Omada Group ApS

ANNUAL REPORT

2020

Approved at the Annual General Meeting on 25 May 2021

C Stendevad

Chairman of the meeting: Christian Stendevad

Omada

Omada Group ApS | Østerbrogade 135 | 2100 Copenhagen | Denmark
Company reg. no. 39969130

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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 strong business partner with **+20** years of experience and a market leading framework for best practice processes and implementation

A growth company delivering YoY recurring revenue growth of **+50%**

A company with a **400%** increase in the number of new Cloud logos

An industry challenger with a diverse workplace for our dedicated and talented employees, with more than 25 different nationalities

Market-leading in R&D investments with levels of **35%** of software revenue

A company, that has been recognized by leading analysts in IGA on many occasions this year

Backed by CVC Capital Partners, one of the world's leading private equity firms, and GRO Capital, a leading technology investor

LETTER FROM THE CEO AND CHAIRMAN

Omada has performed very well during 2020 despite the background of the global pandemic. The organization pivoted quickly to the new working model and focused on the market, our customers, and the growth transformation plan that we had laid out at the start of the year. This plan has been relentlessly executed through the year with many positive impacts across the business. Omada has been able to grow its customer base considerably, expand rapidly in the US and Benelux, deliver a true SaaS platform for Identity Governance and Administration (IGA) and significantly improve our employee engagement.

Michael Garrett
CEO

The market shift to remote working, the need for increased security and governance and the overall requirement to deliver business agility has put Identity at the centre of most enterprises' security landscape. Omada is positioned well to assist in this change, being a global leader in IGA and with the flexibility of a fully featured solution delivered as-a-Service (Omada Identity Cloud) or software (Omada Identity). We have continued to gain analyst recognition along with an increasing number of customer references supporting the innovation, approach, and capability that we bring to the market. In Omada we also take CSR very seriously and have recently achieved a Silver rating in the EcoVadis scorecard.

During the year, the company has moved to a recurring revenue model for the majority of its software transactions and has driven strong Annual Recurring Revenue (ARR) growth of more than 50% for the year. Our overall software bookings grew in high double digits building a strong platform and momentum going into 2021.

The Omada Identity Cloud has seen strong uptake with many customers looking to move to a modern fully featured IGA solution on a true SaaS platform. This market demand is built on a desire to reduce the operating costs of IGA, rapidly adopt innovation without costly and time-consuming upgrades and being able to do this without sacrificing functionality.

James Ernest Ousley
Chairman

Our services revenue declined slightly from a slowdown in customer projects but also due to a more standardized delivery model to improve our customer's time to value. During 2020 we established a full Customer Success function that is focused on standardized rapid delivery and making our customers successful. Leveraging our deep knowledge along with our IdentityPROJECT+ and IdentityPROCESS+ methods we have seen strong improvements and recognition in the knowledge and capability in the identity and security domains.

Omada is now well positioned for further accelerated growth during 2021 as the market moves to an identity centric approach to security. Our innovation, people and incredible customer and partner community continues to grow with this further consolidates our position as a global leader in IGA.

