

# List of Signatures

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## Bilag 2 A GDI AS - Annual report 2022.pdf

Name	Method	Signed at
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# Global Dental Insurance A/S (under frivillig likvidation)

Jægersborg Allé 14, 2920 Charlottenlund

CVR-no. 35 80 41 61

## Annual Report 2022

The Annual General Meeting adopted the annual report on 8 February 2023

Chairman of the General Meeting:

.....

*Kirstine Borchsenius*



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## Company Details

### Company

Name	Global Dental Insurance A/S (under frivillig likvidation)
Address, zip code, city	Jægersborg Allé, 2920 Charlottenlund
CVR no.	35 80 41 61
Established	13 March 2014
Registered office	Gentofte
Financial year	1 January - 31 December
Website	<a href="http://www.globaldentalinsurance.dk">www.globaldentalinsurance.dk</a>
E-mail	<a href="mailto:info@globaldentalinsurance.dk">info@globaldentalinsurance.dk</a>
Liquidator	Jens Steen Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup



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### Statement by Liquidator on the annual report

The Liquidator has today considered and approved the annual report of Global Dental Insurance A/S (under frivillig likvidation) for the financial year 1 January to 31 December 2022.

The annual report is presented in accordance with the Danish Financial Supervisory Authority Order on financial reporting requirements for insurance companies.

I consider the adopted accounting policies to be appropriate and in my opinion, the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of its operations for the financial year from 1 January - 31 December 2022.

I believe that the liquidator's review contains a fair assessment of the development of the Company's activities and financial position, together with a description of the principal risks and uncertainties that the Company can be affected by.

I recommend that the annual report be adopted at the Annual General Meeting.

Gentofte, 8 February 2023

Liquidator:

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Jens Steen Jensen



## Independent Auditor's report

To the shareholder of Global Dental Insurance A/S (under frivillig likvidation) (in liquidation)

### Opinion

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January to 31 December 2022 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our Auditor's Long-form Report to the Liquidator.

### What we have audited

The Financial Statements of Global Dental Insurance A/S (under frivillig likvidation) (in liquidation) for the financial year 1 January to 31 December 2022 comprise income statement and total comprehensive income, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies ("Financial Statements").

### 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 Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

We refer to note 1 "Accounting policies" in the Financial Statements on page 14, from which it appears that the Financial Statements are not prepared on a going concern basis, and that recognition, measurement and presentation are made with due consideration to this. Our opinion has not been modified in respect of this matter.

### Independence

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. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

### Appointment

We were first appointed auditors of Global Dental Insurance A/S (under frivillig likvidation) (in liquidation) on 7 July 2014 for the financial year ending 31 December 2014. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 9 years including the financial year 2022.

### 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 2022. 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.



**Key audit matter**

**How our audit addressed the key audit matter**

*Measurement of provisions for insurance contracts*

The Company's provisions for insurance contracts amount to a total of DKK 32.5 million, which represents 32% of the total balance.

The premium provisions amount to DKK 24.9 million, claims provisions amount to DKK 7.0 million and risk margin amounts to DKK 0.6 million.

Premium provisions are calculated as a best estimate of the net present value of expected future cash-flows relating to insurance events after the balance sheet date on insurance contracts entered into on this date, including direct and indirect costs relating to these contracts.

Claims provisions are calculated as the present value of a best estimate of expected payments relating to insurance events incurred at the balance sheet date in addition to payments already made in connection with these events. The estimate includes direct and indirect costs relating to the settlement of claims.

Accounting estimates in respect of provisions for insurance contracts is an experience-based estimate involving use of historic claims data and complex actuarial methods and models, which involve significant assumptions on the frequency and extent of insurance events relating to the insurance contracts.

We performed risk assessment procedures with the purpose of achieving an understanding of it-systems, procedures and relevant controls relating to claims processing and insurance provisioning. In respect of controls, we assessed whether these were designed and implemented effectively to address the risk of material misstatement.

