

Omada Group ApS

# ANNUAL REPORT

# 2022

Approved at the Annual General Meeting on 1 March 2023



Chairman of the meeting: Gry Collignon



# TABLE OF CONTENTS

---

## 03 MANAGEMENT REVIEW

03	OMADA AT A GLANCE
04	LETTER FROM THE CEO AND CHAIRMAN
05	LOOKING FORWARDS
06	SUSTAINABILITY AT OMADA
08	FINANCIAL REVIEW
11	COMPANY DETAILS
12	STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTVE BOARD
13	INDEPENDENT AUDITOR'S REPORT

## 17 FINANCIAL STATEMENTS

18	CONSOLIDATED AND PARENT INCOME STATEMENT
19	CONSOLIDATED AND PARENT COMPREHENSIVE INCOME STATEMENT
20	CONSOLIDATED AND PARENT BALANCE SHEET
22	CONSOLIDATED AND PARENT CASH FLOW STATEMENT
23	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
24	PARENT STATEMENT OF CHANGES IN EQUITY
25	NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS



# OMADA AT A GLANCE

---

## OMADA IS...



The **Leader** in Modern Identity Governance and Administration with the highest governance and audit standards in the industry



A company where Cloud implementations can be live in **<90** days



A growth company delivering YoY recurring revenue growth of **>45%**



A company with a **>50%** increase in total Software Revenue



A challenger with a diverse workplace of **>20** nationalities and where **>40%** of the company's leadership are women



Market-leading levels of R&D investment of **>40%** of software revenue



A company, that in 2022 was named **Leader** in The Kuppinger Cole Leadership Compass and a **Major Player** by IDC



A strong business partner with a Net Promoter Score of **>45** and a market leading focus on customer success

\*GAAP figures is presented on page 9 under Financial review.

# LETTER FROM THE CEO AND CHAIRMAN

---

Omada has delivered strong growth in 2022 and sees high market demand for its Identity solutions. The rapidly growing requirement for Identity Governance on SaaS, with its lower operating costs and higher levels of flexibility, has further accelerated this growth. Omada is now firmly established as a market leader in Identity Governance for enterprise customers who demand high levels of functionality, scalability and automation. The company has also seen an increased demand from existing customers as they leverage the power of the platform and extend its use to more parts of their business.

The company has remained focused on customer satisfaction and retention as a critical measure of success. During the year Omada has been recognized by peer review providers as having one of the highest levels of customer advocacy in the industry. This is supported by a market leading Net Promoter Score (NPS), industry award recognition and a strong set of analyst reports during the year. Omada continues to invest heavily in customer success as one of the critical elements of its growth strategy and this is reflected in outstanding Net Retention Rates.

Omada's focus on Identity Governance and Administration (IGA) at the heart of the Identity Fabric has driven its innovation agenda and key product enhancements through 2022. R&D investment ratio levels are some of the highest in the market with the company has focused on customer value above market hype.

In 2022 we have seen an increasing number of large scale enterprise customers going live successfully on the Omada Identity Cloud in industry leading implementation timelines.

As customers look to prioritize value and return on their investments in Identity Omada is leveraging technology partnerships and integrations to deliver on the Identity Fabric. This strategic direction enables customers to maximize existing investments in adjacent technology whilst delivering best in class SaaS based IGA.

The company has delivered another strong period of growth whilst delivering on its customer commitments and innovation agenda and this provides a strong outlook for 2023.



DocuSigned by:

*Michael Garrett*

4326CB7595C9448...

**Michael Garrett**

CEO



DocuSigned by:

*James Ernest Ousley*

DA8B4A01FDG74D0...

**James Ernest Ousley**

Chairman

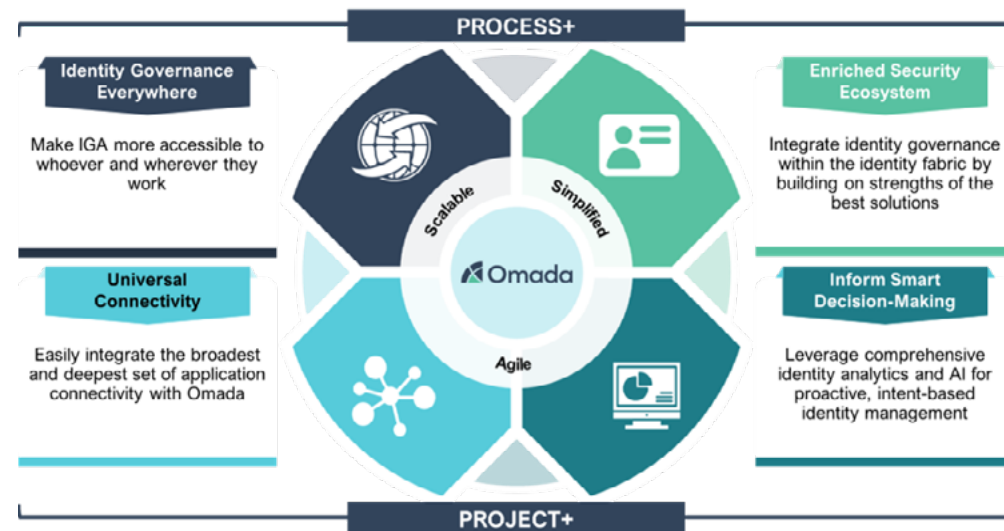
# LOOKING FORWARDS

Building on the successes of 2022, Omada is looking ahead to 2023 to build further on our mission to provide customers with the most intelligent and scalable Identity Governance and Administration (IGA) SaaS solution. Our model is to support customers' digital transformations with decentralized architecture to support hybrid and multi-cloud IT environments, and expanding governance beyond employees to partners, contractors and technical identities. This is also set with the backdrop of an increasingly challenging regulatory landscape.

IGA has never been more important to organization's broader Identity and Access Management (IAM) programs through enabling the distributed workforce, enhancing security, and meeting compliance mandates. Looking forwards, Omada is focused on delivering our vision of providing the market's leading Intelligent IGA solution by:

- Providing identity governance everywhere
- Enriching the identity security ecosystem by partnering with core leading Identity fabric vendors
- Further extending connectivity by adding even more identity management and process connectors
- Informing smart decision making by leveraging advanced, real-time role intelligence, and approval recommendations that can be automated or augmented

Omada will continue to deliver an innovative and approachable IGA platform by including our best practice framework, IdentityPROCESS+, within our solution to help customers easily and intuitively leverage the capability in practical and meaningful ways that deliver business value.





# SUSTAINABILITY AT OMADA

Acting responsibly is part of our DNA at Omada, as a company, as an employer, and as individual employees. Because everything counts.

We are a truly global organization committed to foster a diverse, equitable, and inclusive workplace, and we have our people at the core of everything we do.

In Omada, we have chosen to take on the responsibility to embed sustainability across all our businesses.

To succeed with this ambition, we have established a Cross-organizational Sustainability group to ensure transparency and accountability for the targets we set and to ensure we continuously are challenging ourselves to do better.

We will seek to drive positive change in the world through our efforts to reduce our own and our customers carbon footprint by amongst other leveraging the Cloud technology, buying green energy and utilizing other innovative technologies to travel less.

Omada is also committed to embrace the principles of resource conservation through its internal operations and is continuously striving to prevent waste and pollution with harmful environmental impact.

Equally important to us as reducing our carbon footprint and preventing any harmful environmental impact, is our people, as they are the core of everything we do.

Hence, we continue to strive to ensure a healthy and secure workplace that is truly diverse and inclusive with equal opportunities, and where all find meaning in work.



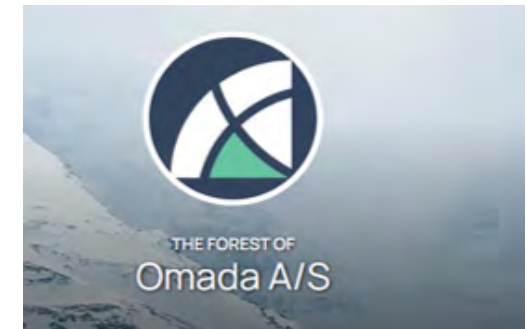
Omada has been rated a silver medal rating in recognition of its sustainability achievement.



Omada is a signatory to the UN Global Compact and actively supports its Ten Principles by integrating these into its processes and policies across the business.



Omada is strongly supporting diversity and is supporting the Copenhagen Pride



Omada aim to plant >130.000 trees by the end of 2025



Our Mission

Empowering  
organizations  
to confidently  
do more with  
identity



# FINANCIAL REVIEW

## FINANCIAL REVIEW OF 2022 AND KEY FIGURES FOR 2018/19 TO 2022 - NON-GAAP MEASURES CONSOLIDATED KEY FINANCIAL HIGHLIGHTS - NON-GAAP MEASURES

Omada Group ApS is the holding company of the Omada Group. In the key financial highlights presented on this page we have adjusted the income statement figures for the impact of amortisation of acquisition values, from the acquisition of Omada A/S in 2018.

In 2022 Omada Group ApS realised an operating profit/loss (Adjusted EBITDA) of DKK (25,016), when excluding the amortisation of the acquired intangible assets "Customer relationships" and "Software" which were acquired as a part of the acquisition of Omada A/S.

The result for 2022 is mostly impacted by the continued significant growth in SaaS recurring revenue effecting positively on both gross profit and operating profit. In addition Omada Group ApS invested significantly in our market leading product which can be seen in the increase in R&D costs.

DKK'000	GROUP				
	2022	2021	2020	2019**	2018/19*
Software revenue	124,959	82,951	79,430	66,867	87,984
Services revenue	133,913	119,308	112,351	141,436	147,500
<b>Total revenue</b>	<b>258,872</b>	<b>202,259</b>	<b>191,781</b>	<b>208,303</b>	<b>235,484</b>
Cost of sales	(151,726)	(129,655)	(117,034)	(150,149)	(151,804)
<b>Gross profit</b>	<b>107,146</b>	<b>72,605</b>	<b>74,747</b>	<b>58,154</b>	<b>83,680</b>
Sales & Marketing cost	(76,109)	(63,795)	(61,208)	(65,287)	(66,554)
Research & Development cost	(22,817)	(10,587)	(12,735)	(10,972)	(10,368)
General & Administrative cost	(31,525)	(30,815)	(35,520)	(31,438)	(33,246)
Other operating costs	(1,711)	(3,254)	(5,844)	-	(21,174)
<b>Operating profit/loss (Adjusted EBITDA)</b>	<b>(25,016)</b>	<b>(35,846)</b>	<b>(40,560)</b>	<b>(49,543)</b>	<b>(47,662)</b>
Annual recurring revenue (ARR)** DKK'000	147,259	101,244	63,493	39,045	-
Annual recurring revenue (ARR) growth	45%	59%	63%	27%	-

\*) 2018/19 figures are for the period 25 October 2018 - 31 December 2019

\*\*\*) Group figures for the period 1 January - 31 December 2019 are unaudited

\*\*\*) ARR is defined as the value of the contracted recurring revenue components of our term subscriptions normalized to a one-year period. In 2022 we added revenue from recurring services to ARR. Comparison figures for 2019 - 2021 has been updated.



# FINANCIAL REVIEW

## FINANCIAL REVIEW OF 2022 AND KEY FIGURES FOR 2018/19 TO 2022

Omada Group ApS is the holding company of the Omada Group. The financial statements includes acquisition values relating to the company's acquisition of Omada A/S. The group reported earnings after tax of DKK (73,797) thousand. The result for 2022 is better than expected due to revenue in line with expectations and lower costs than expected.

The result for 2022 was affected by the increasing SaaS revenue, which has deferred revenue to coming years.

Operating profit/loss (EBIT) of DKK (90,067) thousand is including amortisation and depreciation of DKK (97,146) thousand.

The group's activities are financed by a bank facility of MDKK 70 which have a final maturity date on 31 December 2024 and an equity of DKK 601,608 thousand. The result for 2022 is in line with our expectations.

The main activity in the parent company comes from investments in subsidiaries and therefore the cash flow and balance sheet mainly relates to this.

### FOREIGN SUBSIDIARIES

The Group's activities are carried out through local subsidiaries established in Germany, United Kingdom, Poland, Sweden, Spain and the US. Omada has continued to grow its footprint internationally by successfully winning contracts with new strategic customers and partners.

