

Bupa Denmark Services A/S

**Palaegade 8
1261 Copenhagen K**

CVR registration no.: 32 45 17 80

Annual Report 2018

9th Financial year

The Annual Report was presented and approved at the Annual General Meeting of the Company:

Dated 12 April 2019

Camilla Collet
Chairman of the Meeting

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STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The Board of Directors and the Management Board have today reviewed and approved the Annual Report for the financial year from 1 January to 31 December 2018 for Bupa Denmark Services A/S.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position as at 31 December 2018, and of the results of the Company's operations for the period 1 January – 31 December 2018.

It is furthermore our opinion that the Management's review gives a fair review of the development in the Company's operations and financial circumstances, the results of the Company's operations, and its financial position.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, 5 April 2019

Management Board

Mark Joseph O'Dwyer
Managing Director

Board of Directors

Dean James Pollard
Chairman

Mark Joseph O'Dwyer

Irene Larsen

Michael Andersen

Klaus Arpe

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BUPA DENMARK SERVICES A/S

Opinion

We have audited the financial statements of Bupa Denmark Services A/S for the financial year 1 January – 31 December 2018, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 Statements Act and for such internal control that 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company 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

INDEPENDENT AUDITOR'S REPORT

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events 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 contents 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management'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 the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 5 April 2019

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jan Per Jensen
State Authorised Public Accountant
MNE no. 11 632

Anja Bjørnholt Lüthcke
State Authorised Public Accountant
MNE no. 26 779

MANAGEMENT'S REVIEW

Company Details

Bupa Denmark Services A/S

| | |
|-------------------------|--|
| Address: | Palaegade 8 DK-1261 Copenhagen K Denmark |
| Registration no.: | 32451780 |
| Established: | 17 September 2009 |
| Registered office: | Copenhagen |
| Financial year: | 9 th financial year |
| Financial period: | 1 January – 31 December |
| Board of Directors: | Dean James Pollard, Chairman David John Dickins Irene Larsen Klaus Arpe Michael Andersen |
| Management Board: | David John Dickins |
| Auditors: | KPMG Statsautoriseret Revisionspartnerselskab CVR no. 25 57 81 98 Dampfærgevej 28 DK-2100 Copenhagen Ø |
| Annual General Meeting: | The ordinary Annual General Meeting is held on 8 April 2019. |

MANAGEMENT'S REVIEW

Financial highlights

The Annual Report presents the 9th financial year for Bupa Denmark Services A/S, which includes 5-years financial development:

| Key figures | (000 DKK) | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 1 Jan–31 Dec 2018 | 1 Jan–31 Dec 2017 | 1 Jan–31 Dec 2016 | 1 Jan–31 Dec 2015 | 1 Jan–31 Dec 2014 |
| Revenue | 185,104 | 176,656 | 176,293 | 177,829 | 190,285 |
| Operating profits | 10,249 | 10,573 | 9,172 | 9,225 | 9,586 |
| Profit from financial income and expenses | - 103 | - 61 | - 53 | 1,588 | 483 |
| Profit | 49,573 | 8,192 | 7,115 | 8,254 | 7,526 |
| Non-current assets | 1,767 | 36,687 | 38,481 | 6,807 | 9,014 |
| Current assets | 51,658 | 33,801 | 34,005 | 57,066 | 45,149 |
| Total assets | 53,425 | 70,488 | 72,486 | 63,873 | 54,163 |
| Current liabilities other than provisions | 32,685 | 29,321 | 39,511 | 38,013 | 36,557 |
| Total liabilities | 32,685 | 29,321 | 39,511 | 38,013 | 36,557 |
| Share capital | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 |
| Retained earnings | 16,640 | 37,067 | 28,875 | 21,760 | 13,506 |
| Equity at 31 December | 20,740 | 41,167 | 32,975 | 25,860 | 17,606 |
| Dividend, paid | 70,000 | - | - | - | - |
| Return on equity | 125% | 22% | 24% | 38% | 54% |
| Average number of full-time employees | 188 | 187 | 181 | 184 | 198 |

MANAGEMENT'S REVIEW

Operating review

The Annual Report for the 9th financial year for Bupa Denmark Services A/S is hereby presented for the period from 1 January to 31 December 2018.