We used our own actuaries in the evaluation of the actuarial methods and models applied by the Company as well as assumptions applied, and calculations made. For a sample of provisions for insurance contracts, we tested the calculation and the data used to underlying documentation.

We assessed and challenged the methods and models and significant assumptions applied based on our experience and industry knowledge with a view to ensure that these are in line with regulatory and accounting requirements. This comprised an assessment of the continuity in the basis for the calculation of provisions for insurance contracts.

We tested the calculation of provisions for insurance contracts on a sample basis.

We assessed whether the disclosures on provisions for insurance contracts were adequate.

**Statement on Liquidator's Review**

The Liquidator is responsible for Liquidator's Review.

Our opinion on the Financial Statements does not cover Liquidator's Review, 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 Liquidator's Review and, in doing so, consider whether Liquidator's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Liquidator's Review includes the disclosures required by the Danish Financial Business Act.

Based on the work we have performed, in our view, Liquidator's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement in Liquidator's Review.

**Liquidator's Responsibilities for the Financial Statements**

The Liquidator 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 the Liquidator 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, the Liquidator is responsible for assessing the Company's ability to continue as a going concern taking into account the liquidation in progress, disclosing, as applicable, matters related to going concern and using appropriate accounting policies taking into account the liquidation in progress.



## 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 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 Financial Statements.

As part of an audit 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 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 the Liquidator.
- Conclude on the appropriateness of the Liquidator's use of the significant accounting policies in preparing 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 taking into account the liquidation in progress. 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, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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.



Hellerup, 8 February 2023

**PricewaterhouseCoopers**  
STATSAUTORISERET REVISIONSPARTNERSELSKAB  
Cvr-nr. 33 77 12 31

Stefan Vastrup  
State Authorised Public Accountant  
mne31126



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## Liquidator's review

### Results

2022 has been a good year for Global Dental Insurance A/S (under frivillig likvidation) ("GDI"). We have welcomed many new customers, but also felt loyalty from existing customers even though premium increases were necessary. The insurance technical result has improved, and the core business is profitable.

The year ended with a loss which was mainly driven by a substantial loss on our investments.

One of the main goals for 2022 was to maintain our customers despite increased premium levels to ensure that future premium is at a sustainable level. Another goal was to sustain our high level of customer satisfaction as we believe this to be essential to build long term business relationships. GDI has been successful in achieving both goals in 2022.

GDI has performed better compared to previous years and the performance of the insurance business has been satisfactory. The loss on the investments is not satisfactory, but the investment environment in 2022 has been difficult for everyone. GDI only invest in government bonds and mortgage bonds with short modified duration and the loss is perceived to be as good as possible.

In September 2022, GDI was purchased by the Norwegian insurance company, Gjensidige ASA.

It has since been decided to transfer the insurance portfolio from GDI to Gjensidige ASA as of March 1<sup>st</sup>, 2023 (subject to approval from the Danish Financial Supervisory Authority (the "Danish FSA")).

Upon completion of the portfolio transfer to Gjensidige ASA, GDI plans to hand over its insurance license to the Danish FSA and will therefore not continue being an insurance company as of March 1<sup>st</sup>, 2023.

Upon the transfer of the portfolio and the handover of the license to the Danish FSA, GDI is to be liquidated.

### Solvency

The solvency ratio of GDI at year end 2022 is at 234%, showing that the GDI's solvency position exceeds all requirements and that the GDI will be able to meet all its obligations.

### Market

GDI will continue to target both the private and the corporate market and writing business in Norway and Sweden within the existing setup until completion of the portfolio transfer to Gjensidige ASA.

### Customer appreciation

GDI distributes the insurance through Dansk Tandforsikring Administration ApS ("DTA") and their level of service is greatly appreciated by the market which have resulted in very favorable ratings on Trustpilot (an accepted online customer satisfaction measuring tool). DTA receives the highest possible appreciation resulting in a top position within the Danish insurance industry.