## CONSOLIDATED KEY FINANCIAL HIGHLIGHTS

DKK'000	GROUP				
	2022	2021	2020	2019**	2018/19*
Revenue	258,872	202,260	191,781	208,303	235,484
Cost of sales	(195,011)	(175,691)	(163,070)	(196,185)	(205,513)
<b>Gross profit</b>	<b>63,681</b>	<b>26,569</b>	<b>28,711</b>	<b>12,118</b>	<b>29,971</b>
<b>Operating profit/loss (EBIT)</b>	<b>(90,067)</b>	<b>(100,896)</b>	<b>(105,610)</b>	<b>(113,634)</b>	<b>(123,554)</b>
Financial income	-	-	-	69	421
Financial expenses	(5,186)	(2,542)	(2,743)	(1,364)	(1,392)
<b>Profit/loss before tax</b>	<b>(95,253)</b>	<b>(103,438)</b>	<b>(108,353)</b>	<b>(114,929)</b>	<b>(124,525)</b>
Tax on the profit/loss for the year	22,869	24,252	26,308	24,280	17,734
<b>Profit/loss for the year</b>	<b>(72,384)</b>	<b>(79,186)</b>	<b>(82,045)</b>	<b>(90,649)</b>	<b>(106,791)</b>
Total assets	811,380	878,587	915,319	946,879	946,879
Total equity	601,608	627,768	707,333	772,780	772,780
Return on assets	-9%	-9%	-11%	-12%	-13%
Solvency ratio	74%	71%	77%	82%	82%
Return on equity	-12%	-12%	-14%	-15%	-16%
Investments in tangible assets	1,745	1,355	1,489	487	487
Average number of employees	222	207	183	186	186
Employees at the end of the year	232	213	182	179	179
EBIT before non-recurring items DKK'000***	(88,355)	(97,642)	(99,766)	(113,634)	(102,380)

\*) 2018/19 figures are for the period 25 October 2018 - 31 December 2019

\*\*\*) Comparative Group figures for the period 1 January - 31 December 2019 are unaudited

\*\*\*) EBIT before non-recurring items contains of EBIT except Other operating costs.



# FINANCIAL REVIEW

---

## **KNOWLEDGE RESOURCES AND DEVELOPMENT ACTIVITIES**

Omada continuously focuses on developing innovative products and services by attracting and retaining the very best talent in the marketplace.

The Company proactively works to retain and inspire employees by creating an attractive workplace and offering competitive terms as well as well-balanced incentive structures.

As a provider of software products and services, R&D activities are of key importance to Omada. Throughout 2022, Omada continued to invest significantly in improving and enhancing its award winning on-premises and SaaS product and IP. Omada will continue to further invest in innovative R&D and product development activities.

## **RISK MANAGEMENT**

As Omada operates in a range of international markets, revenues and costs can be impacted by currency fluctuations. The fact that Omada has well-established local subsidiaries in Germany, UK, Poland, Sweden, Spain and the US reduces the risk, as both revenues and the cost base are, to a certain degree, in the same currency. Management evaluates the risk and potential risk mitigations on an ongoing basis. The group currently does not use derivatives to mitigate risks.

## **EVENTS AFTER THE BALANCE SHEET DATE**

Since the closing of the annual accounts, no events have occurred that could change the Company's financial position.

Management has assessed the potential financial impact from the crises in Ukraine. Currently, no significant impact is expected.

## **UNCERTAINTIES IN RECOGNITION AND MEASUREMENTS**

Reference is made to note 2 of the financial statements.

## **OUTLOOK**

The Group expects to deliver continued strong recurring revenue growth in 2023 due to positive development in the market situation and an improved footprint.

The loss before tax is expected to be in the range of 70 - 90 mDKK mainly due to depreciations and amortization.

There is a risk of uncertainties in the market caused by the macroeconomic conditions such as increasing inflation and interests.



# COMPANY DETAILS

<b>NAME</b>	Omada Group ApS
<b>ADDRESS, POSTAL CODE, CITY</b>	Østerbrogade 135, 2100 Copenhagen
<b>CVR NO.</b>	39 96 91 30
<b>ESTABLISHED</b>	25 October 2018
<b>REGISTERED OFFICE</b>	Copenhagen Municipality
<b>FINANCIAL YEAR</b>	1 January - 31 December
<b>WEBSITE</b>	<a href="http://www.omadaidentity.com">www.omadaidentity.com</a>
<b>BOARD OF DIRECTORS</b>	James Ernest Ousley, Chairman Morten Grube Weicher Sebastian Ramin Künne Lars Dybkjær John Dawson Clark Kevin Michael Hickey Franck Leon Cohen Bradley Hibbert
<b>EXECUTIVE BOARD</b>	Sebastian Ramin Künne, Executive Director Morten Grube Weicher, Executive Director
<b>AUDITORS</b>	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

# STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and approved the annual report of Omada Group ApS for the financial year 1 January – 31 December 2022.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, results for the year, cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent Company face.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 22 February 2023

## EXECUTIVE BOARD:

DocuSigned by:



E18F0B926B4D425...

Sebastian Ramin Künne  
Executive Director

DocuSigned by:



73EA1B793A4D4FC...

Morten Grube Weicher  
Executive Director

## BOARD OF DIRECTORS:

DocuSigned by:



DA8B4A01FDC74D0...

James Ernest Ousley  
Chairman

DocuSigned by:



73EA1B793A4D4FC...

Morten Grube Weicher  
Deputy Chairman

DocuSigned by:



E18F0B926B4D425...

Sebastian Ramin Künne  
Deputy Chairman

DocuSigned by:



46B8C1444D974BF...

Lars Dybkjær  
Board Member

DocuSigned by:



25DB9BBD864E4F3...

John Dawson Clark  
Board Member

DocuSigned by:



87CD73D42046467...

Kevin Michael Hickey  
Board Member

DocuSigned by:



815392BFA09742A...

Franck Leon Cohen  
Board Member

DocuSigned by:



8D692C39542A42B...

Bradley Hibbert  
Board Member

# INDEPENDENT AUDITOR'S REPORT

---

To the shareholders of Omada Group ApS

## **OPINION**

We have audited the consolidated financial statements and the parent company financial statements of Omada Group ApS for the financial year 1 January – 31 December 2022, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company on 31 December 2022 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

## **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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "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.

## ***Independence***

We are independent of the Group 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.

## **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 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 our procedures, 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 Statements Act. We did not identify any material misstatement of the Management's review.



# INDEPENDENT AUDITOR'S REPORT

---

## MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements 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 Group's and the Parent 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 Group or the Parent 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern
- Evaluate the overall presentation, structure, and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

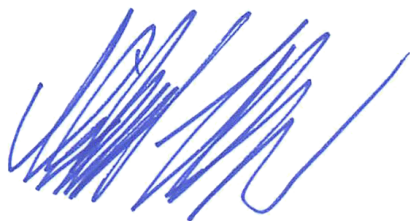
# INDEPENDENT AUDITOR'S REPORT

---

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

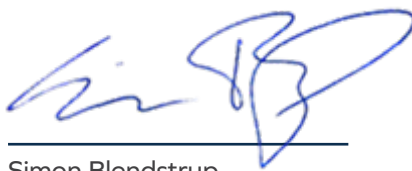
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 22 February 2023  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



---

Mikkel Sthyr  
State Authorised  
Public Accountant  
mne26693



---

Simon Blendstrup  
State Authorised  
Public Accountant  
mne44060

Our Vision

# To Secure The World's Identities





# FINANCIAL STATEMENTS

---

<b>18</b>	CONSOLIDATED AND PARENT INCOME STATEMENT	<b>22</b>	CONSOLIDATED AND PARENT CASH FLOW STATEMENT
<b>19</b>	CONSOLIDATED AND PARENT COMPREHENSIVE INCOME STATEMENT	<b>23</b>	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
<b>20</b>	CONSOLIDATED AND PARENT BALANCE SHEET	<b>24</b>	PARENT STATEMENT OF CHANGES IN EQUITY

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

<b>25</b>	1 Significant accounting policies	<b>34</b>	11 Intangible assets	<b>52</b>	21 Changes in working capital
<b>26</b>	2 Significant accounting estimates and judgements	<b>37</b>	12 Property, plant and equipment	<b>53</b>	22 Cash flow from financing activities
<b>28</b>	3 Segment information	<b>39</b>	13 Investments in subsidiaries	<b>53</b>	23 Contingent liabilities
<b>28</b>	4 Revenue	<b>40</b>	14 Receivables	<b>53</b>	24 Security
<b>29</b>	5 Operating costs	<b>43</b>	15 Contract assets and contract liabilities	<b>53</b>	25 Events after the reporting period
<b>29</b>	6 Other operating costs	<b>44</b>	16 Share capital	<b>54</b>	26 Accounting policies
<b>30</b>	7 Staff expenses and remuneration costs	<b>45</b>	17 Lease liabilities - right-of-use assets		
<b>31</b>	8 Financial income	<b>46</b>	18 Share based payments		
<b>31</b>	9 Financial expenses	<b>48</b>	19 Financial risk and financial instruments		
<b>32</b>	10 Corporate tax	<b>52</b>	20 Related party transactions		

# FINANCIAL STATEMENTS

## CONSOLIDATED AND PARENT INCOME STATEMENT

DKK'000	Note	GROUP		PARENT	
		2022	2021	2022	2021
Revenue	3,4	258,872	202,260	-	-
Cost of sales	5,7	(195,011)	(175,691)	-	-
<b>Gross profit</b>		<b>63,861</b>	<b>26,569</b>	-	-
Sales & Marketing cost	5,7	(88,490)	(73,425)	-	-
Research & Development cost	5,7	(32,202)	(19,971)	-	-
General & Administrative cost	5,7	(31,525)	(30,815)	(333)	(130)
Other operating costs	6	(1,711)	(3,254)	-	-
<b>Operating profit/loss (EBIT)</b>		<b>(90,067)</b>	<b>(100,896)</b>	<b>(333)</b>	<b>(130)</b>
Income from investment in subsidiaries	13	-	-	(72,245)	(79,430)
Financial income	8	326	-	158	446
Financial expenses	9	(5,512)	(2,542)	(3)	(7)
<b>Profit/loss before tax</b>		<b>(95,253)</b>	<b>(103,438)</b>	<b>(72,423)</b>	<b>(79,121)</b>
Tax on the profit/loss for the year	10	22,869	24,252	39	(65)
<b>Profit/loss for the year</b>		<b>(72,384)</b>	<b>(79,186)</b>	<b>(72,384)</b>	<b>(79,186)</b>





# FINANCIAL STATEMENTS

## CONSOLIDATED AND PARENT COMPREHENSIVE INCOME STATEMENT

DKK'000	GROUP		PARENT	
	2022	2021	2022	2021
<b>Profit/loss for the year</b>	<b>(72,384)</b>	<b>(79,186)</b>	<b>(72,384)</b>	<b>(79,186)</b>
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to profit and loss:				
Exchange rate adjustments relating to foreign entities	(939)	(1,474)	(939)	(1,474)
<b>Other comprehensive income after tax</b>	<b>(939)</b>	<b>(1,474)</b>	<b>(939)</b>	<b>(1,474)</b>
<b>Total comprehensive income</b>	<b>(73,323)</b>	<b>(80,660)</b>	<b>(73,323)</b>	<b>(80,660)</b>

# FINANCIAL STATEMENTS

## CONSOLIDATED AND PARENT BALANCE SHEET: ASSETS AT 31 DECEMBER

DKK'000	Note	GROUP		PARENT	
		2022	2021	2022	2021
Goodwill		471,900	471,900	-	-
Customer relations		108,674	136,187	-	-
Software		64,527	100,952	-	-
Completed development projects		46,711	37,241	-	-
Development projects in progress		2,201	2,636	-	-
<b>Intangible assets</b>	11	<b>694,013</b>	<b>748,916</b>	-	-
Other fixtures and fittings, tools and equipment		2,943	2,455	-	-
Right-of-use assets		13,871	16,557	-	-
<b>Property, plant and equipment</b>	12	<b>16,814</b>	<b>19,013</b>	-	-
Investment in subsidiaries (equity method)	13	-	-	627,508	654,406
Deposits		1,171	1,107	-	-
Receivables from subsidiaries		-	-	23,861	-
Other receivables	19,20	6,030	5,352	-	-
<b>Other non-current assets</b>		<b>7,201</b>	<b>6,459</b>	<b>651,369</b>	<b>654,406</b>
<b>Total non-current assets</b>		<b>718,028</b>	<b>774,388</b>	<b>651,369</b>	<b>654,406</b>
Receivables	14	56,211	57,520	-	-
Contract assets	15	9,938	4,151	-	-
Receivables from subsidiaries	20	-	-	-	3,819
Income tax receivables	10	5,751	5,809	46	-
Other receivables		2,391	6,723	350	37
Prepayments		5,041	4,309	-	-
Cash at bank and in hand	19	14,020	25,687	6,927	430
<b>Total current assets</b>		<b>93,352</b>	<b>104,199</b>	<b>7,323</b>	<b>4,286</b>
<b>Total assets</b>		<b>811,380</b>	<b>878,587</b>	<b>658,692</b>	<b>658,692</b>