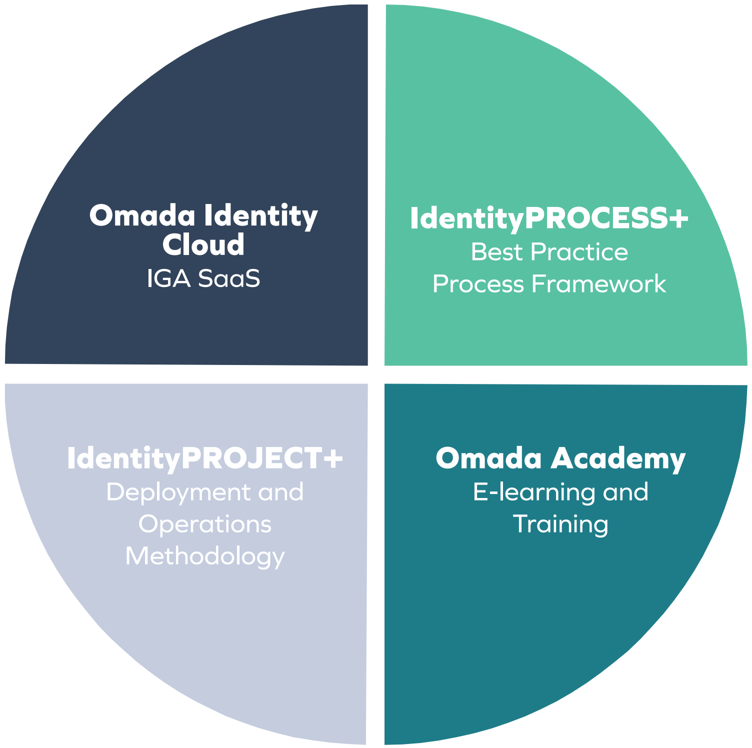
LOOKING FORWARDS

The security landscape is shifting and the changes in working practices, cloud and hybrid acceleration and digital transformation has elevated the importance of Identity. In addition, regulation, compliance, and governance continues to be a critical requirement for enterprises.

Omada has invested heavily in the future of Identity Governance and Administration and continues to innovate and deliver a capability that meets the requirements of the most demanding environments with the agility to deliver capability for all enterprises. Omada recognizes that the historic costs of ownership, time to value and return on investment for legacy IGA solutions is not sustainable and the move to SaaS and the Cloud provides the opportunity to address this.

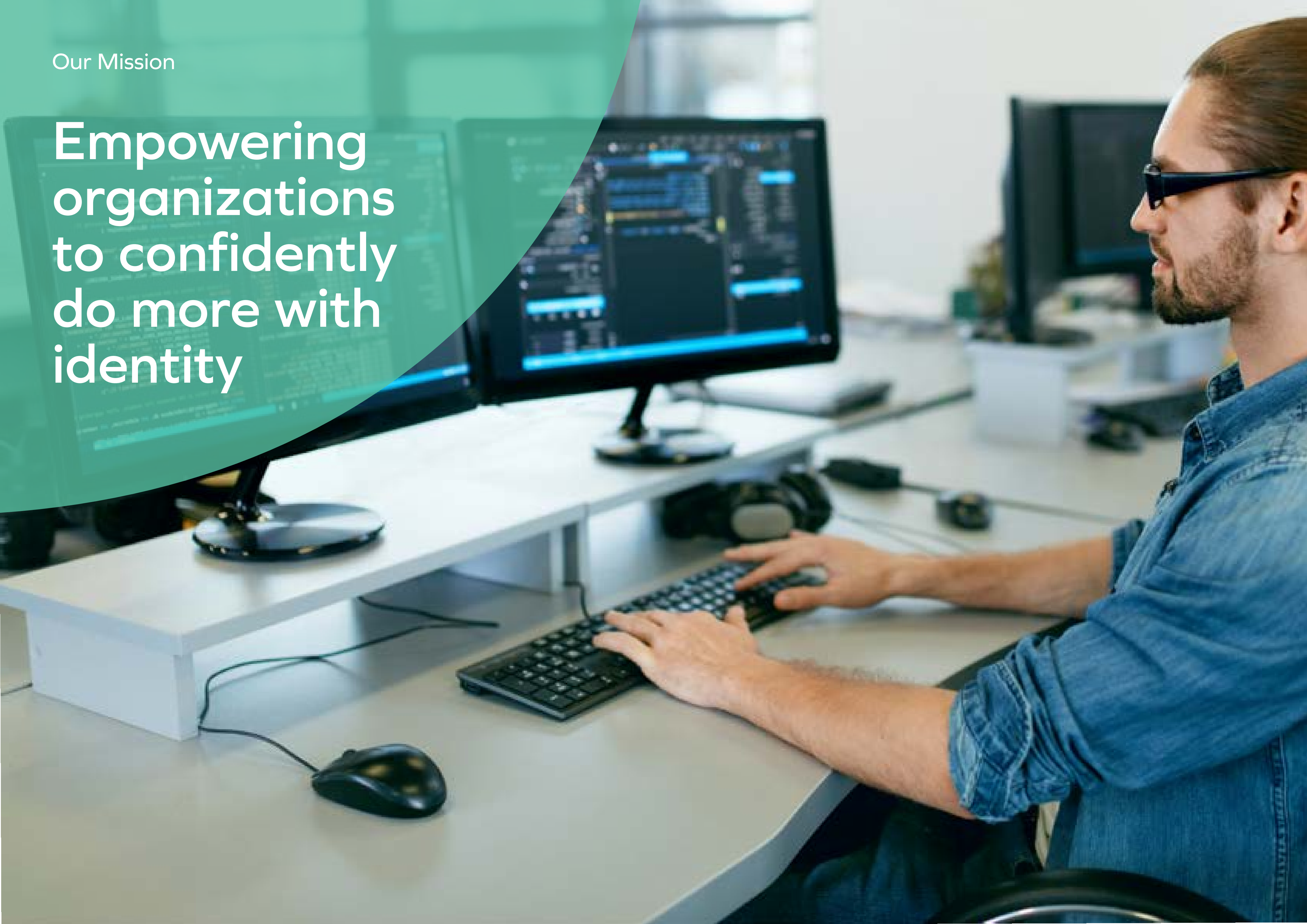
Omada sees strong market demand in the ability for enterprises to move, rapidly and at lower cost, to a cloud based IGA platform. By doing this Omada's customers can reduce their cost of ownership and adopt new capability on an ongoing basis. Omada will accelerate its investment in functionality that makes a difference and not hype-features that do not deliver real business value. As well as this Omada will further strengthen it's industry partnerships and integrations to provide incremental use cases and value that stretch across domains building on existing investments for even greater returns.