### Misstatement in the financial statement for previous year

In the financial statements for previous year the liquidator has at year end 2022 identified an accounting error in regards of premium tax which overstated the value of claims paid as of 31 December 2021.

The misstatement has had an impact on profit for the year, liabilities and equity in the financial statement for 2021 which has been corrected in the comparative figures in the financial statements for the year 2022.

We further refer to the description in accounting policies.



## Liquidator's review - continued

### Significant risks and uncertainties

#### Business risk

There are five major risks and uncertainties:

GDI has decided to outsource a high degree of its administration. Such a level of outsourcing goes hand in hand with a risk which is addressed by the management and controls of GDI. The largest part of the outsourcing is performed by the sister company, the insurance intermediary, DTA. The management of the outsourcing risks is performed through extensive cooperation and heavy interaction between the companies which are supplemented by a comprehensive system of controls. GDI and DTA have the same majority owner and GDI is the sole insurance provider of DTA, while DTA is the sole insurance intermediary of GDI.

The work in the solvency II functions were until end September 2022 performed by Deloitte, but as Deloitte is the external auditor for GDI's new owner Gjensidige ASA, Deloitte could not continue with its services to GDI. Therefore, Deloitte had to be replaced. As the cooperation with Deloitte has been both long and comprehensive, it has been evaluated that the change in outsourcing was a risk to GDI. EY was selected to take over actuarial calculations, the risk management function, and the compliance function. The remaining tasks were insourced to GDI. The transfer has been good, and all functions have been transferred in good manner.

The service provision of insurance customers is heavily dependent on IT systems. GDI rely on a high degree of adjustments made to a proprietary IT system. We consider the IT systems to be secure and thoroughly tested, but in our risk analysis, the IT risk is still considered to be a top risk. To mitigate this risk the performance of the system and the ongoing migration process is closely monitored, and the IT setup is subject to a comprehensive external audit performed by the specialist IT audit company, Revi IT. The agent of GDI is planning a migration to a new platform, which is also considered a risk, however, such transfer will be completed after GDI has transferred its insurance portfolio to Gjensidige ASA and is no longer the risk carrier.

The third risk is that GDI has a very lean organization with few employees, this secures a cost-efficient organization to the benefit of our customers, but it also entails a risk in form of vulnerability in case of sickness and dismissal of key staff. The risk is mitigated by working with written procedures complementary to the comprehensive policies and guidelines of GDI.

A fourth risk is the growing competition. We still see new entrants to the market, and whenever new entrants arrive there is a risk in getting fluctuations in the pricing as new entrants do not have the same statistical basis as the existing market participants.

The fifth risk is the risk of receiving inadequate premiums for the underwritten risks. As our underwriting experience of existing groups improves year-on-year, the risk is primarily associated with entering new markets. The risk is mitigated by a comprehensive underwriting process.

#### The Danish FSA routine inspection

GDI was inspected by the Danish FSA in 2019 and received the report from the Danish FSA in January 2021. The recommended changes by the Danish FSA have been implemented in 2021 and the Danish FSA has agreed to remove the capital add on - which was imposed in 2021 - in February 2022 and in writing informed that changes made by GDI has closed all orders and reprimands given in the inspection. We are satisfied with the constructive cooperation with the Danish FSA both during and after the inspection.

#### Outlook

GDI has agreed to transfer its insurance portfolio to Gjensidige ASA as of March 1<sup>st</sup>, 2023 (subject to approval from the Danish FSA), and subsequently it is planned that GDI will be liquidated.

The portfolio transfer has been planned in detail and GDI is confident that the transfer will be smooth for the customers.



## Liquidator's review - continued

### Corporate social responsibility

Compliance is of major importance to GDI. Internal controls ensure that employees and third-party organizations are aligned with what GDI expects.

### Remuneration of Management

Remuneration of Management for the financial year can be found on the Company's website, [www.globaldentalinsurance.dk](http://www.globaldentalinsurance.dk).

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

### Audit committee

The functions of the audit committee were handled by the board of directors, and after the liquidation process started 2/12-2022 it has been handled by the liquidator.