# FINANCIAL STATEMENTS

## CONSOLIDATED AND PARENT BALANCE SHEET: EQUITY AND LIABILITIES AT 31 DECEMBER

DKK'000	Note	GROUP		PARENT	
		2022	2021	2022	2021
<b>Equity</b>					
Share capital	16	9,432	9,105	9,432	9,105
Reserve for loans and security		5,702	5,352	5,702	5,352
Translation reserve		(1,425)	(486)	-	-
Retained earnings		587,899	613,797	586,474	613,311
<b>Total equity</b>		<b>601,608</b>	<b>627,768</b>	<b>601,608</b>	<b>627,768</b>
<b>Liabilities</b>					
Deferred tax	10	17,402	36,370	-	-
Lease liabilities	17,22	9,755	12,544	-	-
Other liabilities		6,610	6,369	-	-
Financial institutions	19,22	30,000	72,695	-	-
<b>Total non-current liabilities</b>		<b>63,767</b>	<b>127,978</b>	<b>-</b>	<b>-</b>
Financial institutions	19,22	10,000	-	-	-
Prepayments on contract assets	15	8,256	3,848	-	-
Trade payables		23,280	27,387	699	222
Payables to subsidiaries	20	-	-	56,385	30,641
Income tax payables		-	1,471	-	61
Other liabilities		13,612	25,371	-	-
Lease liability	17,22	5,038	4,774	-	-
Contract liabilities	15	85,819	59,990	-	-
<b>Total current liabilities</b>		<b>146,005</b>	<b>122,841</b>	<b>57,084</b>	<b>30,924</b>
<b>Total liabilities</b>		<b>209,772</b>	<b>250,819</b>	<b>57,084</b>	<b>30,924</b>
<b>Total equity and liabilities</b>		<b>811,380</b>	<b>878,587</b>	<b>658,692</b>	<b>658,692</b>

# FINANCIAL STATEMENTS

## CONSOLIDATED AND PARENT CASH FLOW STATEMENT

DKK'000	Note	GROUP		PARENT	
		2022	2021	2022	2021
Profit/loss for the year		(72,384)	(79,186)	(72,384)	(79,186)
<b>Adjustments for non-cash transactions:</b>					
Income from investment in subsidiaries	13	-	-	72,245	79,430
Finance income	8	(326)	-	(158)	(446)
Finance expenses	9	5,512	2,542	3	7
Income tax	10	(22,869)	(24,252)	39	65
Other adjustments		113	721	(146)	(13)
Share based payments	7	646	1,294	-	-
Amortisation, depreciation and impairment losses	5	97,146	89,723	-	-
Changes in net working capital	21	13,056	5,439	164	(139)
<b>Cash generated from primary activities</b>		<b>20,894</b>	<b>(3,719)</b>	<b>(237)</b>	<b>(282)</b>
Interest received	8	-	-	158	446
Interest paid	9	(5,512)	(2,542)	(3)	(7)
Corporation tax paid		3,239	3,970	-	3
<b>Cash flow from operating activities</b>		<b>18,621</b>	<b>(2,291)</b>	<b>(82)</b>	<b>160</b>
Capital contribution subsidiaries	13	-	-	(45,640)	(40,000)
Acquisition of intangible assets	11	(36,264)	(33,929)	-	-
Acquisition of Other fixtures and fittings, tools and equipment	12	(1,745)	(1,355)	-	-
<b>Cash flow from investing activities</b>		<b>(38,009)</b>	<b>(35,284)</b>	<b>(45,640)</b>	<b>(40,000)</b>
Capital increase	16	45,640	1,311	45,640	1,311
Purchase/disposal of treasury shares	16	877	(1,510)	877	(5,525)
Repayment of lease liabilities	22	(5,162)	(5,034)	-	-
Raising or repayment of loans/payables to group enterprises	20	-	-	5,702	41,246
Loan proceeds	22	-	23,549	-	-
Loan repayments	22	(32,695)	-	-	-
<b>Cash flow from financing activities</b>		<b>8,660</b>	<b>18,316</b>	<b>52,219</b>	<b>37,032</b>
<b>Total cash flow</b>		<b>(10,728)</b>	<b>(19,369)</b>	<b>6,497</b>	<b>(2,808)</b>
Cash at bank and in hand begin of period		25,687	46,530	430	3,238
Exchange rate adjustments		(939)	(1,474)	-	-
<b>Cash funds at the end of the period</b>		<b>14,020</b>	<b>25,687</b>	<b>6,927</b>	<b>430</b>

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK'000	GROUP					
	Share capital	Share premium	Reserve for loans and security	Translation reserve	Retained earnings	Total
<b>Equity at 31 December 2020</b>	<b>9,092</b>	<b>-</b>	<b>5,352</b>	<b>988</b>	<b>691,901</b>	<b>707,333</b>
<b>Total comprehensive income in 2021</b>						
Profit/loss for the year	-	-	-	-	(79,186)	(79,186)
Other comprehensive income:						
Exchange rate adjustments relating to foreign entities	-	-	-	(1,474)	-	(1,474)
Total other comprehensive income	-	-	-	(1,474)	-	(1,474)
Total comprehensive income for the period	-	-	-	(1,474)	(79,186)	(80,660)
<b>Transaction with owners:</b>						
Capital increase	13	1,298	-	-	-	1,311
Transfer	-	(1,298)	-	-	1,298	-
Purchase/disposal of Treasury shares/warrants	-	-	-	-	(1,510)	(1,510)
Share based payments	-	-	-	-	1,294	1,294
Total transactions with owners	13	-	-	-	1,082	1,095
<b>Equity at 31 December 2021</b>	<b>9,105</b>	<b>-</b>	<b>5,352</b>	<b>(486)</b>	<b>613,797</b>	<b>627,768</b>
<b>Total comprehensive income in 2022</b>						
Profit/loss for the year	-	-	-	-	(72,384)	(72,384)
Other comprehensive income:						
Exchange rate adjustments relating to foreign entities	-	-	-	(939)	-	(939)
Total other comprehensive income	-	-	-	(939)	-	(939)
Total comprehensive income for the period	-	-	-	(939)	(72,384)	(73,323)
<b>Transaction with owners:</b>						
Capital increase	327	45,313	-	-	-	45,640
Transfer	-	(45,675)	-	-	45,675	-
Purchase/disposal of Treasury shares/warrants	-	362	350	-	165	877
Share based payments	-	-	-	-	646	646
Total transactions with owners	327	-	-	-	46,486	47,163
<b>Equity at 31 December 2022</b>	<b>9,432</b>	<b>-</b>	<b>5,702</b>	<b>(1,425)</b>	<b>587,899</b>	<b>601,608</b>





# FINANCIAL STATEMENTS

## PARENT STATEMENT OF CHANGES IN EQUITY

DKK'000	PARENT				
	Share capital	Share premium	Reserve for loans and security	Retained earnings	Total
<b>Equity at 31 December 2020</b>	<b>9,092</b>	-	<b>5,352</b>	<b>692,889</b>	<b>707,333</b>
<b>Total comprehensive income in 2021</b>					
Profit/loss for the year	-	-	-	(79,186)	(79,186)
Other comprehensive income:					
Exchange rate adjustments relating to foreign entities	-	-	-	(1,474)	(1,474)
Total other comprehensive income	-	-	-	(1,474)	(1,474)
Total comprehensive income for the period	-	-	-	(80,660)	(80,660)
<b>Transaction with owners:</b>					
Capital increase	13	1,298	-	-	1,311
Transfer	-	(1,298)	-	1,298	-
Purchase/disposal of Treasury shares/warrants	-	-	-	(1,510)	(1,510)
Share based payments	-	-	-	1,294	1,294
Total transactions with owners	13	-	-	1,082	1,095
<b>Equity at 31 December 2021</b>	<b>9,105</b>	-	<b>5,352</b>	<b>613,311</b>	<b>627,768</b>
<b>Total comprehensive income in 2022</b>					
Profit/loss for the year	-	-	-	(72,384)	(72,384)
Other comprehensive income:					
Exchange rate adjustments relating to foreign entities	-	-	-	(939)	(939)
Total other comprehensive income	-	-	-	(939)	(939)
Total comprehensive income for the period	-	-	-	(73,323)	(73,323)
<b>Transaction with owners:</b>					
Capital increase	327	45,313	-	-	45,640
Transfer	-	(45,675)	-	45,675	-
Purchase/disposal of Treasury shares/warrants	-	362	350	165	877
Share based payments	-	-	-	646	646
Total transactions with owners	327	-	-	46,486	47,163
<b>Equity at 31 December 2022</b>	<b>9,432</b>	-	<b>5,702</b>	<b>586,474</b>	<b>601,608</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

### CORPORATE INFORMATION

Omada Group ApS is incorporated and domiciled in Denmark. The Company's registered office is located at Østerbrogade 135, 2100 København Ø.

### BASIS FOR PREPARATION

The financial statements for the period 1 January - 31 December 2022 for Omada Group ApS, which include financial statements for the Parent Company Omada Group ApS and consolidated financial statements for the Omada Group ApS have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU as well as additional Danish disclosure requirements applying to entities of reporting class medium C. Further they are prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The consolidated and Parent Company's financial statements are presented in Danish Kroner (DKK), which is the presentation currency for the Group's activities and the functional currency of the parent.

The consolidated and Parent Company's financial statements have been prepared based on historical cost convention, except where IFRS explicitly requires use of other values. The main elements of the accounting policies and changes compared to last year due to new and amended standards are described below. The accounting policies are also disclosed in note 26.

In preparing the consolidated and Parent Company's financial statements, the management makes various accounting judgements that form the basis of presentation, recognition and measurement of the Group's assets and liabilities.

The most significant estimates and judgements are presented in note 2.

### THE EFFECT OF NEW ACCOUNTING STANDARDS

All new and revised standards, which entered into force with effect from fiscal periods beginning at 1 January 2022, and interpretations that are relevant to the Omada Group ApS are used in preparing the financial statements.

### ADOPTION OF NEW AND AMENDED STANDARDS

IASB has issued a number of new or amended standards and interpretations which have not yet entered into force, and which have consequently not been incorporated into the consolidated financial statements for 2022. The Group expects to implement the new applicable and approved, not yet effective accounting standards and interpretations, as they take effect. None of the changed standards or interpretations are expected to have significant monetary effect on the statements of the Groups's and parent's results, assets and liabilities, equity or cash flows.

The IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

The amendments requires disclosures when the right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also clarify the classification of such a liability as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice.

# NOTES TO FINANCIAL STATEMENTS

---

## NOTE 2. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

By applying the Group's accounting policies as described in note 26, it is necessary that the management performs judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The performed estimates and assumptions are based on historical experience and other factors that management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur.

The estimates and underlying assumptions are reviewed regularly. Changes to accounting estimates are recognized in the accounting period in which the change occurs and in future periods if the change affects both the period, in which the change occurs and subsequent accounting periods.

### CLIMATE CHANGE

In preparing the consolidated financial statements, management has considered the impact of climate change, to the extent that it affects the Group and its business activities as well as financial forecasts. These considerations did not have a material impact on the estimates and judgements.

### MACROECONOMIC UNCERTAINTY

Macroeconomic uncertainty continue to affect the global economy and therefore also poses a potential risk to Omada Group. Management continue to assess the value of non-current assets, and internal forecasts have considered the ongoing impacts on income and expenses from inflationary pressure and higher interest rates etc. Growth assumptions are based on management's expectation of future changes in the markets where the Group operates.

The most significant accounting estimates and judgements relate to the following areas.

### RECOVERABLE AMOUNT OF GOODWILL

The determination of impairment of recognized goodwill requires determination of the value of the cash generating units to which the goodwill is allocated. Determination of the value requires an estimate of expected future cash flows of each cash-generating unit and a reasonable discount rate. At 31 December 2022, the carrying value of goodwill is DKK 471,900k (2021: DKK 471,900k).

Our presumption of the valuation is, among other, built on the expected transformation to SaaS revenue. The expected growth in revenue in the period 2023-2031 is in the range of 15-25% annually. A sensitivity analysis has been prepared, and even though the revenue would turn out to be 10% lower each year than expected, there still would not be indications of impairment.

Similarly, we have prepared a sensitivity analysis of the effect of changes in the WACC. If the WACC should change by 2% points, there would still not be indications of impairment, for which reason there is solid headroom at year-end.

For a more detailed description of methods and assumptions for impairment of goodwill, see note 11.

### RECOVERABILITY AND INTANGIBLE DEVELOPMENT PROJECTS GENERATED INTERNALLY IN THE GROUP

The management's assessment regarding completed development projects is that no impairment indicators exist.

At the annual impairment test of ongoing development projects, an estimate is made of how the parts of the business (cash-generating unit) that ongoing

# NOTES TO FINANCIAL STATEMENTS

---

development projects are related to will be able to generate sufficient cash flows in the future to support the value of ongoing development projects and other net assets in the relevant part of the business. Management closely monitors developments in the ongoing development projects, and will make adjustments to the carrying amounts if required as a result of the development.

## REVENUE RECOGNITION

Management are required to make a number of judgements, which may be finely balanced, in respect of revenue recognition.

These judgements include deciding whether the goods and services in each sales contract with customers are separate performance obligations and the allocation of the total transaction price to separate performance obligations. The Group recognizes revenue from SaaS and service support over time because the customer simultaneously receives and consumes the benefits provided by making the system available 24/7 throughout the contract period.

The method used by the Group in measuring progress of the services etc. Management's assessments of these areas may have an impact on both the amount and timing of revenue recognised.