Omada is very well positioned to take advantage of the market shifts with a relentless focus on customer success and delivering a strong enterprise fully featured capability that meets the existing and future requirements of the market.



Our Mission

Empowering organizations to confidently do more with identity



FINANCIAL REVIEW

FINANCIAL REVIEW OF 2020 AND KEY FIGURES FOR 2018/19 AND 2019 - 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 2020 Omada Group ApS realised an operating profit/loss (Adjusted EBITDA) of DKK (26,747)***, 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 2020 is mostly impacted by the ongoing transformation from sale of perpetual licenses to SaaS, which has deferred revenue to coming years and has made Omada grow more than 54% in recurring revenue YoY.

*** The financial statement figures as presented in the income statements has been adjusted for intangible assets as follows: For 2020 and 2019** Cost of sales has been increased by DKK 55,570 thousand (2019: 53,683), Sales & Marketing costs by DKK 9,629 thousand (2019: 9,629) and R&D by DKK 14,191 thousand (2019: 4,615).

For both 2020 and 2019 this has resulted in an increase of both operating profit/loss and profit/loss excluding amortisation, depreciation and share based payments for the year of total DKK 88,973 thousand in 2020 and 77,314 in 2019.

For the year 2018/19 Cost of sales has been increased by DKK 59,177 thousand, Sales & Marketing costs by DKK 10,588 thousand, and R&D by DKK 4,148. This has resulted in an increase of both Operating profit/loss (EBITDA) and Profit/loss for the year of total DKK 83,767 thousand.

CONSOLIDATED KEY FINANCIAL HIGHLIGHTS - NON-GAAP MEASURES

	GROUP		
DKK'000	**2020**	**2019****	**2018/19***
Software revenue	79,430	66,867	87,984
Services revenue	112,351	141,436	147,500
Total revenue	**191,781**	**208,303**	**235,484**
Cost of sales	(107,500)	(142,602)	(146,336)
Gross profit	**84,281**	**65,701**	**89,148**
Sales & Marketing cost	(61,209)	(64,329)	(67,201)
Research & Development cost	(8,651)	(6,354)	(7,314)
General & Administrative cost	(35,324)	(31,438)	(33,246)
Other operating costs	(5,844)	-	(21,174)
Operating profit/loss (Adjusted EBITDA)	**(26,747)**	**(36,420)**	**(39,787)**
Annual recurring revenue (ARR) DKK'000	60,234	39,220	39,220
Annual recurring revenue (ARR) growth	54%	27%	27%

*) 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

FINANCIAL REVIEW

FINANCIAL REVIEW OF 2020 AND KEY FIGURES FOR 2018/19, 2019 AND 2020

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 (80,942) thousand.