### Solvency capital requirements

DKK	2022	2021
Owens funds	52.963.048	55.374.096
Solvency capital requirement	22.617.914	31.517.202
Minimum capital requirement	18.600.000	18.591.250

The above shown capital requirements are measured by the standard formula in accordance with the Danish Financial Business Act.

The management believes that the company's solvency position exceeds the requirements and that the company can meet all its obligations.

	2022	2021	2020	2019	2018
Solvency cover	234 %	176 %	202 %	216 %	181 %

### Participation in Boards and Management

The liquidator does not participate as Board Member or Management in any other companies.



**Income statement and total comprehensive income for the period 1 January to 31 December**

Notes	DKK	2022 DKK	2021 DKK'000
2	Gross premiums	92.100.203	76.438
	Change in premium provisions	-2.824.537	-667
	<b>Total premium income net of reinsurance</b>	<b>89.275.666</b>	<b>75.771</b>
3	<b>Insurance technical interest</b>	<b>266.648</b>	<b>-131</b>
	Claims paid	-56.399.165	-54.537
	Change in claims provisions	443.570	-210
	Change in risk margin	36.496	-2
	<b>Total costs of claims net of reinsurance</b>	<b>-55.919.099</b>	<b>-54.749</b>
	Acquisition cost	-26.681.829	-15.160
4	Administrative expenses	-4.085.601	-3.726
	<b>Total insurance operating costs, net of reinsurance</b>	<b>-30.767.430</b>	<b>-18.886</b>
	<b>Insurance technical result</b>	<b>2.855.785</b>	<b>2.005</b>
5	Interest income	1.050.827	1.336
6	Value adjustments	-5.709.169	-1.852
	Interest paid	-53.154	-59
	Administration expenses in connection with investment activities	-314.713	-195
	<b>Total investment return</b>	<b>-5.026.208</b>	<b>-770</b>
	<b>Return and value adjustments on insurance provisions</b>	<b>-240.625</b>	<b>152</b>
	<b>Investment return after return and value adjustments on insurance provisions</b>	<b>-5.266.832</b>	<b>-618</b>
	<b>Profit or loss before tax</b>	<b>-2.411.048</b>	<b>1.387</b>
	Tax	0	0
	<b>Profit or loss for the year</b>	<b>-2.411.048</b>	<b>1.387</b>
	<b>Other comprehensive income</b>		
	Other comprehensive income	0	0
	<b>Total comprehensive income</b>	<b>-2.411.048</b>	<b>1.387</b>
	<b>Proposed distribution of profit/loss</b>		
	Profit or loss for the year	-2.411.048	1.387
	<b>Profit or loss available for distribution</b>	<b>-2.411.048</b>	<b>1.387</b>
	Profit or loss brought forward	-2.411.048	1.387



Balance sheet at 31 December

Notes	DKK	2022 DKK	2021 DKK'000
	<b>ASSETS</b>		
	Bonds	74.623.695	77.384
	<b>Total investment assets</b>	<b>74.623.695</b>	<b>77.384</b>
	Receivables from policyholders	10.085.568	8.012
	Receivables from group undertakings	1.054.292	792
	Other receivables	3.723.628	1.640
	<b>Total receivables</b>	<b>14.863.488</b>	<b>10.444</b>
	Cash	10.385.795	5.787
	<b>Total other assets</b>	<b>10.385.795</b>	<b>5.787</b>
	Interest receivable	431.663	403
	<b>Total accruals and deferred income</b>	<b>431.663</b>	<b>403</b>
	<b>TOTAL ASSETS</b>	<b>100.304.641</b>	<b>94.018</b>