Deciding whether multiple contracts with the same customer should be combined requires judgement to assess whether the contracts are negotiated with a single commercial objective, whether the considerations in the individual contracts depend on one another, and whether the goods or services in the contracts are a single performance obligation. This assessment may also affect the amount and timing of revenue recognised by the Group.

To estimate the percentage of completion, the Group must assess the progress of underlying projects, in order to determine the amount and timing of revenue recognition. The performance obligations generally satisfied over time relate to implementation, maintenance, Software as a Service and service desk support. Any changes in management's assessment of the percentage of completion, and the associated revenue recognised, are accounted for as cumulative catch up adjustments.

For Omada, the primary estimates include evaluating contracts with customers, and ensure how the performance obligations shall be recognized. Such agreements are individually evaluated to determine if revenue is recognized at a point in time or over time.

Some performance obligations are recognized over time and some are recognized at point of time.

## UTILIZATION OF TAX LOSS CARRY FORWARDS

Deferred tax assets are recognized for all unused tax losses and deductible temporary differences to the extent it is deemed likely that within the foreseeable future taxable profits will be realized in which the losses and the temporary differences can be utilized. Determining the size of the amount that can be recognized for deferred tax assets is based on management's estimate of the likely time and amount of future taxable profits. At 31 December 2022, the carrying value of recognized tax was DKK 0 (2021: DKK 0). Tax losses included within deferred tax liabilities amounts to DKK 30,821 thousand (2021: DKK 24,397 thousand).

# NOTES TO FINANCIAL STATEMENTS

## NOTE 3. SEGMENT INFORMATION

The Group's operations are reported on the basis of one single operating segment in accordance with the definition of an operating segment in IFRS 8, Operating Segments. Management has assessed that the Group has only one operating segment on the basis that internal reporting presented to and followed-up on by the Group's chief operating decision maker (CODM), which is the executive board and the board of directors, is presented to the Group as a whole. The Group's core business is to develop, sell and implement the "Omada Identity" software.

### GEOGRAPHIC INFORMATION

External revenue is distributed on individual countries when the Group generates more than 10% of consolidated revenue in that country. Other revenue is shown under 'Other countries'. Revenue is broken down geographically on the basis of customers' geographical location. Non-current assets are broken down on the basis of physical location.

### MAJOR CUSTOMERS

No single customer accounted for more than 10% of consolidated revenue in 2021 and 2022.

DKK'000	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Denmark	38,091	710,704	30,818	765,860
Rest of Scandinavia	18,915	-	30,088	-
Germany	93,509	1,774	76,736	2,653
USA	53,775	2,311	34,338	2,723
Other countries	54,582	3,239	30,280	3,151
<b>Total</b>	<b>258,872</b>	<b>718,028</b>	<b>202,260</b>	<b>774,387</b>

## NOTE 4. REVENUE

Revenue from subscription and consultant services are primarily recognised over time while licenses are primarily recognised at point of time. For a detailed description of accounting policies, see note 26.

DKK'000	GROUP		PARENT	
	2022	2021	2022	2021
Software licenses	9,299	9,027	-	-
Software subscriptions	82,595	40,836	-	-
Software support	33,065	33,088	-	-
<b>Revenue from software</b>	<b>124,959</b>	<b>82,951</b>	-	-
Sales value of finished projects	158,363	136,129	-	-
Change in contract assets net	(24,450)	(16,821)	-	-
<b>Revenue from implementation services</b>	<b>133,913</b>	<b>119,308</b>	-	-
<b>Total Revenue</b>	<b>258,872</b>	<b>202,260</b>	-	-
Contract assets, net beginning of period	(59,687)	(42,866)	-	-
Contract assets, end of period	(84,137)	(59,687)	-	-
<b>Total change in contract assets, net</b>	<b>(24,450)</b>	<b>(16,821)</b>	-	-
Revenue recognised over time	242,851	191,098	-	-
Revenue recognised at point of time	16,021	11,162	-	-
<b>Total Revenue</b>	<b>258,872</b>	<b>202,260</b>	-	-

# NOTES TO FINANCIAL STATEMENTS

## NOTE 5. OPERATING COSTS

DKK'000	Staff costs	External costs	Amortisation & depreciation	GROUP Total	PARENT Total
<b>2022</b>					
Cost of goods sold	77,845	51,930	65,236	195,011	-
Sales & marketing	53,998	21,167	13,325	88,490	-
Research & development	4,115	11,228	16,859	32,202	-
General & administrative	19,974	9,825	1,726	31,525	333
<b>Total</b>	<b>155,933</b>	<b>103,560</b>	<b>97,146</b>	<b>347,228</b>	<b>333</b>
<b>2021</b>					
Cost of goods sold	70,864	20,821	62,768	175,691	-
Sales & marketing	55,380	12,266	10,543	73,425	-
Research & development	3,542	20,860	15,114	19,971	-
General & administrative	20,485	5,960	1,298	30,815	130
<b>Total</b>	<b>150,272</b>	<b>59,907</b>	<b>89,723</b>	<b>299,902</b>	<b>130</b>

## NOTE 6. OTHER OPERATING COSTS

DKK'000	GROUP		PARENT	
	2022	2021	2022	2021
Costs in relation to financial security	1,711	3,254	-	-
<b>Total</b>	<b>1,711</b>	<b>3,254</b>	<b>-</b>	<b>-</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 7. STAFF EXPENSES AND REMUNERATION COSTS

DKK'000	GROUP		PARENT	
	2022	2021	2022	2021
Wages and salaries	184,455	172,463	-	-
Defined contribution plans	2,718	2,206	-	-
Other social security expenses	430	334	-	-
Share-based payment	646	1,592	-	-
Wages/salaries in the group capitalised as development projects	(32,316)	(26,322)	-	-
<b>Staff expenses</b>	<b>155,933</b>	<b>150,272</b>	-	-
Average number of employees	222	207	-	-

### GROUP STAFF EXPENSES AND REMUNERATION COSTS ATTRIBUTABLE TO:

DKK'000	Executive Board*	Board of Directors	Other key employees	Total	DKK'000	Executive Board	Board of Directors	Other key employees	Total
<b>2022</b>					<b>2021</b>				
Wages and salaries, etc.	-	1,302	15,851	17,153	Wages and salaries, etc.	-	985	17,543	18,528
Defined contribution pension plans	-	-	671	671	Defined contribution pension plans	-	-	723	723
Share-based payment	-	198	113	311	Share-based payment	-	-	897	897
<b>Total</b>	<b>-</b>	<b>1,500</b>	<b>16,635</b>	<b>18,135</b>	<b>Total</b>	<b>-</b>	<b>985</b>	<b>19,163</b>	<b>20,148</b>

The executive board consist of members from the majority shareholders and are therefore not compensated. Other key employees consist of the executive management team of Omada A/S. Performance-based bonus schemes have been set up for key employees who also participate in multi-year share option schemes and incentive plans.



# NOTES TO FINANCIAL STATEMENTS

## NOTE 8. FINANCIAL INCOME

DKK'000	GROUP		PARENT	
	2022	2021	2022	2021
Interest income from subsidiaries	-	-	144	446
Interest from receivables	326	-	-	-
Foreign exchange gains	-	-	14	-
<b>Total financial income</b>	<b>326</b>	<b>-</b>	<b>158</b>	<b>446</b>

## NOTE 9. FINANCIAL EXPENSES

DKK'000	GROUP		PARENT	
	2022	2021	2022	2021
Interest expenses, banks etc.	3,448	1,564	3	7
Lease interest	607	722	-	-
<b>Interest expenses on financial liabilities not measured at fair value in the income statement</b>	<b>4,055</b>	<b>2,286</b>	<b>3</b>	<b>7</b>
Foreign exchange loss	1,457	256	-	-
<b>Total financial expenses</b>	<b>5,512</b>	<b>2,542</b>	<b>3</b>	<b>7</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 10. CORPORATE TAX

DKK'000	GROUP		PARENT	
	2022	2021	2022	2021
Corporation tax is specified as follows:				
Tax on profit/loss for the year	22,869	24,252	39	(65)
<b>Total</b>	<b>22,869</b>	<b>24,252</b>	<b>39</b>	<b>(65)</b>
Corporation tax is specified as follows:				
Current tax on profit/loss for the year	4,310	3,700	18	(61)
Deferred tax on profit/loss for the year	18,921	20,764	21	-
Adjustments relating to previous years (net)	(362)	(212)	-	(4)
<b>Total</b>	<b>22,869</b>	<b>24,252</b>	<b>39</b>	<b>(65)</b>
Analysis of tax on profit/loss:				
22% tax of profit/loss before tax	21,108	22,756	15,737	17,407
Tax effect of result of investments in subsidiaries	-	-	(15,697)	(17,474)
Deferred tax asset - Increase R&D deduction	2,188	2,061	-	-
Non-tax deductible expenses	(230)	(353)	-	-
Other, including prior year adjustments	(127)	(212)	-	2
<b>Total</b>	<b>22,869</b>	<b>24,252</b>	<b>39</b>	<b>(65)</b>
Effective tax rate	24.0%	23.4%	(0.1%)	(0.1%)

Income tax receivables of DKK 5.8 million (2021: DKK 6.3 million) mainly contains of expected tax receivable from Danish Tax Authorities relating to tax credit scheme.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 10. CORPORATE TAX

DKK '000	GROUP		PARENT	
	2022	2021	2022	2021
Deferred tax at begin of period	36,370	53,061	-	-
Adjustment relating to previous years	-	(10)	-	-
Reclassification from other accounts regarding net classification of deferred tax	-	4,083	-	-
Deferred tax on profit/loss for the year	(19,081)	(20,764)	-	-
<b>Deferred tax at 31 December (net)</b>	<b>17,402</b>	<b>36,370</b>	-	-
Deferred tax is recognized in the balance as follows:				
Deferred tax assets	-	-	-	-
Provision for deferred tax	17,402	36,370	-	-
<b>Deferred tax at 31 December (net)</b>	<b>17,402</b>	<b>36,370</b>	-	-
Deferred tax concerns:				
Intangible assets	47,270	60,401	-	-
Property, plant and equipment	(62)	(17)	-	-
Prepayments	1,015	383	-	-
Tax loss	(30,821)	(24,397)	-	-
	<b>17,402</b>	<b>36,370</b>	-	-

The recognised value of tax losses derives from the financial results of the Danish companies that are taxed jointly with Omada Group ApS.

The Group's capitalised tax assets are expected to be realisable on the basis of current updated budgets for the next five years with the assumptions used in note 11, which includes assumptions on revenue growth as well as EBIT margin assumptions.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 11. INTANGIBLE ASSETS

DKK'000	GROUP					Total
	Goodwill	Customer Relationships	Software	Completed development projects	Development projects in progress	
<b>2022</b>						
Cost at 1 January	471,900	220,100	225,587	68,812	2,636	989,035
Additions	-	-	3,948	-	32,316	36,264
Transfer	-	-	-	32,751	(32,751)	-
<b>Cost at 31 December</b>	<b>471,900</b>	<b>220,100</b>	<b>229,535</b>	<b>101,563</b>	<b>2,201</b>	<b>1,025,299</b>
Amortisation and impairment losses at 1 January	-	83,913	124,635	31,571	-	240,119
Amortisation for the year	-	27,513	40,373	23,281	-	91,167
<b>Amortisation and impairment at 31 December</b>	<b>-</b>	<b>111,426</b>	<b>165,008</b>	<b>54,852</b>	<b>-</b>	<b>331,286</b>
<b>Carrying amount at 31 December</b>	<b>471,900</b>	<b>108,674</b>	<b>64,527</b>	<b>46,711</b>	<b>2,201</b>	<b>694,013</b>
Internally generated assets included above	-	-	-	46,711	2,201	48,912
Amortisation period	-	8 years	3-5 years	5 years	-	-

# NOTES TO FINANCIAL STATEMENTS

## NOTE 11. INTANGIBLE ASSETS

DKK'000	GROUP					Total
	Goodwill	Customer Relationships	Software	Completed development projects	Development projects in progress	
<b>2021</b>						
Cost at 1 January	471,900	220,100	222,475	32,478	8,153	955,106
Additions	-	-	3,112	-	30,817	33,929
Transfer	-	-	-	36,334	(36,334)	-
<b>Cost at 31 December</b>	<b>471,900</b>	<b>220,100</b>	<b>225,587</b>	<b>68,812</b>	<b>2,636</b>	<b>989,035</b>
Amortisation and impairment losses at 1 January	-	56,401	85,420	13,982	-	155,803
Amortisation for the year	-	27,512	39,215	17,589	-	84,316
<b>Amortisation and impairment at 31 December</b>	<b>-</b>	<b>83,913</b>	<b>124,635</b>	<b>31,571</b>	<b>-</b>	<b>240,119</b>
<b>Carrying amount at 31 December</b>	<b>471,900</b>	<b>136,187</b>	<b>100,952</b>	<b>37,241</b>	<b>2,636</b>	<b>748,916</b>
Internally generated assets included above	-	-	-	37,241	2,636	39,877
Amortisation period	-	8 years	3-5 years	5 years	-	-

# NOTES TO FINANCIAL STATEMENTS

---

## NOTE 11. INTANGIBLE ASSETS

### GOODWILL, CUSTOMER RELATIONSHIPS AND SOFTWARE

As of 31 December 2022, management performed an impairment test of the carrying amount of goodwill (DKK 471,900 thousand), customer relationships (DKK 108,674 thousand), and software (DKK 64,527 thousand) relating to the acquisition of Omada A/S and its subsidiaries. The acquisition is monitored as a single cash-generating unit ie. Omada Group is a single CGU.