The result for 2020 was affected by the ongoing transformation from sale of perpetual licenses to SaaS, which has deferred revenue to coming years. Operating profit/loss (EBIT) of DKK (105,610) thousand is including amortisation and depriciation of DKK (65,050) thousand.

Our activities are financed primarily by an equity of DKK 706,474 thousand. The result for 2020 is in line with our expectations.

FOREIGN SUBSIDIARIES

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

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 2020, 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.

CONSOLIDATED KEY FINANCIAL HIGHLIGHTS

		GROUP	
DKK'000	**2020**	**2019****	**2018/19***
Revenue	191,781	208,303	235,484
Cost of sales	(163,070)	(196,185)	(205,513)
Gross profit	**28,711**	**12,118**	**29,971**
Operating profit/loss (EBIT)	**(105,610)**	**(113,634)**	**(123,554)**
Financial income	-	69	421
Financial expenses	(2,743)	(1,364)	(1,392)
Profit/loss before tax	**(108,353)**	**(114,929)**	**(124,525)**
Tax on the profit/loss for the year	26,308	24,280	17,734
Profit/loss for the year	**(82,045)**	**(90,649)**	**(106,791)**
Total assets	915,319	946,879	946,879
Total equity	707,333	772,780	772,780
Return on assets	-11%	-12%	-13%
Solvency ratio	77%	82%	82%
Return on equity	-14%	-15%	-16%
Average number of employees	183	186	186
Employees at the end of the year	182	179	179
EBIT before non-recurring items DKK'000	(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

FINANCIAL REVIEW

SUSTAINABILITY AND IMPACT ON THE EXTERNAL ENVIRONMENT

As Omada is a software vendor, the environmental impact of the Company's business model is limited. Still, Omada operates its business, office routines and practices from a "good citizen" principle and with environmentally friendly waste policies.

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, 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.

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.

OUTLOOK

The Group expects to deliver strong recurring revenue growth in 2021 due to positive development in the market situation and an improved footprint.
The impact on the business from Covid-19 is expected to be reduced as market conditions improve and the global economy recovers.

For 2021 a loss before tax before amortisation of intangible assets in the range of 40 - 45 mDKK is expected driven by continuous investment in product as we are in our ending stages of our perpetual to SaaS transformation. The loss before tax is expected to be in the range of 100 - 110 mDKK when including amortisation of acquired intangible assets.

COMPANY DETAILS

NAME	Omada Group ApS
ADDRESS, POSTAL CODE, CITY	Østerbrogade 135, 2100 Copenhagen
CVR NO.	39 96 91 30
ESTABLISHED	25 October 2018
REGISTERED OFFICE	Copenhagen Municipality
FINANCIAL YEAR	1 January - 31 December
WEBSITE	www.omada.net
BOARD OF DIRECTORS	James Ernest Ousley, Chairman Morten Grube Weicher Sebastian Ramin Künne Lars Dybkjær Peter Granild Colsted John Dawson Clark Kevin Michael Hickey Franck Leon Cohen
EXECUTIVE BOARD	Sebastian Ramin Künne, Executive Director Morten Grube Weicher, Executive Director
AUDITORS	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 2020.

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 2020 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2020.

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, 18 May 2021

EXECUTIVE BOARD:

Sebastian Ramin Künne
Executive Director

Morten Grube Weicher
Executive Director

BOARD OF DIRECTORS:

James Ernest Ousley
Chairman

Morten Grube Weicher
Executive Director

Sebastian Ramin Künne
Deputy Chairman

Lars Dybkjær
Board Member

Peter Granild Colsted
Board Member

John Dawson Clark
Board Member

Kevin Michael Hickey
Board Member

Franck Leon Cohen
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 2020, 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 2020 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 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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, 18 May 2021
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

NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

CONSOLIDATED AND PARENT INCOME STATEMENT		GROUP		PARENT	
DKK'000	Note	2020	2018/19*	2020	2018/19*
Revenue	3,4	191,781	235,484	-	-
Cost of sales	5,7	(163,070)	(205,513)	-	-
Gross profit		**28,711**	**29,971**	**-**	**-**
Sales & Marketing cost	5,7	(70,838)	(77,789)	-	-
Research & Development cost	5,7	(22,119)	(21,316)	-	-
General & Administrative cost	5,7	(35,520)	(33,246)	(500)	(80)
Other operating costs	6	(5,844)	(21,174)	-	-
Operating profit/loss (EBIT)		**(105,610)**	**(123,554)**	**(500)**	**(80)**
Income from investment in subsidiaries	13	-	-	(81,553)	(106,762)
Financial income	8	-	421	4	119
Financial expenses	9	(2,743)	(1,392)	(3)	(68)
Profit/loss before tax		**(108,353)**	**(124,525)**	**(82,052)**	**(106,791)**
Tax on the profit/loss for the year	10	26,308	17,734	7	-
Profit/loss for the year		**(82,045)**	**(106,791)**	**(82,045)**	**(106,791)**

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

FINANCIAL STATEMENTS

CONSOLIDATED AND PARENT COMPREHENSIVE INCOME STATEMENT	**GROUP**		**PARENT**	
DKK'000	**2020**	**2018/19***	**2020**	**2018/19***
Profit/loss for the year	**(82,045)**	**(106,791)**	**(82,045)**	**(106,791)**
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss:				
Exchange rate adjustments relating to foreign entities	(234)	(740)	(234)	(740)
Other comprehensive income after tax	**(234)**	**(740)**	**(234)**	**(740)**
Total comprehensive income	**(80,317)**	**(107,531)**	**(80,317)**	**(107,531)**

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

FINANCIAL STATEMENTS

CONSOLIDATED AND PARENT BALANCE SHEET: ASSETS AT 31 DECEMBER		GROUP		PARENT	
DKK'000	**Note**	**2020**	**2019**	**2020**	**2019**
Goodwill		471,900	471,900	-	-
Customer relations		163,699	191,211	-	-
Software		137,055	171,700	-	-
Completed development projects		18,496	11,920	-	-
Development projects in progress		8,153	4,560	-	-
Intangible assets	11	**799,303**	**851,291**	**-**	**-**
Other fixtures and fittings, tools and equipment		1,942	1,073	-	-
Right-of-use assets		15,520	17,097	-	-
Property, plant and equipment	12	**17,462**	**18,170**	**-**	**-**
Investment i subsidiaries (equity method)	13	-	-	689,988	763,728
Deposits		982	1,177	-	-
Other receivables	21	5,352	-	-	-
Deferred tax assets	10	157	-	-	-
Other non-current assets		**6,491**	**1,177**	**689,988**	**763,728**
Total non-current assets		**823,256**	**870,638**	**689,988**	**763,728**
Receivables	14,20	42,405	64,554	-	-
Contract assets	15	170	311	-	-
Receivables from subsidiaries		-		14,424	8,686
Income tax receivables		1,328	4,252	7	-
Other receivables		-	1,404	30	-
Prepayments		1,630	2,357	-	-
Cash at bank and in hand		46,530	3,363	3,238	448
Total current assets		**92,063**	**76,241**	**17,699**	**9,134**
Total assets		**915,319**	**946,879**	**707,687**	**772,862**

FINANCIAL STATEMENTS

CONSOLIDATED AND PARENT BALANCE SHEET: EQUITY AND LIABILITIES AT 31 DECEMBER		GROUP		PARENT	
DKK'000	**Note**	**2020**	**2019**	**2020**	**2019**
Equity					
Share capital	16	9,092	8,813	9,092	8,813
Reserve for loans and security		5,352	-	5,352	-
Translation reserve		988	(740)	988	(740)
Retained earnings		691,901	764,707	691,901	764,707
Total equity		**707,333**	**772,780**	**708,436**	**772,780**
Deferred tax	10	53,218	74,145	-	-
Lease liabilities	17,20,23	11,658	13,561	-	-
Other liabilities		5,876	2,542	-	-
Financial institutions	20, 23	49,146	7,083	-	-
Contract liabilities	15	-	598	-	-
Total non-current liabilities		**119,898**	**97,929**	**-**	**-**
Prepayments on contract assets	15	2,236	3,163	-	-
Trade payables	20	20,850	22,931	354	82
Income tax payables		580	4,338	-	-
Other liabilites		19,262	19,485	-	-
Lease liability	17,20,23	4,356	3,880	-	-
Contract liabilities	15	40,800	22,373	-	-
Total current liabilities		**88,088**	**76,170**	**354**	**82**
Total liabilities		**207,986**	**174,099**	**354**	**82**
Total equity and liabilities		**915,319**	**946,879**	**707,687**	**772,862**