Balance sheet at 31 December

Notes	DKK	2022 DKK	2021 DKK'000
	<b>LIABILITIES</b>		
7	Share capital or equivalent funds	47.000.000	47.000
	Profit or loss brought forward	5.963.048	8.374
	<b>Total equity</b>	<b>52.963.048</b>	<b>55.374</b>
	Premium provisions	24.942.355	22.118
	Claims provisions	6.955.897	7.425
	Risk margin	554.646	591
	<b>Total provisions for insurance contracts</b>	<b>32.452.898</b>	<b>30.134</b>
	Creditors arising out of direct insurance operations	2.381.750	1.285
	Amount payable to group undertakings	5.478	10
8	Other debt	3.582.525	555
	<b>Total debt</b>	<b>5.969.753</b>	<b>1.850</b>
	<b>Accruals and deferred income</b>	<b>8.918.942</b>	<b>6.660</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100.304.641</b>	<b>94.018</b>

1 Accounting policies  
2-15 Other notes



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Statement of changes in equity

Notes	DKK	Share capital	Retained earnings	Proposed dividend for the financial year	Total
	<b>Equity at 1 January 2021</b>	46.000.000	-4.251.629	0	41.748.371
	Capital injection on 26 February 2021*	1.000.000	11.239.550	0	12.239.550
	Profit/loss for the year	0	543.296	0	543.296
	Other comprehensive income	0	0	0	0
	<b>Equity at 31 December 2021</b>	47.000.000	7.531.217	0	54.531.217
	Correction of material misstatements	0	842.879	0	842.879
	<b>Equity at 1 January 2022</b>	47.000.000	8.374.096	0	55.374.096
	Profit/loss for the year	0	-2.411.048	0	-2.411.048
	Other comprehensive income	0	0	0	0
	<b>Equity at 31 December 2022</b>	47.000.000	5.963.048	0	52.963.048

\*The DKK 12.239.550 is split by DKK 1 million in share capital and DKK 11.239.550 by emission at a premium.



## Notes

### 1 Accounting policies

This annual report is presented in accordance with the provisions of the Danish Financial Business Act and the executive order issued by the Danish Financial Supervisory Authority on financial reports for insurance companies and profession specific pension funds.

As described in the Liquidators' review, the company is expected to be liquidated according to the rules on solvent liquidation within the next 12 months.

The financial statements have therefore not been prepared under the assumption of going concern. Assets and liabilities are measured and therefore recognized at expected realisable values.

#### Misstatements

The misstatement, described in the liquidator's review, has had the following effect on the accounting treatment in the comparative figures of the financial statement:

Claims paid in 2021 was overstated with DKK 0,8 million and hence the profit for the year 2021 was understated with DKK 0,8 million. Other debt was overstated with DKK 0,8 million while the equity was understated with DKK 0,8 million. The correction does not affect the profit for the year 2022 and the balance sheet and equity as of 31 December 2022. The comparative figures for 2021 have been restated.

#### General information

The annual report is presented in DKK.

#### Significant accounting estimates, assumptions and uncertainties

The preparation of the financial statements under the Danish Financial Supervisory Authority's executive order requires the use of certain critical accounting estimates and requires the management to exercise its judgment in the process of applying the Company's accounting policies.

The statement of the accounted value of certain assets and liabilities is determined on the basis of certain specific assumptions that imply the use of accounting estimates and assumptions. The estimates made are based on historical experience and assumptions, which Management finds justifiable but uncertain due to their nature. The statement of the insurance provisions is in particular connected to estimates. These estimates are described in more details in the below-mentioned under the individual accounting items.

Due to the nature of the estimates, the assumptions used may prove incomplete and furthermore unexpected future events or circumstances may arise. As a result a third party can reach other estimates.

#### Risk Management

In Global Dental Insurance A/S, risk management takes the form of the Management assessing and deciding on all relevant risks in accordance with the rules set out in the Danish Financial Business Act and the Danish Companies Act. These risks are both of a financial and an operational nature. The Company has prepared policies and guidelines in all key areas with a view to managing these risks.

Relevant risks primarily relate to insurance risk, credit and counterparty risk, market risk and operational risk.