The impairment test performed on the above mentioned cash-generating unit is conducted by comparing the recoverable amount (value in use) with the carrying amount of the cash-generating unit. Recoverable amounts are based on the value in use, calculated as the discounted value of the expected future cash flows on the basis of management's budgets for 2023-2027 and business plans for 2028-31. Macroeconomic uncertainty and climate change is considered in the estimates prepared by management cf. note 2.

The most important parameters are revenue, cost related to operations, applied working capital, expected investment in the further development of R&D as well as growth assumptions. Market research estimates that the market for Identity Software will continue to grow. Growth in annual revenue for the Group is expected to be an average of 21% during the period 2023-26 and an average of 21% in 2027-31. The longer forecast applied is due to the shift in annual revenue growth after the first 5 years. After 2031, a growth rate of 2% has been applied. In calculating the recoverable amount, the change in costs relating to operations has been estimated at an average EBITDA margin of 16%.

To determine any indication of impairment, a discount rate of 15.4% before tax was applied in the calculation of the recoverable amount.

Our presumption of the valuation is, among other, built on the expected transformation to SaaS revenue. The expected growth in revenue in the period 2023-2031 is in the range of 15-25% per year. A sensitivity analysis has been prepared, and even though the revenue would turn out to be 10% lower each year than expected, there still would not be indications of impairment.

Similarly, we have prepared a sensitivity analysis of the effect of changes in the WACC. If the WACC should change by 2% points, there would still not be indications of impairment, for which reason there is solid headroom at year-end.

Based on the impairment test performed, management believes that goodwill is not impaired. Management believes that no reasonably possible changes in the key assumptions would lead to impairment.

### DEVELOPMENT PROJECTS

Activation costs relating to development projects in progress of DKK 2,201 thousand (31 December 2021: DKK 2,636 thousand) have been recognised in the consolidated financial statements. The costs relate to the further development of the Group's core products. The development projects were tested for indications of impairment at the end of the financial year, which did not lead to any writedown. Costs relating to completed development projects for the year amounts to DKK 32,751 thousand (31 December 2021: DKK 36,334 thousand)

### OTHER INTANGIBLE ASSETS

Management assessed at the end of the financial year that the remaining assets show no indications of impairment.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 12. PROPERTY, PLANT AND EQUIPMENT

DKK'000	GROUP			Total
	Other fixtures and fittings, tools and equipment	Right-of-use assets (Offices)	Right-of-use assets (Cars)	
<b>2022</b>				
Cost at 1 January	7,010	24,097	2,846	33,953
Exchange rate adjustments	-	113	(108)	5
Additions	1,745	990	993	3,728
Remeasurement	-	-	208	208
Disposals	-	-	(1,216)	(1,216)
<b>Cost at 31 December</b>	<b>8,755</b>	<b>25,200</b>	<b>2,663</b>	<b>36,618</b>
Depreciation and impairment losses at 1 January	4,555	8,763	1,623	14,941
Depreciation for the year	1,257	3,700	1,022	5,979
Disposals	-	-	(1,116)	(1,116)
<b>Depreciation and impairment at 31 December</b>	<b>5,812</b>	<b>12,463</b>	<b>1,529</b>	<b>19,804</b>
<b>Carrying amount at 31 December</b>	<b>2,943</b>	<b>12,737</b>	<b>1,134</b>	<b>16,814</b>
Depreciation period	3-5 years	2-7 years	2-4 years	-



# NOTES TO FINANCIAL STATEMENTS

## NOTE 12. PROPERTY, PLANT AND EQUIPMENT

DKK'000	GROUP			Total
	Other fixtures and fittings, tools and equipment	Right-of-use assets (Offices)	Right-of-use assets (Cars)	
<b>2021</b>				
Cost at 1 January	5,816	18,835	2,080	27,325
Exchange rate adjustments	-	112	19	131
Additions	1,355	784	341	2,480
Remeasurement	-	4,367	-	4,367
Disposals	(161)	-	(188)	(349)
<b>Cost at 31 December</b>	<b>7,010</b>	<b>24,097</b>	<b>2,846</b>	<b>33,953</b>
Depreciation and impairment losses at 1 January	3,874	5,155	834	9,863
Depreciation for the year	842	3,608	957	5,407
Disposals	(161)	-	(168)	(329)
<b>Depreciation and impairment at 31 December</b>	<b>4,555</b>	<b>8,763</b>	<b>1,623</b>	<b>14,941</b>
<b>Carrying amount at 31 December</b>	<b>2,455</b>	<b>15,334</b>	<b>1,223</b>	<b>19,013</b>
Depreciation period	3-5 years	2-7 years	2-4 years	-

Remeasurement is evaluated yearly and for 2022 the remeasurement relates primarily to the expected lease period.

Low value assets expensed amounts to DKK 193 thousand in 2022 (2021 DKK 17 thousand) and short term leases expensed amounts to DKK 0 (2021 DKK 0).

Lease payments amount to DKK 5,162 thousand (2021 DKK 5,034 thousand).

# NOTES TO FINANCIAL STATEMENTS

## NOTE 13. INVESTMENTS IN SUBSIDIARIES

DKK'000	PARENT	
	2022	2021
Cost at begin of period	916,696	876,696
Capital increase	45,640	40,000
<b>Cost at 31 December</b>	<b>962,336</b>	<b>916,696</b>
Value adjustments at begin of period	(262,290)	(186,708)
Exchange rate adjustments	(939)	(1,474)
Share of the profit/loss for the year	(72,245)	(79,430)
Share based payments	646	1,294
Treasury shares/warrants recognised in equity	-	4,028
<b>Value adjustments at 31 December</b>	<b>(334,828)</b>	<b>(262,290)</b>
<b>Carrying amount at 31 December</b>	<b>627,508</b>	<b>654,406</b>

NAME	REGISTERED ADDRESS	INTEREST HELD 2022	INTEREST HELD 2021
Gubernare BidCo ApS	Copenhagen	100%	100%
Omada A/S	Copenhagen	100%	100%
Omada Solutions Inc	USA	100%	100%
Omada GmbH	Germany	100%	100%
Omada Solutions Ltd	UK	100%	100%
Omada Poland S.P.z.o.o	Poland	100%	100%
Omada Sweden AB	Sweden	100%	100%
Omada Identity Spain SL	Spain	100%	-

# NOTES TO FINANCIAL STATEMENTS

## NOTE 14. RECEIVABLES

DKK'000	GROUP	
	2022	2021
Trade receivables from customers	52,857	53,918
Accrued revenue	3,455	3,816
Loss allowances	(101)	(214)
<b>Total receivables</b>	<b>56,211</b>	<b>57,520</b>
Receivables (gross) at begin of the period	57,734	42,619
Exchange rate adjustments	579	259
Change in receivables during the period	(2,001)	14,856
Receivables (gross) at 31 December	<b>56,312</b>	<b>57,734</b>
Provisions for bad debt at begin of period	214	214
Change in provisions for bad debt during the period	(113)	113
Loss realized during the period	-	(113)
Provisions for bad debt at 31 December	101	214
<b>Carrying amount at 31 December</b>	<b>56,211</b>	<b>57,520</b>

Provisions for bad debt are made based on the lifetime expected credit losses (simplified method) in line with the Group's accounting policies.

The Group's currency and credit risks relating to receivables are described in note 19.



# NOTES TO FINANCIAL STATEMENTS

## NOTE 14. RECEIVABLES

DKK'000	2022	2021
<b>Age of trade receivables (gross):</b>		
Not due	34,012	53,676
0-30 days	22,268	2,021
31 - 60 days	32	1
61 - 90 days	-	980
91 - 180 days	-	1,056
181 - 275 days	-	-
276 - 360 days	-	-
Above 360 days	-	-
<b>Total</b>	<b>56,312</b>	<b>57,734</b>
<b>Age of impairment:</b>		
Not due	45	77
0-30 days	56	5
31 - 60 days	-	-
61 - 90 days	-	26
91 - 180 days	-	107
181 - 275 days	-	-
276 - 360 days	-	-
Above 360 days	-	-
<b>Total</b>	<b>101</b>	<b>214</b>



# NOTES TO FINANCIAL STATEMENTS

## NOTE 14. RECEIVABLES

DKK'000	2022	2021
<b>Provision matrix:</b>		
Not due	0.15%	0.15%
0-30 days	0.25%	0.25%
31 - 60 days	0.50%	0.50%
61 - 90 days	2.50%	2.50%
91 - 180 days	10.0%	10.0%
181 - 275 days	25.0%	25.0%
276 - 360 days	50.0%	50.0%
Above 360 days	100.0%	100.0%

# NOTES TO FINANCIAL STATEMENTS

## NOTE 15. CONTRACT ASSETS AND CONTRACT LIABILITIES

DKK'000	GROUP	
	2022	2021
Balance at beginning of the period	(59,687)	(42,866)
Changes in contract assets during the period	5,787	(26,093)
Changes on account billing and prepayments during the period	(30,237)	9,272
<b>Balance at 31 December</b>	<b>(84,137)</b>	<b>(59,687)</b>
Work in progress	9,938	4,151
On account billing and prepayments	(94,075)	(63,838)
<b>Balance at 31 December</b>	<b>(84,137)</b>	<b>(59,687)</b>
The net value is included in the balances as follows		
Contract assets	9,938	4,151
Prepayments on contract assets	(8,256)	(3,848)
Contract liabilities	(85,819)	(59,990)
<b>Balance at 31 December</b>	<b>(84,137)</b>	<b>(59,687)</b>

Contract assets exist whenever a payment for a service or good is to be received in the future upon completion of performance obligations. Upon completion, the amounts recognised as contract assets are reclassified to trade receivables. (i) Contract assets are recognized when Omada satisfies a performance obligation but does not have an unconditional right to consideration.

Contract liabilities exist whenever the customer pays for a good or service in advance of receiving it and the performance obligation has not yet been satisfied. Contract liabilities are recognised from service desk support, maintenance, payment for SaaS or subscription licenses and where the payment for the perpetual licenses are made prior to the transfer of the license. The majority of contract liabilities consist of prepayments for licenses and maintenance where the performance obligation is fulfilled over 12 months compared to payment terms of 30-60 days.

Voucher and other prepayments relate to consideration that Omada expects to pay to the customers.

Contract assets has been tested for impairment in line with the Group's accounting policies. The result of the impairment test was insignificant in relation to the Group's consolidated financial statement and did not give rise to any impairment of the contract work in progress.

Contract assets and liabilities as of 31 December 2022 on a net basis amount to DKK 84.1 millions (31 December 2021: 59.7 million) of which DKK 84.1 million is expected to be recognized as revenue in 2021 (31 December 2021: DKK 59.7 million was expected to be recognized as revenue in 2022).

Unsatisfied or partly satisfied performance obligations substantially relate to SaaS and service support agreements.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 16. SHARE CAPITAL

### SHARE CAPITAL

The Company was incorporated with a share capital of DKK 50,000 on 25 October 2018 and subsequently the share capital was increased to DKK 9,433,167. The share capital consists of 943,316,665 shares with a nominal value of DKK 0.01 each. Shares are divided into three classes. All shares rank equally except for the fact that only A-shares have voting rights. Shares are non-negotiable instruments and any transfer, pledge or other form of creation of rights attaching to the company's shares requires the prior written consent of the board of directors. No shares are subject to restrictions on transferability or voting rights.

During 2022 there have been two capital increases on a total of DKK 45,640k where DKK 327k relates to share capital (A-shares and B-shares) and DKK 45,313k relates to share premium. The increase in share capital is paid at rate 13,940. The share capital is fully paid up.

	NOMINEL VALUE	
	2022	2021
A Shares - 880,662,693 shares of DKK 0.01 each	8,806,626	8,490,995
B Shares - 10,515,977 shares of DKK 0.01 each	105,160	93,392
C Shares - 30,603,995 shares of DKK 0.01 each	306,040	306,041
D Shares - 21,534,000 shares of DKK 0.01 each	215,340	215,340
<b>31 December</b>	<b>9,433,166</b>	<b>9,105,768</b>

As of 31 December, the company has acquired the following shares / warrants in the company from employees who have left the Group. The Value of the acquired shares / warrants are recorded directly in equity. The intention is to sell the treasury shares / warrants to employees joining the Group.