Principal activities of the Company

Vision

Bupa Denmark Services A/S' principal activity is to service Bupa's international health and travel portfolio.

Bupa is a leading healthcare group serving millions of customers worldwide. Bupa offers personal and company-financed health insurance and medical subscription products, runs hospitals, provides workplace health services, home healthcare, health assessments and chronic disease management services. Additionally a major international provider of nursing and residential care for elderly people.

Bupa has no shareholders, meaning all profits are re-invested to provide more and better healthcare and to fulfil the purpose as "healthcare partner". Providing a broad range of healthcare services, support and advice to people throughout their lives, to live **longer, healthier, happier lives**.

Business area

Bupa Denmark Services A/S was established to guarantee a high quality of service for Bupa's health and travel insurance customers. Bupa Denmark Services A/S does not sell insurance, but serves as a specialised provider for Bupa's customers offering two key areas:

- Emergency and Medical Assistance
- Customer Service and Claims Management

The Company provides operational reliability and innovation with known costs. Our employees' qualifications in these areas are therefore the key to providing the service and care that our customers expect, from a well-established and well-functioning supplier. The Company possesses the necessary experience that guarantees prompt and secure delivery, within the agreed time and price to fulfil the Bupa vision.

In 2017 we have introduced a new programme of training, and a new Quality Assurance system as well as introduced a range of control functions to secure a consistent service to deliver the agreed customer outcome and customer experience. More and more focus in the insurance industry is about demonstrating competence and we are proud to have a system that secures that customers can rely on us as a continued competent and compliant partner.

The two key business areas are presented in the following:

Emergency and Medical Assistance

The health sector is changing constantly due to the ageing of the population, increased prevalence of chronic illness and escalating expenses. Therefore, Bupa Denmark Services A/S' medical assistance is key to building confidence and cooperation with our customers. Our emergency service offers medical advice and assistance 24 hours a day, all year round. The team of doctors, nurses and service staff assist customers with organising evacuation and provides medical advice and treatment guidance.

MANAGEMENT'S REVIEW

Operating review

Our emergency service responds to more than **162,000** telephone calls and emails yearly, and is involved in managing **1,415** evacuations. Of the calls to our emergency service **96.0%** were answered within 20 seconds, which exceeds our performance target of **95%**.

Bupa Denmark Services A/S' emergency service supports Bupa's ambition to be a healthcare partner for our customers. Our objective is to be at their side at all stages during the customer journey and to contribute with both acute and preventive expertise.

A large proportion of our employees have international education and vocation experience, which ensures that our staff is familiar with different languages and cultures. Our role is to ensure customers access to the best treatment opportunities, support and guidance. The clinicians attached to our emergency service have many years' experience and are representing all medical specialties including the aviation medicine.

Customer Service and Claims Management

The concept of "peace of mind" is key to the service concept provided by Bupa Denmark Services A/S.

We ensure that all cases are handled as quickly and competently as possible. Our brand has become synonymous with a high service level, and the satisfaction of our customers is the most important success criteria.

Our service team totals more than **70** employees who on a daily basis deal with **36,000** global customers. During a year the service staff responds to more than **100,000** telephone calls and emails, and they receive more than **57,000** claims for payments to hospitals and policyholders, and our service target is to ensure that all cases, irrespective of their size, are concluded within seven days.

Our staff is central for high level customer service and we are proud to have a high rate of seniority, and all new staff we have recruited in 2018 is carefully selected to secure that customers experience reliable and caring service.

Development in activities and financial position

The profit for the financial year after tax amounts to DKK 49,573k, corresponding to a return on equity of 125%.

The Management Board finds the profit for the year to be satisfactory.

The Company's equity at 31 December 2018 amounts to DKK 20,740k.

On the basis of Bupa Denmark Service A/S' service agreements which continuously are renewed with 12 months' termination notice, and the group's current payments to defray the Company's costs, the capital reserves in the Company are assessed to be sufficient to fulfil present and future commitments.

The Company is taxed jointly with the other Danish enterprises in the Bupa Group and is administrator of the joint taxation.