## Notes

### 1 Accounting policies - continued

#### Insurance risk

Insurance risk is assessed on the basis of general principles for the key insurance risks that the Company may accept based on the prepared policies and guidelines for risk acceptance (acceptance policy).

Part of the risk naturally relates to the assessment of claims provisions. The Company makes extensive use of technical assistance from professional dentists when determining and assessing claims and underwriting.

Determination of the carrying amount of claims provision is related to estimates that relate mainly to the historical technical data. The determination of the various assumptions is based on recognized actuarial calculations, which by nature are complex. This means that the measurement of claims provisions is naturally subject to uncertainty.

#### Financial risks

Market risk is assessed taking into account the set investment policy according to which it is the Company's policy to manage invested funds with a low risk profile. Investments are mainly placed on short-term deposit or invested in Danish bonds with short remaining maturities. The Company monitors developments in the financial market on an ongoing basis, through reporting from the Company's brokers.

#### Credit and counterparty risk

The Company's credit and counterparty risk primarily relate to receivables from policyholders and group undertakings in connection with the insurance contracts and cash deposits in banks. In order to limit the counterparty risk the Company's investment policy specify limits on the size of deposits in each individual bank.

#### Operational risk

Operational risk is monitored and mitigated on an ongoing basis through prepared policies and procedures that are controlled and updated.

#### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at fair value. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recorded in the income statement unless otherwise described below.



## Notes

### 1 Accounting policies - continued

#### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

#### Profit and loss account

##### Premium, net of reinsurance

Premium income consists of the premiums collected for the year, adjusted for movements in premium provisions.

##### Insurance technical interest

The interest yield is calculated on the basis of the year's average premium provisions. The year's average rate for EIOPA's risk free term structure without volatility adjustment is used as the rate of interest.

##### Claims incurred, net of reinsurance

Claims incurred consist of the claims paid together with direct and indirect costs for claims handling, adjusted for movements in the claims provisions.

As a result, claims incurred consist of reported and expected claims for the accounting year. Furthermore, run-off gains or losses on previous years' provision for outstanding claims are included in claims incurred. The portion of the increase of the provisions that relates to reduction of term and changes in provision of claims due to changes in the yield curve and exchange rates are recognized as a value adjustment in the investment income.

##### Insurance operating costs, net of reinsurance

Expenses for the acquisition and management of the Company's portfolio of insurance contracts are included in operating expenses. The item includes the staff costs, commissions, marketing expenses, rent, expenses for stationary and office supplies.

The proportion of operating expenses attributable to the acquisition and renewal of the portfolio of insurance contracts is included in 'Acquisition costs'. Acquisition costs are recognized at the time of commencement of the insurance contracts.

##### Investment return

Interest and interest-related income from bonds, other securities, loans and receivables, dividends on equity investments, are recognized in interest income and dividends, etc.

Total value adjustments, including currency translation adjustments as well as net gains and losses from the sale of assets falling within the group of investments in the balance sheet, are recognized as value adjustments.

Change in the provision for outstanding claims, net of reinsurance, resulting from changes in the discount rates used is also recognized.

Interest on and interest-related expenses in connection with payables and liabilities are recognized as interest expenses.

Costs attributable to trading in and management of the Company's investments are recognized as investment management expenses.



## Notes

### 1 Accounting policies - continued

#### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

Deferred tax is recognized 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.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

#### Balance sheet

##### Bonds

Listed bonds and capital investments are stated at the price listed at closing time on the date of the balance sheet. However, drawn bonds are stated at fair value.

The settling day is used as the time of calculation for all investment assets.

##### Receivables

Receivables are measured at amortized cost, usually equalling nominal value less provisions for bad debts.

##### Equity

Shares are classified as equity when there is no obligation to transfer cash or other assets.

##### Premium provisions

Premium provisions are recognized as future payments including payments for administration and claims handling regarding future events for in-force policies. However, as a minimum to the part of the premium calculated using the pro rata temporis principle until the next payment date. Adjustments are made to reflect any variations in the incidence of risk.