DKK'000	SHARES				WARRANTS			
	Nominal value		DKK'000		Nominal value		DKK'000	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Treasury shares and warrants 1 January</b>	4,616,222	3,150,200	4,765	3,819	13,967,040	3,029,749	759	197
Purchases	2,981,030	2,208,220	3,320	2,209	5,506,290	12,337,880	422	802
Disposals	(3,110,574)	(742,198)	(4,117)	(1,263)	(6,459,537)	(1,400,589)	(502)	(240)
<b>Treasury shares and warrants 31 December</b>	<b>4,486,678</b>	<b>4,616,222</b>	<b>3,969</b>	<b>4,765</b>	<b>13,013,793</b>	<b>13,967,040</b>	<b>679</b>	<b>759</b>

As of 31 December treasury shares contains a total of nominal 3.968.483 B-shares and 518.195 C-shares.

Each of the warrants entitles the participants to subscribe for one C-share in Omada Group ApS of a nominal value of DKK 0.01.

### MANAGING CAPITAL

The Group's capital structure is based almost entirely on the equity. Executive management and the board of directors regularly assess whether the capital structure is in accordance with the interest of the Group and the shareholders. The overall goal is to ensure a capital structure which support long-term financial growth, and at the same time maximizes the return to the Group's stakeholders through optimization of the debt and equity balance. Evaluations of the capital structure are based on the Group's budgets and strategic plans. The Group expects to finance its current strategy through operations.





# NOTES TO FINANCIAL STATEMENTS

## NOTE 17. LEASE LIABILITIES, RIGHT-OF-USE ASSETS

DKK'000	GROUP		Total
	Cars	Offices	
<b>2022</b>			
Less than 1 year	811	4,227	5,038
Between 1 and 5 years	373	9,382	9,755
<b>Total</b>	<b>1,184</b>	<b>13,609</b>	<b>14,793</b>

DKK'000	GROUP		Total
	Cars	Offices	
<b>2021</b>			
Less than 1 year	806	3,968	4,774
Between 1 and 5 years	442	12,102	12,544
<b>Total</b>	<b>1,248</b>	<b>16,070</b>	<b>17,318</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 18. SHARE BASED PAYMENTS

The Board of Directors has implemented incentive plans, based on the company's share price, for the executive board of Omada A/S and other employees in the Group, as part of the overall remuneration strategy adopted by the Group. The inclusion of an element of remuneration that is linked to share price performance is an important part of the Board of Directors aligning decision-making with the principle goal of long-term Group profitability, and is an appropriate element of the overall rewards structure of the Group.

Warrants of Omada Group ApS have been granted the executive board of Omada A/S and other employees in the Group in December 2018. The warrants can only be exercised in case of a sale or IPO. Additionally, vesting of the warrants is dependent on the internal rate of return (IRR) for the investment in the Omada Group ApS. Employees must remain in service from the grant date until the vesting conditions are met.

The fair value of warrants granted is estimated at the date of grant using a Black-Scholes model, taking into account the terms and conditions on which the warrants were granted. The model simulates the IRR. It takes into account historical and expected dividends, and the share price volatility of the Group relative to that of its competitors so as to predict the share performance.

Each of the warrants entitles the participants to subscribe for one C-share in Omada Group ApS. The exercise price of the warrants is based on the market price of the underlying shares on the date of grant.

The Group accounts for the warrants as an equity-settled plan.

A total of 68,626,527 warrants, divided equally into three series, were granted in December 2018 for an aggregate value of DKK 14,141 thousand. The estimated market value of the warrants is based on Black & Scholes calculation at the grant

date. The calculation is based on an average share price of DKK 1, weighted average exercise price of DKK 1.76, dividend per share of 0%, volatility of 50% and a risk-free interest rate of -0.32% and an expected life of the warrants of 5 years.

The expected life of the warrants is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The estimated expected life of the warrants of 5 years is determined by Management's estimate of the likely time horizon for a future sale of Omada Group ApS. The estimated expected life has been reevaluated in 2022.

The warrants vest over a period of 5 years beginning December 2018 at a proportion for each month the warrant holder is employed by the Group. On 12 December 2018 the warrant holders paid DKK 4,463 thousand to acquire the warrants. An amount of DKK 9,678 was expected to be accrued over the vesting period as share based payments in the income statement.

In 2021 and 2022, the company bought back warrants from resigning Executives/employees and sold most of the warrants to new executives/employees of the Group.

As per 31 December 2022, an amount of DKK 7,812 thousand (31 December 2021 DKK 7,708 thousand) is expected to be accrued over the entire vesting period as share-based payments in the income statement. As per 31 December 2022 DKK 1,239 thousand is expected to be expensed over the remaining vesting period (31 December 2021 DKK 1,781 thousand).

In 2022, the Group expensed DKK 646 thousand (2021 DKK 1,294 thousand) in share-based payment relating to equity instruments.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 18. SHARE BASED PAYMENTS

DKK	Average exercise price per warrant	Board of directors	Executive board	Other key employees*	Other employees	Total
<b>Warrant program</b>						
<b>Outstanding at 1 Januar 2022</b>	1.76	-	-	30,150,612	24,508,869	54,659,481
Reclassification during the period	1.76	-	-	-	-	-
Granted during the period	1.76	-	-	722,373	5,737,164	6,459,537
Forfeited during the period	1.76	-	-	(2,510,250)	(2,996,040)	(5,506,290)
<b>Outstanding at 31 December 2022</b>	1.76	-	-	<b>28,362,735</b>	<b>27,249,993</b>	<b>55,612,728</b>
<b>Warrant program</b>						
<b>Outstanding at 1 Januar 2021</b>	1.76	-	-	34,844,778	27,901,734	62,746,512
Reclassification during the period	1.76	-	-	-	-	-
Granted during the period	1.76	-	-	-	4,250,850	4,250,850
Forfeited during the period	1.76	-	-	(4,694,166)	(7,643,715)	(12,337,881)
<b>Outstanding at 31 December 2021</b>	1.76	-	-	<b>30,150,612</b>	<b>24,508,869</b>	<b>54,659,481</b>
Total warrants which can be exercised 31 December 2021 and 31 December 2022	-	-	-	-	-	-
Weighted average remaining contractual life (years) as per 31 December 2022	-	-	-	0.9	0.9	0.9
Weighted average remaining contractual life (years) as per 31 December 2021	-	-	-	0.9	0.9	0.9
<b>Range of exercise price per warrant</b>	-	-	-	<b>1.46 - 2.07</b>	<b>1.46 - 2.07</b>	<b>1.46 - 2.07</b>

\* Other key employees are executive management team of Omada A/S.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 19. FINANCIAL RISK AND FINANCIAL INSTRUMENTS

### INFORMATION FOR THE GROUP

Due to the nature of its operations, investments and financing activities, the Group is exposed to a number of financial risks. These risks relate to market risk, which consists of foreign exchange and interest rate risk, as well as credit risk and liquidity risk.

It is the Group's policy not to actively speculate in financial instruments. The sole purpose of the Group's financial management is to manage and reduce financial risk.

Management monitors the risks the Group is exposed to and aligns policies to hedge such risks.

Management is authorised to enter into forward currency contracts, but the Group was not party to any derivatives at the balance sheet dates.

### LIQUIDITY RISK MANAGEMENT

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast of cash flows, and by matching the maturity profiles of financial assets and liabilities. For all the primary financial instruments, the carrying amounts are equivalent to the fair value.

The below maturity analysis for the Group is based on the undiscounted cash flow.

DKK'000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
<b>2022</b>				
Receivables	56,211	-	-	56,211
Other receivables	2,391	6,030	-	8,421
Cash and bank balances	14,020	-	-	14,020
<b>Total financial assets</b>	<b>72,622</b>	<b>6,030</b>	<b>-</b>	<b>78,652</b>
Financial institutions	10,000	30,000	-	40,000
Trade payables	23,280	-	-	23,280
Other liabilities	13,612	-	6,610	20,222
Lease liabilities	5,038	9,755	-	14,793
<b>Total financial liabilities</b>	<b>51,930</b>	<b>39,755</b>	<b>6,610</b>	<b>98,295</b>
Ratio				0.8
<b>2021</b>				
Receivables	57,520	-	-	57,520
Other receivables	6,723	5,352	-	12,075
Cash and bank balances	25,687	-	-	25,687
<b>Total financial assets</b>	<b>89,930</b>	<b>5,352</b>	<b>-</b>	<b>95,282</b>
Financial institutions	-	72,695	-	72,695
Trade payables	27,387	-	-	27,387
Other liabilities	25,371	250	6,119	31,740
Lease liabilities	4,774	12,544	-	17,318
<b>Total financial liabilities</b>	<b>57,532</b>	<b>72,695</b>	<b>6,119</b>	<b>149,140</b>
Ratio				0.6

# NOTES TO FINANCIAL STATEMENTS

## NOTE 19. FINANCIAL RISK AND FINANCIAL INSTRUMENTS

### INFORMATION FOR THE GROUP

#### Financial facilities

DKK'000	2022	2021
Cash and bank balances	14,020	25,687
Unused credit facilities	30,000	17,305
<b>Total</b>	<b>44,020</b>	<b>42,992</b>

The Group has a revolving credit facility with Nordea of DKK 70 million (31 December 2021: DKK 90 million) of which DKK 40 million is drawn 31 December 2022 (31 December 2021: DKK 73 million). Cash reserves and expected cash flow for 2023 are considered to be adequate to meet the obligations of the Group as they fall due.

Cash reserves comprise cash and cash equivalents and unutilised credit facilities. The Group aims to have sufficient cash reserves to allow it to continue to operate adequately in case of unforeseen fluctuations in cash.

The revolving credit facility will be gradually reduced from end of 2023 towards the final maturity date which is December 2024. The group expects that external credit facilities will not be needed after that date, but expects to ensure financing through profit and positive cash-flow but will be evaluated ongoing.

#### CURRENCY RISK

The Group is exposed to currency fluctuations from individual Group companies conducting purchase and sales transactions and have receivables and debt in currencies other than their own functional currency.

In 2022, the Group invoiced approx. 13% (2021: 15%) of its sale in DKK, 49% (2021: 54%) in EUR, 22% (2021: 17%) in USD and the remaining 16% (2021: 14%) in various currencies.

As parent company is incorporated in Denmark, a large part of the costs are incurred in DKK corresponding to approx. 47% (2021: 63%), approx. 16% (2021: 14%) in EUR, approx. 19% (2021: 10%) in USD and approx. 18% (2021: 13%) in various currencies.

The Group's foreign exchange exposure is primarily in EUR and USD. Management does not believe that EUR exposure involves particular risk. As regards USD, management monitors the situation and consider whether hedging would be appropriate. No hedging contracts were entered into at the balance sheet dates.

Value adjustment of investments in foreign group undertakings using functional currencies other than DKK is taken directly to equity and is shown in the statement of comprehensive income. Related foreign exchange risk is not hedged. A sensitivity analysis shows that had the USD/DKK exchange rate been 10% lower in 2022, EBIT would have been DKK 0.2 million lower (2021: DKK 0.2 million lower).

#### Currency risk 31 December

DKK'000 Currency	Payment/ maturity	Receivable	Cash at bank and in hand	Debt	Net position
31 December 2022 USD	< 1 year	2,266	156	1,608	814
31 December 2021 USD	< 1 year	2,078	268	4,657	(2,311)

A decrease in the USD/DKK exchange rate of 10% at 31 December 2022 would reduce the positive value of the financial instruments, net by approx. 0.1 million (31 December 2021 a decrease in the value of the Groups financial instruments, net of 0.2 million. Income statement would not be affected.

The Group has no USD denominated receivables or debt falling due after more than 12 months apart from deposits paid on inception of leases, which amounts are not included in the sensitivity analysis.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 19. FINANCIAL RISK AND FINANCIAL INSTRUMENTS

### INFORMATION FOR THE GROUP

#### Interest rate risk

Fluctuations in interest rates have an effect on the Group's financial instruments, primarily on the Group's borrowings and cash balances. Interest on the Group's borrowings and cash are calculated as 1 % of the outstanding amount. By the end of 2022, an increase in interest rates of half a percentage point would decrease the Group's profit and equity by less than DKK 0.1 million (2021: DKK 0.3 million). Net positions on financial instruments carrying variable interest are used in the analysis.

#### Credit risk

The Group's credit risk primarily derive from receivables. Receivables are distributed between many customers and geographical areas. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The maximum credit risk at the balance sheet date equals the carrying amount of the Group's total financial assets, cf below table.

No customer represents more than 10% of the total trade receivables from clients as per 31 December 2022 (31 December 2021: 10%).

#### Categories of Financial instruments

DKK'000	2022	2021
Other receivables	6,090	5,406
Cash at bank and in hand	14,160	25,944
<b>Measured at amortised cost (receivables and deposits)</b>	<b>20,250</b>	<b>31,350</b>
Financial institutions	40,400	73,422
<b>Measured at amortised cost (loans and other debt)</b>	<b>40,400</b>	<b>73,422</b>

The fair value of financial assets and liabilities is assessed not to deviate significantly from the carrying values.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 19. FINANCIAL RISK AND FINANCIAL INSTRUMENTS

### INFORMATION FOR THE PARENT COMPANY

The maturity analysis below is based on the undiscounted cash flow including interest.