MANAGEMENT'S REVIEW

Operating review

Outlook

Bupa Denmark Services A/S will continue to strive to deliver unique service quality, which will contribute positively to the handling of the portfolio in Bupa. This service will strengthen the basis for increasing the number of customers, which in overall terms will ensure stable growth within the Company's business areas. Our beliefs and strong ambitions will strengthen our healthcare expertise by developing new competences and systems within claims handling and emergency service.

The Company expects revenue of approximately DKK 187m for 2019 and profit of DKK 8m.

Bupa Denmark Services A/S will support Bupa Global's strategic framework and its vision to be the most admired healthcare company.

Bupa Global's strategic framework focus on the following three pillars:

- Loved as a true customer champion in health and care
- People love working at Bupa, and love our customers
- Strong and sustainable performance

The strategic framework is ambitious and strives for continued customer growth in the years ahead, allowing millions more people to live longer, healthier, happier lives.

Brexit will take place March 2019 and hence as an insurance company based in UK, Bupa Insurance Limited and Bupa Denmark Services A/S will have a series of activities to prepare for this aiming for as little disruption to the customers as possible. On top of Brexit the Company will also have a task to implement General Data Protection Regulation (GDPR) as well as Insurance Distribution Directive (IDD).

FINANCIAL STATEMENTS
 for the period 1 January – 31 December

Income Statement

| INCOME STATEMENT | | (000 DKK) | |
|--------------------------|-------------|----------------------------|----------------------------|
| | Note | 1 Jan – 31 Dec 2018 | 1 Jan – 31 Dec 2017 |
| Revenue | 2) | 185,104 | 176,656 |
| Gross profit | | 185,104 | 176,656 |
| Administrativ expenses | 3) | 174,855 | 166,083 |
| Operating profits | | 10,248 | 10,573 |
| Financial income | | 81 | 23 |
| Financial expenses | | -18 | -84 |
| Sale of shares | | 41,671 | - |
| Profit before tax | | 51,817 | 10,512 |
| Tax | 9) | -2,244 | -2,320 |
| Profit | 4) | 49,573 | 8,192 |

FINANCIAL STATEMENTS
for the period 1 January – 31 December

Balance sheet

| ASSETS | | (000 DKK) | |
|--|-------------|--------------------|--------------------|
| NON-CURRENT ASSETS | Note | 31 Dec 2018 | 31 Dec 2017 |
| Intangible assets | | | |
| Completed development projects (IT) | 5) | 494 | 978 |
| Property, plant and equipment | | | |
| Other plant, operating equipment and fixtures and fittings | 6) | 1,273 | 1,192 |
| Investments | | | |
| Investment in associates | 7) | 0 | 34,517 |
| Total non-current assets | | 1,767 | 36,687 |
| CURRENT ASSETS | Note | 31 Dec 2018 | 31 Dec 2017 |
| Receivables | | | |
| Receivables from group enterprises | | 11,283 | 11,199 |
| Other receivables | | 5,299 | 3,798 |
| Corporation tax | 9) | 5,857 | - |
| Deferred tax assets | 9) | 1,095 | 1,146 |
| Prepayments | | 2,609 | 3,599 |
| Total receivables | | 26,143 | 19,742 |
| Cash | | 25,515 | 14,059 |
| Total current assets | | 51,658 | 33,801 |
| Total assets | | 53,425 | 70,488 |

FINANCIAL STATEMENTS
 for the period 1 January – 31 December

Balance sheet

| EQUITY AND LIABILITIES | | | | (000 DKK) |
|--|-------------|--------------------|--------------------|------------------|
| EQUITY | Note | 31 Dec 2018 | 31 Dec 2017 | |
| Share capital | 8) | 4,100 | 4,100 | |
| Retained earnings | | 16,640 | 37,067 | |
| Total Equity | | 20,740 | 41,167 | |
| LIABILITIES OTHER THAN PROVISIONS | Note | 31 Dec 2018 | 31 Dec 2017 | |
| Current liabilities other than provisions | | | | |
| Debt to Group enterprises | | 751 | - | |
| Trade payables | | 7,647 | 6,334 | |
| Corporation tax | 9) | - | 2,469 | |
| Other payables | 3) | 24,287 | 20,518 | |
| Total current liabilities other than provisions | | 32,685 | 29,321 | |
| Total Equity and liabilities | | 53,425 | 70,488 | |

| | | | |
|---|-----|--|--|
| Contractual obligations and contingencies, etc. | 10) | | |
| Events after the balance sheet date | 11) | | |
| Related party disclosures | 12) | | |