The premium provisions for insurance contracts are recognized, taking into account the deductions for direct acquisition costs.

If the Company's portfolio of in-force policies is expected to be loss-making as a result of claims expenses occurring after the balance sheet date during the remaining contract period, the premium provisions shall include an amount to cover the loss to be calculated taking into account the risk margin. This amount is subsequently referred to as provision for unexpired risk.

Risk margins are distributed between premium and claims provisions based on expected payments. Provision for unexpired risk is calculated as the part of the expected payments plus the provision of premiums on the risk margin, which exceeds the premium provisions calculated by pro rata temporis.



## Notes

### 1 Accounting policies - continued

The expected payments on premium provisions are calculated gross of acquisition costs and based on an expected loss ratio for future claims.

#### Claims provisions

Provisions for claims include direct and indirect claims handling costs arising from events that have occurred up to the balance sheet date and administration expenses. Provisions for claims are estimated using the input of assessments for individual cases reported to the Company and statistical analyses for the claims incurred but not reported and the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

Provisions for claims are discounted. The future payments are discounted according to the zero-coupon interest rate structure set by the Danish Financial Supervisory Authority.

#### Other financial liabilities

Other financial liabilities are measured at amortized cost which usually corresponds to nominal value.

#### Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

### 2 Lines of business

	2022	2021
The Company provides health insurance in Denmark, Norway and Sweden.		
Total claims	61.192	61.409
Average claims	914	892
Claims frequency	0,8	0,9

### 3 Insurance technical interest

	2022 DKK	2021 DKK'000
Average premium provisions	23.309.337	22.952
Insurance technical interest	266.648	-131



## Notes

### 4 Administration expenses

	2022 DKK	2021 DKK'000
Salaries and wages	1.076.864	1.006
Other social security costs	140.074	123
	<u>1.216.938</u>	<u>1.129</u>
Total remuneration* for Executive Board and Board of directors**	<u>827.000</u>	<u>1.006</u>
Average number of employees	<u>1</u>	<u>1</u>

\*) The remuneration is in line with the Company's policy for remuneration in accordance with Executive Order No. 16 of 4 January 2019 on wage policy and remuneration of insurance companies and insurance holding companies.

\*\*\*) The amount for 2022 covers the period until the Company entered voluntary liquidation.

Total fees paid to auditor appointed by the Company at the general meeting:

Statutory audit	130.000	100
	<u>130.000</u>	<u>100</u>

### 5 Interest income dividends

Interest income	1.050.827	1.336
	<u>1.050.827</u>	<u>1.336</u>

### 6 Value adjustments

Unrealized gains/loss bonds	-5.709.169	-1.852
	<u>-5.709.169</u>	<u>-1.852</u>

### 7 Share capital

The share capital consists of 47.000 shares at DKK 1.000

The shares have not been divided into classes.

Changes in share capital in past financial years:

Share capital at 13 March 2014	500.000	500
Capital increase 1 December 2014	41.500.000	41.500
Capital increase 27 July 2018	2.000.000	2.000
Capital increase 26 June 2019	2.000.000	2.000
Capital increase 26 February 2021	1.000.000	1.000
<b>Share capital at 31 December</b>	<u><b>47.000.000</b></u>	<u><b>47.000</b></u>

### 8 Other debt

Wages and salaries, personal income taxes, social security costs, etc payable

Other costs payable	146.989	76
	3.435.536	479
	<u>3.582.525</u>	<u>555</u>



## Notes

### 9 Recourse guarantee commitments and contingent liabilities

None.

### 10 Related parties

The following related parties have a controlling interest in Global Dental Insurance A/S (under frivillig likvidation):

Name	Registered office	Basis of influence
Gjensidige Forsikring ASA	Oslo, Norway	100% owner
Jesper Kjeldsgaard Haugbølle	Copenhagen, Denmark	CEO prior to voluntary liquidation

All transactions between related parties and Global Dental Insurance A/S (under frivillig likvidation) have been conducted at arm's length.

