustments at 1 January	-10,639	-6,513	-17,151
Depreciation for the year	-4,794	-904	-5,698
Accumulated depreciation and value adjustments at 31 December	-15,433	-7,416	-22,849
Carrying amount at 31 December	7,510	1,067	8,577

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

13. Risks

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

Insurance risk

The insurance risk includes the underwriting risk in relation to direct insurance and the claims handling. The Company follows the guidelines for underwriting, which are approved by the Board of Directors.

Financial risk

The Group has a 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 disruptions is also included. The Group 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 Group's credit risk has been reduced to potential bad debts. The credit risk on the groups cash and the bond portfolio is deemed low due to the high credit rating of the counterparties.

14. Own funds

Own funds is DKK 196.2m (2022: DKK 206.4m). The bridge from equity to own funds is stated in the management commentary.

15. Transactions with related parties

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

The members of the group'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 key.

Other intercompany transactions are made at market terms.

GROUP NOTES

16. 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	285,941	76,839
PrimaCare A/S	Herlev	A/S	100.0	-250	-2,968
DSS Hälsa AB	Stockholm	AB	100.0	-21,775	-22,050

17. 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').

The accounting policies is unchanged compared to last year.

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.

Consolidation**Consolidated financial statements**

The consolidated financial statements comprise the financial statement of Oona Health 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.

On consolidation, the assets and liabilities of the Group's foreign operations are translated using the exchange rates applicable at the statement of financial position date. Income and expense items are translated using the average exchange rates for the period. The presentation currency in the annual report is DKK.

Business combinations

Acquired businesses are recognised in the consolidated financial statements from the date of acquisition. The date of acquisition is the date when Oona Health 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 Oona Health 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

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.

Technical Interest

The interest return is calculated on the basis of the year's average technical provisions. The interest rate is the discount rate without volatility adjustment, which is determined on an ongoing basis by EIOPA.

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

Estimates and assumptions in the model related to the companies allocation of costs between claims costs, acquisition costs, administration costs and other costs is updated on an ongoing basis. The updates in 2023 has impacted the comparability of these accounts to the latest period. As the model is unchanged and the changes relates to updated estimates and assumptions comparable numbers are not changed in the Financial Statements.

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, Forsikringselskabet Dansk Sunhedssikring 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 insurance contracts is calculated as the expected profit on the non-expired parts of the risk periods for the insurance contracts that the company has entered into.

NOTES

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 Forsikringselskabet 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.

Change in estimates

In connection with the measurement of risk margin, DSS has previously estimated that the full insurance risk exist on the insurance contract throughout the insurance period. This estimate has been adjusted to reflect the gradually runoff of insurance risk over the insurance period. It is not possible to reliably measure the effect of the change in the accounting estimate.

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.

Parent income statement

DKK'000	Note	2023	2022
Income from subsidiaries		73,214	49,664
Interest income and dividends		643	582
Value adjustments		0	-18
Interest expenses		-1,631	-903
Total investment return		72,227	49,325
Total investment return		72,227	49,325
Other income		0	1,168
Other costs		-6,733	-5,330
Profit/loss before tax		65,493	45,164
Tax	3	1,682	1,228
Profit/loss for the year		67,176	46,392
Proposed distribution of profit and loss:			
Retained earnings		-44,038	-23,272
Reserve for net revaluation		73,214	49,664
Proposed dividends		38,000	20,000
Proposed distribution of profit and loss		67,176	46,392

PARENT BALANCE SHEET - ASSETS

DKK'000	Note	2023	2022
Intangible assets	4	3,232	4,036
Investments in group enterprises	5	285,941	252,727
Total investments in group enterprises		285,941	252,727
Receivables from subsidiaries		6,939	6,405
Other receivables		45	78
Total receivables		6,984	6,483
Deferred tax		1,682	4,549
Cash at bank		164	322
Total other assets		1,846	4,871
Other prepayments and accrued income		5	0
Total prepayments and accrued income		5	0
Total assets		298,008	268,117

PARENT BALANCE SHEET - LIABILITIES

DKK'000	Note	2023	2022
Share capital	6	1,001	1,001
Reserve for net revaluation according to the equity method		47,282	47,282
Retained earnings		174,694	145,519
Proposed dividends		38,000	20,000
Total equity		260,977	213,801
Payables to subsidiaries		30,781	46,667
Other debt		6,250	7,648
Total debt		37,031	54,316
Total equity and liabilities		298,008	268,117