FINANCIAL STATEMENTS
 for the period 1 January – 31 December

Statement of changes in equity

| Statement of changes in equity | | (000 DKK) | | |
|--------------------------------------|---------------|-------------------|---------------|--|
| | Share Capital | Retained earnings | Total Equity | |
| Equity as of 31 Dec. 2015 | 4,100 | 21,760 | 25,860 | |
| Transferred, cf. profit distribution | - | 7,115 | 7,115 | |
| Equity as of 31 Dec. 2016 | 4,100 | 28,875 | 32,975 | |
| Transferred, cf. profit distribution | - | 8,192 | 8,192 | |
| Equity as of 31 Dec. 2017 | 4,100 | 37,067 | 41,167 | |
| Transferred, cf. profit distribution | - | 49,573 | 49,573 | |
| Dividend, paid | - | -70,000 | -70,000 | |
| Equity as of 31 Dec. 2018 | 4,100 | 16,640 | 20,740 | |

FINANCIAL STATEMENTS for the period 1 January – 31 December

Notes to the Financial Statements

Note 1: Accounting policies General principles

General principles

The Annual Report for Bupa Denmark Services A/S for 2018 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The Annual Report is presented for the Company's 9th financial year and has been prepared in accordance with the same accounting principles as last year.

Omissions of Cash Flow Statements

Bupa Denmark Services A/S does not prepare statement of cash flows as the parent company prepares Consolidated Statement of Cash Flows. The annual accounts including the consolidated cash flows can be downloaded from www.bupa.com cf. note 12.

Foreign currency translation

The Company's functional currency and presentation currency is Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates on the transaction date.

Foreign exchange differences arising between the exchange rates on the transaction date and on the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates on the balance sheet date. The difference between the exchange rates on the balance sheet date and on the date on which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Sale of services comprises performing of agreed tasks delivered to the costumers on demand. The agreed tasks comprise medical assistance, digital product development and insurance policy and claims handling.

Revenue from the sale of services is recognised in the income statement when delivery and transfer of risk to the purchaser have taken place, on the basis of the agreements concluded. Revenue is recognised ex. VAT and taxes charged on behalf of third parties.

Administrative expenses

Administrative expenses comprise the costs of distribution, advertising, administration, facilities, payrolls, depreciation of non-current assets, etc.

FINANCIAL STATEMENTS for the period 1 January – 31 December

Notes to the Financial Statements

Note 1: Accounting policies Income statement

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses on accounts in foreign currencies, amortisation of financial assets and liabilities, and premiums and receivables under the on-account tax scheme, etc.

Dividend from Investment in associates is recognised in the accounting year when the dividend declares.

Tax

Tax for the year comprises the current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts carried directly to equity is recognised directly in equity.

Balance sheet

Intangible assets

Intangible assets comprise completed development projects (IT), which are depreciated on a straight-line basis over the expected useful life, which as a general rule is expected to be 3-5 years. Internal and external project development costs are included in intangible assets.

Intangible assets are written down if the recoverable amount or the value in use is lower than the book value. Impairment tests are carried out when there are indications of impairment.

Costs related to the maintenance of intangible assets are recognised in the year in which they are defrayed.

Property, plant and equipment

Other fixtures and fittings, tools and equipment, includes office furniture, IT equipment as well as art, which are recognised in the balance sheet at acquisition price less accumulated depreciation or value in use, if this is lower for non-temporary reasons.

Depreciation is made on a straight-line basis over the expected useful lives of the assets for other plant, operating equipment and fixtures and fittings, which is normally 3 years.

The profit or loss on the sale of property, plant and equipment is calculated as the difference between the sales price, less sales costs, and the carrying value on the date of sale. The profit or loss is recognised in the income statement under depreciation.

Investments

Equity investments in group entities and associates are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

FINANCIAL STATEMENTS for the period 1 January – 31 December

Notes to the Financial Statements

Note 1: Accounting policies Balance sheet

Receivables

The items Receivables from group enterprises and Other receivables are measured at the amortised cost at the end of year. Write down is made for bad debt losses.