### 11 Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Gjensidige Forsikring ASA, Oslo, Norway

### 12 Consolidation

Global Dental Insurance A/S is included in the consolidated financial statements of Gjensidige Forsikring ASA, Oslo, Norway.



## Notes

### 13 Five-year summary

DKK	2022	2021	2020	2019	2018
<i>Gross premiums earned</i>	89.275.666	75.771.339	64.083.743	47.667.735	32.902.846
<i>Gross claims incurred</i>	-55.919.099	-54.749.432	-49.202.741	-47.678.520	-41.594.843
<i>Total operating expenses</i>	-30.767.430	-18.886.627	-14.927.129	-11.789.361	-11.001.950
<i>Result of reinsurance (=net cost)</i>	0	0	0	0	0
<i>Insurance technical result</i>	2.855.785	2.004.148	-158.725	-11.902.968	-19.738.559
<i>Profit/loss of investment after transfer of technical interest</i>	-5.266.832	-617.973	338.770	-244.577	463.927
<i>Profit for the year</i>	-2.411.048	1.386.175	180.045	-12.147.545	-19.274.290
<i>Gross run-off profit/loss</i>	281.795	1.211.948	871.687	623.969	1.139.399
<i>Run-off profit/loss, net of reinsurance</i>	281.795	1.211.948	871.687	623.969	1.139.399
<b>Assets and Liabilities at:</b>					
<i>Reinsurance assets</i>	0	0	0	0	0
<i>Technical provisions</i>	32.452.898	30.134.451	29.276.101	29.333.566	28.487.904
<i>Capital and reserves at year-end</i>	52.963.048	55.374.096	41.748.371	41.568.326	33.715.871
<i>Total assets</i>	100.304.641	94.018.539	77.415.519	75.408.537	65.622.705
<b>Key figures</b>					
<i>Gross claims ratio</i>	62,6%	72,3%	76,8%	100,0%	126,4%
<i>Gross expense ratio</i>	34,5%	24,9%	23,3%	24,7%	33,4%
<i>Reinsurance ratio</i>	0%	0%	0%	0%	0%
<i>Combined ratio</i>	97,1%	97,2%	100,1%	124,8%	159,9%
<i>Operating ratio</i>	96,8%	97,4%	100,2%	125,0%	160,1%
<i>Relative run-off result</i>	3,79%	16,8%	15,9%	12,1%	23,5%
<i>Return on capital and reserves</i>	-4,63%	2,5%	0,4%	-32,3%	-57,8%

### 14 Risk and sensitivity information

#### Financial risks

In terms of the result the Company is sensitive towards the development in the prices of bonds. The Management determines and approves the overall policy for investment risk and determine the overall risk framework and the reporting.

#### Insurance risk

Insurance risks include the acceptance of risks on a direct basis, issuance of policies and claims management. The Management determines and approves the overall policy for risk assumption and determines the overall risk framework and the reporting.



## Notes

Event	Impact on equity	
	2022	2021*
Increase in interest rate of 0,7-1,0 percentage points	-1.514.414	-1.324.628
Decrease in interest rate of 0,7-1,0 percentage points	1.359.645	1.323.591
Price decrease of 12% on shares	0	0
Decrease in real estate of 8%	0	0
Exchange rate risk (VaR 99,5 pct.)	-63.183	-75.730
Loss of contracting parties of 8%	-228.463	-397.628
Increase in underlying claims ratio of 5 percentage points	-4.605.010	-6.138.082

For the financial risks, except for exchange rate risk, the traffic light sensitivities are used, and the insurance risk a parallel shift in the underlying claims ratio of 5 percentage points is calculated. For exchange rate risk the Solvency II standard formula is used.

\* The impact on the equity for 2021 have not been restated as consequence of the identified material misstatement in the comparative figures.

### 15 Assets and liabilities at fair value

Bonds are measured at fair value based on publicly quoted prices in an active market. The Company does not have any level 2 or 3 investments. This is the case for both 2021 and 2022.