DKK'000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
<b>2022</b>				
Other receivables	-	350	-	350
Cash and bank balances	6,927	-	-	6,927
<b>Total financial assets</b>	<b>6,927</b>	<b>350</b>	<b>-</b>	<b>7,277</b>
Ratio				1.0
<b>2021</b>				
Other receivables	-	-	-	-
Cash and bank balances	430	-	-	430
<b>Total financial assets</b>	<b>430</b>	<b>-</b>	<b>-</b>	<b>430</b>
Ratio				1.0

The fair value of financial assets and liabilities is assessed not to deviate significantly from the carrying values.

DKK'000	2022	2021
<b>Categories of Financial instruments</b>		
Other receivables	354	-
Cash at bank and in hand	6,996	434
<b>Measured at amortised cost (receivables and deposits)</b>	<b>7,350</b>	<b>434</b>

The company's risks and the management of these are in all material respects identical to the disclosures made for the Group. The main difference relates to bank borrowings, which are utilised in subsidiaries and less exposure to currency and interest rate risks. The parent company has no trading activity. As a result, currency exposures are immaterial. Interest rate risks are immaterial as internal loans and payables are at a variable interest rate.



# NOTES TO FINANCIAL STATEMENTS

## NOTE 20. RELATED PARTY TRANSACTIONS

Gubernare Holdings Jersey Limited and GRO Holding VII ApS have significant influence in Omada Group ApS and are considered a related party together with its board of directors.

Other related parties are Omada Group ApS' and Omada A/S' Board of Directors and Executive Board and key employees of the Group as well as close relatives of these persons and companies owned by them. Apart from ordinary remuneration and payment of travel costs there were no other transactions. No member of the Board were employed with the Group during the financial years.

A loan is granted to one "Other Key Employee (cf. note 7)" and three "Other Employees". The loan is remunerated on market terms and matures upon the earliest of the following to occur: 1) Termination of employment, 2) Sale of Omada Group ApS or 3) on 31 December 2025. Omada Group ApS do not assess any credit risk regarding the loan granted to the employees.

### TRANSACTIONS WITH RELATED PARTIES:

DKK'000	PARENT	
	2022	2021
Interests received	144	446
Receivables from group entities	23,861	3,819
Payables to group entities	(56,385)	(30,641)

## NOTE 21. CHANGES IN WORKING CAPITAL

DKK'000	GROUP		PARENT	
	2022	2021	2022	2021
Change in receivables and contract assets	(4,478)	(19,096)	-	-
Change in other receivables	2,922	(9,402)	(313)	(7)
Change in payables and contract liabilities	26,130	27,339	477	(132)
Change in other liabilities	(11,518)	6,598	-	-
<b>Cash flow from changes in working capital</b>	<b>13,056</b>	<b>5,439</b>	<b>164</b>	<b>(139)</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 22. CASH FLOW FROM FINANCING ACTIVITIES

The table below specify changes in liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the cash flow statement as cash flow from financing activities.

GROUP	1 January		Addition		31
DKK'000	2022	Cash flows	of right-of-	Other	December
	2022		use assets		2022
<b>Income Statement</b>					
Lease liabilities	17,317	(5,162)	2,136	502	14,793
Financial institutions	72,695	(32,695)	-	-	40,000
<b>Total</b>	<b>90,012</b>	<b>(37,857)</b>	<b>2,136</b>	<b>502</b>	<b>54,793</b>

GROUP	1 January		Addition		31
DKK'000	2021	Cash flows	of right-of-	Other	December
	2021		use assets		2021
<b>Income Statement</b>					
Lease liabilities	16,014	(5,034)	5,603	734	17,317
Financial institutions	49,146	23,549	-	-	72,695
<b>Total</b>	<b>65,160</b>	<b>18,515</b>	<b>5,603</b>	<b>734</b>	<b>90,012</b>

## NOTE 23. CONTINGENT LIABILITIES

As management company, Omada Group ApS is jointly taxed with other Danish group entities. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2019 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 25 October 2018.

## NOTE 24. SECURITY

As security for debt to financial institutions, Omada A/S has entered an agreement of floating charges with a value of DKK 30,000 thousand in the company's basic receivables, inventories (if any), fixed assets or similar and goodwill.

In addition, there are no other collateral.

Omada A/S has issued a letter of support to Omada Solutions Ltd. The subsidiary Omada Solutions Ltd is exempt from submitting audited accounts under section 479A of the UK Companies Act 2006.

## NOTE 25. EVENTS AFTER THE REPORTING PERIOD

No significant events requiring specific mentioning in the financial report have occurred in 2023.

Management has assessed the potential financial impact from the crises in Ukraine. Currently, no significant impact is expected.

# NOTES TO FINANCIAL STATEMENTS

---

## NOTE 26. ACCOUNTING POLICIES

In addition to the description in Note 1, the accounting policies are as described below.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the financial statements of the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment and be able to affect those returns through its power over the investee.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra group income and expenses, shareholdings, intra group balances and dividends, and realised and unrealised gains on intra group transactions are eliminated.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full.

### PRINCIPLES OF CONSOLIDATION

Newly acquired or newly established subsidiaries are consolidated from the date of acquisition or formation. The acquisition date is the date on which the Omada Group ApS obtains control of the acquiree. Divested companies are included in the consolidated financial statements until the date of disposal or winding up. Disposal is the date when control is actually transferred to third parties.

Acquisition of new companies or activities in which the Group obtains control will be accounted for under the acquisition method, so that the identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identified intangible assets are recognized separately from goodwill if they are separable or arise from a contractual right. Non-current assets which are held for sale are measured at fair value less estimated selling costs. Restructuring liabilities are only recognized in the acquisition balance sheet if they represent a liability to the acquired company. Account is taken for the tax effect of the restatements. The purchase consideration for a company is the fair value of the consideration paid for the acquired company. If the final determination is subject to one or more future events, the contingent consideration is recognized at the fair value on the acquisition date. The contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss for each period. Costs directly attributable to the acquisition are recognized directly in the income statement as incurred.

Positive differences (goodwill) between, on one hand, the purchase price of an acquired company, the value of non-controlling interests in the acquiree and the fair value of previously held equity interests, and on the other hand, the fair value of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill under intangible fixed assets. Goodwill is not amortized but is tested annually for impairment. The first impairment test is performed before the end of the year of acquisition.

# NOTES TO FINANCIAL STATEMENTS

---

If at the time of acquisition there is an uncertainty about the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration, initial recognition is based on preliminary fair values. The preliminary calculated amounts can be adjusted, or additional assets or liabilities can be recognized until one year after the purchase date, if new information on conditions that existed at the acquisition date is obtained, which would have affected the calculation of values at the acquisition date, had the information been known.

## FOREIGN CURRENCY TRANSLATION

Transactions in currencies other than the Group's functional currency are translated initially at the transaction date. Receivables and payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the closing rate. Gains and losses arising from the difference between the exchange and the transaction date are recognized in the income statement as financial items.

Tangible and intangible assets, inventories and other non-monetary assets acquired in a foreign currency and measured at historical cost are translated at the transaction date. Non-monetary items revalued at fair value are translated using the exchange rate at the date of revaluation.

## Translation of foreign subsidiaries

On recognition in the consolidated financial statements of foreign subsidiaries with a functional currency other than Danish kroner (DKK), income statements are translated at average exchange rates for the months unless these deviate significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates are used. Assets and liabilities for each balance sheet presented are translated at the closing exchange rates. All resulting differences are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that foreign operation is reclassified to profit or loss.

## CONSOLIDATED INCOME STATEMENT

### Revenue

Omada's revenue from contract with customers comes mainly from providing perpetual or fixed-term (rental) software licenses, software as a service (SaaS), software maintenance services, implementation services and service desk support. If a sales contract consists of several performance obligations, the total contract revenue is allocated to the individual performance obligations prior to revenue recognition.

For a contract to exist between Omada and its customers, each party's rights must be identifiable, payment terms must be identifiable, the contract must be deemed to have commercial substance, and it must be probable that the payments identifiable in the contract will be recovered by Omada.

Revenue is recognised when the transfer of control of the license or service to the customer. Control of the asset refers to the ability to direct the use of, and obtain substantially all the benefits from, the software licenses or associated services. For contracts that contain elements such as discounts, rebates or interest, the stand-alone selling price for the specific performance obligation is identified.

### Licenses

Rental license agreements are software licenses with a fixed term, providing the customer with the right to use the software for a pre-determined, time-limited period. Perpetual licenses provide the customer with a right to use the license for an unlimited period. Control of both licenses is deemed to pass to the customer when the software and the associated activation keys are delivered to the customer. The performance obligation identified when providing the customer with a perpetual license, is the right to use the software, and there are no subsequent technical requirements for additional enhancements or updates to the software in order to facilitate use by the customer after delivery.



# NOTES TO FINANCIAL STATEMENTS

---

When providing the customer with a rental license, the performance obligation identified is satisfied over time, as additional enhancements and updates to the software in order to facilitate use becomes available to the customer after initial delivery.

For perpetual licenses, the performance obligation is satisfied at a point in time, when both parties have signed a binding contract and the software, and associated activation key, are delivered to the customer.

Revenue for the perpetual license is therefore recognised on a point-in-time basis.

For rental license agreements, the performance obligation is satisfied over time starting from when the contract obligation has been fulfilled, as the customer receives and benefits from a product that constantly is being enhanced and updated on a running basis.

Hence the Rental license revenue is recognized over time as the software keeps being enhanced and updated.

## MAINTENANCE

Maintenance services relate to periodic updates and security patches that can be made available to customers, at their discretion, subsequently to the installation of the licenses (both perpetual and rental), over an agreed contract period. The performance obligation is satisfied over time, as the customer simultaneously receives and consumes the benefits of the maintenance service. Accordingly, revenue related to maintenance services is recognised over time.

## IMPLEMENTATION

Whenever the customer purchases software licenses or SaaS, Omada may be contracted to provide implementation services, which include the customisation and installation of the software in accordance with the requirements of the specific customer.

The performance obligation is satisfied over time, as the customer obtains control over the services as they are provided. Implementation services are billed on a time and materials basis and revenue is recognised based on the work performed to date.

## SOFTWARE AS A SERVICE (SAAS)/SERVICE DESK

Software as a Service (SaaS) provides customers with access to Omada, with Omada hosting the software and maintaining the responsibility for providing software enhancements during the contract period. The performance obligation for SaaS is satisfied over time, as the customer continually receives and consumes the benefits of the SaaS during the contract period.

As a part of purchasing SaaS, the customer obtains the right to access the Omada service desk for any issues the customer encounters. The performance obligation for the service desk is satisfied over time as the customer simultaneously receives and consumes the benefits of the service desk.

## TRANSACTION PRICE ALLOCATION

Based on the relative stand-alone selling price for each of the distinct goods or services provided by Omada, an allocation of the transaction price is made to each performance obligation. The stand-alone selling price for implementation services is determined based on the hourly billing rate, and time expended on the contract.

## CONTRACT MODIFICATIONS

A contract modification is treated as a separate contract when the goods or services in the modification contract are distinct from the goods or services in the original contract and the consideration expected for the additional goods and services reflect the stand-alone selling price of those.



# NOTES TO FINANCIAL STATEMENTS

## CONTRACT EXTENSIONS

In some sales contracts, Omada provides extension options, which give the customer the right to acquire additional, future licenses at a discounted unit price, for an additional period, following the original contract term. When the presence of discount in the extension option provides the customer with a material right, the extension option is treated as a separate performance obligation. If such an option is present in a sales contract, Omada allocates part of the transaction price to future licenses as a separate performance obligation.

## Operating costs

Operating costs are allocated into cost of sales, research and development, sales and marketing costs, and general and administrative expenses.

Cost of sales comprise costs incurred to achieve the year's revenue, including costs of delivering and implementing systems, hosting and infrastructure costs, third party costs, training courses, and support. Cost of sales primarily comprise salaries, share-based payments, other employee related costs, costs for external implementation consultants, hosting fees and other third-party costs, travel costs, depreciation and amortization, and other direct or indirect related cost such as rent and technological infrastructure costs attributable to the Group's cost of sales.

Research and development costs comprise salaries, share-based payments, other employee related costs, depreciation and amortization, and other direct or indirect related cost such as rent and technological infrastructure costs attributable to the Group's research and development activities. Research and development costs are expensed in the year in which they are incurred when they do not qualify for capitalization.

Sales and marketing costs primarily comprise salaries, commissions, bonuses, share-based payments, and other sales employee related costs, travel and meeting expenses, marketing expenses, depreciation and amortization, and other direct or

indirect related cost such as rent and technological infrastructure costs attributable to the Group's sales and marketing activities.

General and administrative expenses comprise expected loss on trade receivables, salaries, bonuses, share-based payments and other employee costs and expenses, recruitment and other HR related costs, office costs, travel costs, audit & legal costs, depreciation and amortization, and other direct or indirect related cost such as rent and technological infrastructure costs attributable to the Group's administrative activities.

## Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of non current assets.

## Financial items

Financial items include interest income and expenses, the interest on lease liabilities, amortisation of borrowing issue costs, realized and unrealized gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme.

## Income from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement for the Parent Company according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra group gains/losses is made for equity investments in subsidiaries.

## Tax

Income tax for the year, comprising current tax and movements in deferred tax, is recognized in the income statement by the portion attributable to the profit and directly in equity or in other comprehensive income to the extent that it relates to

# NOTES TO FINANCIAL STATEMENTS

---

items recognized directly in equity and in other comprehensive income. Exchange adjustments of deferred tax is recognized as part of the adjustment of deferred tax. Current tax liabilities and receivables are recognized in the balance sheet as estimated tax on the taxable income, adjusted for prepaid tax.

When calculating the current tax, the applicable tax rates and rules on the balance sheet date is used.

Deferred tax is recognized using the balance sheet Asset/Liability method on all temporary differences between accounting and tax values of assets and liabilities, except for deferred taxes on temporary differences arising on the initial recognition of goodwill or from the initial recognition of a transaction that is not a business combination, and where the temporary difference identified by the initial recognition affects neither the accounting profit nor the taxable income. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, unless the parent is able to control when the deferred tax is realized, and it is probable that the deferred tax will not crystallize as current tax in the foreseeable future. Deferred tax is calculated based on the planned use of each asset and settlement of each liability.

Deferred tax is measured based on the tax rules and rates in the respective countries, based on enacted or in reality enacted laws at the balance sheet dates that are expected to apply when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in tax rates or rules are recognized in the income statement unless the deferred tax is attributable to transactions previously recognized directly in equity or in other comprehensive income. In the latter case, the change is also recognized in equity, respectively, in other comprehensive income.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognized at the value at which they are expected to be realized, either as net

assets to offset against future taxable income or against deferred tax liabilities in the same legal tax entity and jurisdiction. It is assessed at each reporting date whether it is likely that in the future there will be sufficient taxable profits against which the deferred tax asset can be utilized.

## **BALANCE SHEET**

### **Intangible assets**

Intangible assets include goodwill, customer relationships and software acquired as part of a business combination and other intangible assets such as development projects and other acquired intangible rights, including software licences and development projects. Intangible assets are measured at cost less accumulated amortisation and impairment losses. Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

### **Goodwill**

Goodwill is recognized and measured at initial recognition as the difference between the cost and the net assets of the acquired company. The net assets of the acquired company are based on the fair value of assets and liabilities at the acquisition date. On recognition of goodwill, the goodwill is allocated to each of the Group's activities that generate separate cash flows (cash generating units) to which the goodwill relates. The determination of cash-generating units follows the management structure and internal financial management and reporting of the Group. A cash-generating unit is not larger than an operating segment. Goodwill is not amortized, but is tested annually for impairment.

### **Customer relationships**

Customer relationships comprise the capitalized fair value of the customer relationships in acquired companies, recognized during the purchase price allocation. Customer base is amortized over 8 years.



# NOTES TO FINANCIAL STATEMENTS

## Software

Acquired software comprise the capitalized fair value of the software in acquired companies, recognized during the purchase price allocation and software acquired subsequently. Acquired software is amortized over 3-5 years.

## Development projects

Software development projects are projects that are clearly defined and identifiable, where the technical feasibility, adequate resources and a potential future market or application in the group can be demonstrated and where the intention is to produce, promote or use the project. Development projects are recognized as intangible assets if the cost can be measured reliably and there is sufficient assurance that future earnings or the net selling price will cover production, sales, administration and development costs. Other development costs are recognized in the income statement as incurred.

Development costs are measured at cost less accumulated amortisation and impairment losses. The cost includes wages, salaries, services and other costs directly attributable to the Group's development and which are necessary to complete the project, from the time when the development project first qualifies for recognition as an asset.

On completion of the development project, development costs are amortised on straight-line basis over the estimated useful life. The amortisation period is 5 years. Development projects are reviewed annually to determine whether there are indications of impairment. If such an indication exists, the asset's recoverable amount is calculated. If the recoverable amount is lower than the carrying value, the development projects are impaired to this value. Development projects in progress are tested at least annually for impairment.

## Tangible assets

### Property plant and equipment

These are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date the asset is ready for use.

Fixtures and equipment are depreciated over 3 to 5 years, equal to the asset's estimated useful life. Leasehold improvements are amortized over the lease period not exceeding 5 years.

The basis for depreciation is determined by the cost of assets less the residual value. The value is impaired to the recoverable amount if this is lower than the carrying value. The residual value is determined at the acquisition date and reassessed annually. Depreciation is discontinued if the residual value exceeds the carrying amount. In amendment of the depreciation period or the residual value, the effect is recognized prospectively as a change in accounting estimates.

### Leases

The Group accesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are classified separately from other assets in the consolidated financial statements. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets, as follows:

Offices: 2 to 7 years  
Motor vehicles: 2 to 4 years





# NOTES TO FINANCIAL STATEMENTS

---

Lease liabilities are initially measured at the net present value of the fixed lease payments to be made over the lease term. If, at inception of the lease, the Group are reasonably certain about exercising an option to extend a lease, the lease payments will be included in the option period when calculating the lease liability.

Lease liabilities are measured using the incremental borrowing rate, rather than the interest rate implicit in the leases as these cannot easily be determined in the contracts.

The applied incremental borrowing rate ranges between 3% and 5%.

Contracts may contain both lease and non-lease components. The Group allocate the consideration in a contract to the lease and non-lease components based on their relative stand-alone prices. The Group account for non-lease components in accordance with the accounting policy applicable for such items. Non-lease components comprise of services and operating costs etc. Variable lease expenses that do not depend on an index or a rate are recognized in operating costs in the period when the condition triggering those payments occurs.

Interests of lease liabilities are recognized in financial expenses. Each lease payment is separated into repayment of the lease liability and payment of interests of the lease liability.

Debt repayments are classified as cash flows from financing activities, and payment of interests are classified as cash flows from operating activities.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture with a value of DKK 25,000 or less when new.

## Financial assets

Equity investments in subsidiaries are measured according to the equity method in the Parent Company's financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost.

Transaction costs are recognised in the income statement. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The consideration is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

## Non-current assets

### Impairment of non-current assets

The carrying values of tangible and intangible assets of definite useful lives as well as investment in subsidiaries are reviewed at each balance sheet date to determine any indications of impairment. If this is the case, the asset's recoverable value is determined to identify any need for impairment and the extent thereof. Goodwill is tested annually, or more frequently if there's any indications of impairment.

# NOTES TO FINANCIAL STATEMENTS

---

If the asset does not generate cash flow independent of other assets, the recoverable amount of the smallest cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset is the higher of fair value less costs of disposal and value in use.

For cash-generating units, the impairment is firstly distributed on goodwill, and then any remaining impairment is distributed to other assets in the unit.

Impairment losses are recognized in the income statement. On any subsequent reversal of impairment losses resulting from changes in the assumptions used to determine the recoverable amount, the asset and the cash-generating unit's carrying amount is increased to the adjusted recoverable amount, however not exceeding the carrying value of the asset or cash-generating excluding impairment. Impairment of goodwill is not reversed.

Deferred tax assets are reviewed annually and recognized only to the extent that it is probable for utilization within a five-year period.

## Receivables

Receivables consist of receivables from sales of products and services and other receivables.

Receivables are measured at initial recognition at fair value and subsequently at amortized cost, which usually corresponds to nominal value less provisions for bad debts.

When assessing impairment for the Groups receivables the expected credit losses model (ECL) is applied in accordance with IFRS 9. The ECL model involves a three-stage approach under which financial assets move through the stages as their

credit quality changes. The stages determine how impairment losses are measured. For trade receivables the Group uses the simplified approach in calculating ECL's. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Provision rates are determined based on grouping of trade receivables sharing the same credit risk characteristics and days past due.

## Contract assets and contract liabilities

Contract assets are measured at the sales value of the work performed less progress billings and expected losses. Contract liabilities are recognized when a payment for customer is due (or already received, whichever is earlier) before a related performance obligation is satisfied. Market value is measured based on completion at the balance sheet date and the total expected income from the contract. The stage of completion is determined as the ratio between the resources spent and the total estimated resource for the project. For some projects where the consumption of resources cannot be used as a base, the measurement is instead based on the ratio between completed sub activities and the total project.

When it is probable that total costs will exceed total revenue on a contract work in progress, the expected loss on the contract is taken immediately as an expense and a provision.

When the outcome of a contract cannot be estimated reliably, the selling price is only recognized at cost, to the extent that it is probable, they will be recovered. Contract assets and contract liabilities are recognized in the balance sheet under current assets or liabilities, depending on whether net value of a contract is a receivable or liability.

# NOTES TO FINANCIAL STATEMENTS

---

Costs of sales work and securing contracts are recognized in the income statement income as incurred.

When assessing impairment for the Groups contract work in progress the simplified approach under the ECL model is used in line with impairment for the Groups trade receivables.

## Prepayments

Prepayments recognized under assets include expenses paid concerning subsequent financial years and are measured at cost.

## Dividend

Proposed dividends are recognized as a liability at the time of approval by the general meeting (time of declaration).

## Translation reserve

The translation reserve comprises foreign exchange differences arising from translation of the financial report for entities with a different functional currency than Danish kroner.

## Treasury shares

Treasury shares are recognised on equity at cost.

## Share option schemes

Equity-settled share options are measured at fair value at allotment date and recognized in the income statement under share-based payment over the period in which the final right of the options vest. The balancing item is recognized directly in equity.

On initial recognition of share options, the number of options expected to vest at expiry is estimated. Recognition is subsequently revised for changes in the estimated number of vested options, so that the total recognition is based on the actual number of vested options.

The fair value of the options granted is estimated using the Black-Scholes model.

## Current liabilities

Current liabilities include bank loans, trade payables and other liabilities to public authorities, etc. Current liabilities are initially measured at fair value, less any transaction costs. In subsequent periods, current liabilities are measured at amortized cost using the "effective interest method" so that the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses over the loan period.

Other liabilities are measured at amortized cost.

## Deferred income

Deferred income comprises invoices issued concerning income in subsequent years.

## THE CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method based on profit for the year.

The cash flow statement shows cash flows for the year, the change in cash, as well as the balance of cash at the beginning and end of the year.

## Cash flow from operating activities

Cash flow from operating activities is calculated as profit for the year adjusted for

# NOTES TO FINANCIAL STATEMENTS

non-cash operating items, changes in working capital, interests received and paid, and corporation tax paid.

Cash payments for the interest portion of the lease liability; and short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified within operating activities.

## Cash flow from investment activities

Cash flows from investment activities comprise payments relating to purchase and divestment of businesses and activities, purchase and divestment of intangible and other long-term assets as well as purchase and divestment of securities not recognized as cash and dividends received. Cash flow from acquired companies is included from the date of acquisition, while cash flow from divestments is recognized until the time of sale.

## Cash flow from financing activities

Cash flows from financing activities comprise changes in size or composition of share capital and related costs as well as raising and repayment of loans, repayment of interest-bearing debt, purchase and divestment of treasury shares and payment of dividend to minority shareholders.

Inception of leases are treated as non-cash transactions. Cash payments for the principal portion of the lease liability are classified with in financing activities.

## Cash

Cash comprise cash less any overdraft facilities that are an integral part of cash management. Cash pool arrangement exist and are recognized as either net asset or liability.

Cash flows in currencies other than the functional currency are translated using average exchange rates unless these deviate significantly from the transaction date.

## SEGMENT INFORMATION

Segment information are prepared in accordance with the Group's accounting policies and the Group's internal management reporting. The Group has only one operating segment and therefore only information about geography is disclosed in the Segment note.

## FINANCIAL RATIOS

The financial ratios stated under "Consolidated key Financial highlights" have been calculated as follows:

<b>Return on assets</b>	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Average assets}}$
<b>Solvency ratio</b>	$\frac{\text{Equity, year end} \times 100}{\text{Total equity and liabilities, year end}}$
<b>Return on equity</b>	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Average equity}}$
<b>Annual recurring revenue (ARR)</b>	Annual recurring revenue is defined as revenue from contracts recurring in more than one financial year.
<b>EBIT before non-recurring items DKK'000</b>	This can be derived directly from the financial statements by adding back "Other operating costs" to "Operating profit/loss (EBIT)".

Our Values

Ambition  
Teamwork  
Constant Care  
Create Value





Omada, a global market leader in identity governance and administration (IGA), offers a full-featured, enterprise-grade, cloud-native iga solution that enables organizations to achieve compliance, reduce risk and maximize efficiency. founded in 2000, omada delivers innovative identity management to complex hybrid environments based on our proven best-practice process framework and deployment approach.

[www@omada.net](mailto:www@omada.net) | [info@omada.net](mailto:info@omada.net)

Omada Group ApS  
Østerbrogade 135  
2100 Copenhagen  
Denmark