The Item Prepayments comprise costs incurred concerning subsequent financial years and are measured at cost and primarily consist of rent, insurance, subscriptions and membership fees.

Cash

Cash at bank and in hand includes short-term bank deposits and petty cash.

Equity — dividend

Proposed dividend is recognised as a liability at the time that it is adopted by the Annual General Meeting (date of declaration). The dividend that is expected to be paid for the year is stated as a separate item under equity.

Corporation tax and deferred tax asset/liability

Bupa Denmark Services A/S is taxed jointly with the other Danish enterprises in the Bupa Group and is the administrator of the joint taxation.

The current Danish corporation tax is distributed between the jointly-taxed Danish enterprises in proportion to their taxable incomes (full distribution with reimbursement of taxable deficits). The jointly taxed enterprises are part of the tax paid on account scheme.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities other than provisions

Liabilities include all debt to trade payables, Group enterprises and other payables, which includes earned holiday allowance, pension, salary to terminated employees, etc.

Liabilities are measured at net realisable value.

FINANCIAL STATEMENTS
 for the period 1 January – 31 December

Notes to the Financial Statements

Note 2: Revenue (000 DKK)

| | 1 Jan – 31 Dec | |
|---|----------------|---------|
| | 2018 | 2017 |
| Sale of administrative services to affiliated Group enterprises | 185,104 | 176,656 |

Note 3: Administrative expenses & Other payables (000 DKK)

| | 1 Jan – 31 Dec | |
|--------------------------------|----------------|----------------|
| | 2018 | 2017 |
| Wages and salaries | 98,639 | 91,296 |
| Pensions | 10,424 | 9,882 |
| Other social security expenses | 1,285 | 1,141 |
| Total | 110,348 | 102,319 |

| | | |
|---|-----|-----|
| Average number of full-time employees | 188 | 187 |
| Included within Staff costs are DKK 745k (2017: DKK 1,369k) in respect of remuneration to executive board members during the year. The Board of directors receives no remuneration. | | |
| Other payables in the balance sheet includes mainly employee liabilities to earned holiday allowance, etc. | | |

Note 4: Proposed profit distribution (000 DKK)

| | 1 Jan – 31 Dec | |
|-------------------|----------------|--------------|
| | 2018 | 2017 |
| Retained earnings | 49,573 | 8,192 |
| Total | 49,573 | 8,192 |

FINANCIAL STATEMENTS for the period 1 January – 31 December

Notes to the Financial Statements

Note 5: Intangible assets (000 DKK)

| Completed development projects (IT) | IT Projects | Total 31 December | |
|---|----------------|-------------------|---------------|
| | | 2018 | 2017 |
| Costs as of 1 January | 31,847 | 31,847 | 31,463 |
| Disposals | - | - | - |
| Additions | 73 | 73 | 384 |
| Cost, end of year | 31,920 | 31,920 | 31,847 |
| Impairment and depreciation as of 1 January | 30,869 | 30,869 | 29,302 |
| Disposals | - | - | - |
| Impairment and depreciation | 557 | 557 | 1,567 |
| Impairment and depreciation, end of year | 31,426 | 31,426 | 30,869 |
| Carrying amount, end of year | 494 | 494 | 978 |
| Amortised over | 3-5 years | | |

Note 6: Property, plant and equipment (000 DKK)

| Other fixtures and fittings, tools and equipment | Office furniture's, IT equipment, etc. | Art, etc. | Total 31 December | |
|--|--|--------------|-------------------|---------------|
| | | | 2018 | 2017 |
| Costs as of 1 January | 31,352 | 1,452 | 32,804 | 32,804 |
| Disposals | - | - | - | - |
| Additions | 104 | - | 104 | - |
| Cost, end of year | 31,456 | 1,452 | 32,908 | 32,804 |
| Impairment and depreciation as of 1 January | 31,352 | 260 | 31,612 | 31,001 |
| Disposals | - | - | - | - |
| Impairment and depreciation | 23 | - | 23 | 611 |
| Impairment and depreciation, end of year | 31,375 | 260 | 31,635 | 31,612 |
| Carrying amount, end of year | 81 | 1,192 | 1,273 | 1,192 |
| Depreciation over | 3 years | | | |