PARENT STATEMENT OF CHANGES IN EQUITY

DKK'000

	Share capital	Exchange rate adjustment of foreign entities for the year	Reserve for net revaluation according to the equity method	Retained earnings	Proposed Dividend	Total
Equity at 1 January 2022	1,001	0	70,994	104,511	18,000	194,506
Adjustment for capital contributions*			-33,376	24,280		-9,096
Dividend from DSS			-40,000	40,000		0
Paid dividends					-18,000	-18,000
Profit/loss for the year			49,664	-23,272	20,000	46,392
Equity at 31 December 2022	1,001	0	47,282	145,519	20,000	213,801
Equity at 1 January 2023	1,001		47,282	145,519	20,000	213,801
Paid dividends					-20,000	-20,000
Profit/loss for the year			73,214	-44,038	38,000	67,176
Equity at 31 December 2023	1,001	0	120,496	101,480	38,000	260,977

* - Capital contributions made in 2022 after the balance sheet date of the 2021 annual report in subsidiaries of Oona Health A/S.

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PARENT NOTES

1. Financial highlights

Key figures - DKK'000	2023	2022	2021	2020	2019
Return on investment after technical interest	72,227	49,325	49,683	12,709	-4,664
Profit/loss for the year	67,176	46,392	43,188	10,427	-14,852
Total equity	260,977	213,801	194,506	151,318	-14,110
Total assets	298,008	268,117	258,081	220,707	30,659
Ratios					
Return on equity (%)	28.3	22.7	25.0	15.2	-

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

DKK'000	2023	2022
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2. Staff costs

Wages and salaries	13,642	11,325
Pension costs	871	848
Other social security	37	35
Other staff costs	126	97
	14,676	12,305

Average number of full-time employees	5	6
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	2023	2022
<u>Remuneration for other significant riskstakers:</u>		
Other significant riskstakers	10,596	9,339
Number of other significant riskstakers	10	11

Allocation of remuneration:	2023		2022	
	Fixed	Variable	Fixed	Variable
Other significant riskstakers	9,503	1,093	8,430	909

Remuneration to the Board of Directors and the Executive Board

The Executive Board is employed in Oona Health A/S, from which the remuneration is paid. Remuneration is settled in total for the Group by the Parent, Oona Health A/S.

We refer to our remuneration report <https://ds-sundhed.dk/om-os/finansielle-informationer/>

DKK'000	2023	2022
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3. Tax

Tax on profit/loss for the year:

Deferred tax	-1,682	-1,228
Total	-1,682	-1,228

Tax on profit/loss for the year:

Tax on accounting profit/loss	14,409	9,936
Tax effect of:		
Adjustment of non-taxable income	16	-238
Investments in group enterprises	-16,107	-10,926
Total	-1,682	-1,228

Effective tax rate	2.6%	2.7%
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PARENT NOTES

	Client relationships
4. Intangible assets	
Cost at 1 January	5,623
Adjustment of acquisition	0
Cost at 31 December	5,623
Amortisation and write-downs at 1 January	-1,588
Impairment losses and write-downs for the year	-803
Amortisation and write-downs at 31 December	-2,391
Carrying amount at 31 December	3,232

5. Investments in group enterprises

	Investments in group enterprises
Cost at 1 January	205,446
Cost at 31 December	205,446
Revaluations at 1 January	47,282
Dividends	(40,000)
Share of profit	73,214
Revaluations at 31 December	80,496
Carrying amount at 31 December	285,941

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

6. Share capital

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

7. Risks

In the daily operations of the Company several risks may affect the results. The most significant risks for Oona Health 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 follows the guidelines for underwriting, which are approved by the Board of Directors.

Financial risk

The Company 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. The Company 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 credit risk on cash is deemed low due to the high credit rating of the counterparties

8. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Daytona Midco limited serves as the administration company until 30. november 2023, and from 1. december Topdanmark A/S is the administrations 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.

9. Transactions with related parties

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

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

Oona Health 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.

10. Related parties with control

Possessing an ownership interest of 49.61% of the shares outstanding in Topdanmark A/S, Sampo plc, Fabianinkatu 27, Helsinki, Finland has a controlling interest, through Topdanmark A/S, in Oona Health A/S