FINANCIAL STATEMENTS for the period 1 January – 31 December

Notes to the Financial Statements

Note 7: Investment (000 DKK)

| Investment in associates | Total 31 December | |
|-------------------------------------|-------------------|---------------|
| | 2018 | 2017 |
| Costs as of 1 January | 34,517 | 34,517 |
| Disposals | -34,517 | - |
| Additions | - | - |
| Cost, end of year | 0 | 34,517 |
| Carrying amount, end of year | 0 | 34,517 |

| Name/legal form | Registered office | Ownership | Equity | Profit/loss for the year |
|--------------------------|----------------------------------|-----------|--------|--------------------------|
| Bupa Insurance (Bolivia) | Santa Cruz de la Sierra, Bolivia | 0.000459% | 37,624 | 1,875 |

The equity in Bupa Insurance (Bolivia) in local currency is translated at the exchange rate on the balance sheet date and the profit/loss for the year in local currency is translated at the average exchange rate for the year.

Note 8: Share Capital (000 DKK)

Share capital consists of shares in denominations of DKK100. No shares entail special rights.

Note 9: Corporation tax and deferred tax (asset) (000 DKK)

| | 31 Dec 2018 | 31 Dec 2017 |
|--------------------------------------|--------------|--------------|
| Tax of the profit of the year | | |
| Current tax | 2,193 | 2,469 |
| Changes in the deferred tax asset | 51 | -149 |
| | 2,244 | 2,320 |
| Deferred tax asset | | |
| Balance, beginning of the year | 1,146 | 997 |
| Deferred tax adjustment for the year | -51 | 149 |
| | 1,095 | 1,146 |

The deferred tax asset is calculated for intangible assets, property, plant and equipment and other payables.

FINANCIAL STATEMENTS
for the period 1 January – 31 December

Notes to the Financial Statements

Note 10:
Contractual obligations and contingencies, etc.

Operating lease obligations

Rent agreements have been included with a normal term of notice of less than 1 year. The rent commitment payments total DKK 4,292k.

Contingent liabilities

The Company is jointly tax liable with the Danish enterprises in the Bupa group and administrator of the joint taxation. The Company is liable jointly and severally with other enterprises in the joint taxation of Danish company tax, withholdings taxes on dividends, interests and royalties in the joint taxation.

This joint tax obligation represents nominal net receivable of DKK 1,558k as at 31 December 2018.

Note 11:
Events after the balance sheet date

No events have occurred after the balance sheet date that has materially affected the financial year.

FINANCIAL STATEMENTS

for the period 1 January – 31 December

Notes to the Financial Statements

Note 12: (000 DKK)
Related party disclosures

Bupa group

The Company is part of the Bupa group and has transactions with the following related parties:

Related party transactions have been carried out on an arm's length basis with the exception of the fact that the company's proportional costs regarding the managing director's total remuneration has not been reimbursed

- Bupa Denmark, filial af Bupa Insurance Limited, England
- Bupa Insurance Limited (BINS), UK
- Bupa Insurance Services Ltd., UK
- Bupa Australia, Australia
- Bupa Ltd., UK
- Bupa (Asia), Hong Kong
- Bupa (Thailand) Health, Thailand
- Bupa Arabia, Saudi Arabia
- Bupa Insurance Limited, US
- Max Bupa Health Insurance, India

Jointly taxed Danish enterprises

- Bupa Denmark, filial af Bupa Insurance Limited, England
- Bupa Denmark Services A/S, Denmark (management company)

Ownership

The Company is wholly-owned by Bupa Finance Plc., England, which is part of the Bupa Group with headquarters at:

1 Angel Court
London EC2R 7HJ
United Kingdom

The Annual Reports and information about Bupa group's mission can be downloaded from the website:

www.bupa.com

| Related party transactions | 1 Jan – 31 Dec | |
|--|----------------|----------------|
| | 2018 | 2017 |
| Sale of goods to a Group enterprises | 184,919 | 176,513 |
| Purchase of goods from a Group enterprises | 1,973 | 2,109 |
| Total | 186,892 | 178,622 |

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 3.

Debt to Group enterprises are disclosed in the balance sheet. No interests has been generated.