FINANCIAL STATEMENTS

CONSOLIDATED AND PARENT CASH FLOW STATEMENT		GROUP		PARENT	
DKK'000	**Note**	**2020**	**2018/19***	**2020**	**2018/19***
Profit/loss for the year		(82,045)	(106,791)	(82,045)	(106,791)
Adjustments for non-cash transactions:					
Income from investment in subsidiaries	13	-	-	81,553	106,762
Finance income	8	-	(421)	(4)	(119)
Finance expenses	9	2,743	1,392	3	68
Income tax	10	(26,308)	(17,734)	(7)	-
Other adjustments		-	(799)	-	-
Share based payments	7	2,493	2,140	-	-
Amortisation, depreciation and impairment losses	5	82,759	82,207	-	-
Changes in net working capital	22	42,357	(11,149)	(5,497)	(8,604)
Cash generated from primary activities		**21,999**	**(51,155)**	**(5,997)**	**(8,684)**
Interest received	8	-	421	4	119
Interest paid	9	(2,743)	(1,392)	(3)	(68)
Corporation tax paid		4,390	6,826	-	-
Cash flow from operating activities		**23,646**	**(45,300)**	**(5,996)**	**(8,633)**
Acquisition of subsidiaries	13,19,	-	(662,052)	-	(872,233)
Acquisition of intangible assets	11	(26,362)	(18,344)	-	-
Acquisition of Other fixtures and fittings, tools and equipment	12	(4,145)	(487)	-	-
Acquisition of other non-current assets		(5,617)	-	-	-
Cash flow from investing activities		**(35,664)**	**(680,883)**	**-**	**(872,233)**
Increase in share capital		8,786	729,016	8,786	881,314
Purchase/disposal of treasury shares		3,591	(3,011)	-	-
Repayment of lease liabilities	23	(1,427)	(3,491)	-	-
Loan proceeds	23	42,063	7,000	-	-
Cash flow from financing activities		**53,013**	**729,514**	**8,786**	**881,314**
Total cash flow		**40,995**	**3,331**	**2,790**	**448**
Cash at bank and in hand begin of period		3,363	-	448	-
Exchange rate adjustments		2,172	32	-	-
Cash funds at the end of the period		**46,530**	**3,363**	**3,238**	**448**

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY **GROUP**

DKK'000	**Share capital**	**Share premium**	**Reserve for loans and security**	**Translation reserve**	**Retained earnings**	**Reserve total**	**Total**
Equity at 25 October 2018	**-**	**-**	-	**-**	**-**	**-**	**-**
Total comprehensive income in 2018/19			-				
Profit/loss for the period 25 October 2018 to 31 December 2019	-	-	-	-	(106,791)	(106,791)	(106,791)
Other comprehensive income:			-				
Exchange rate adjustments relating to foreign entities	-	-	-	(740)	-	(740)	(740)
Total other comprehensive income	-	-	-	(740)	-	(740)	(740)
Total comprehensive income for the period	-	-	-	(740)	(106,791)	(107,531)	(107,531)
Transaction with owners:			-				
Foundation of the company	50	-	-	-	-	-	50
Capital increase	8,763	872,501	-	-	-	872,501	881,264
Transfer	-	(872,501)	-	-	872,501	-	-
Purchase/disposal of Treasury Shares	-	-	-	-	(7,606)	(7,606)	(7,606)
Employee payments for warrants	-	-	-	-	4,463	4,463	4,463
Share-based payment	-	-	-	-	2,140	2,140	2,140
Total transactions with owners	8,813	-	-	-	871,498	871,498	880,311
Equity at 31 December 2019	**8,813**	**-**	-	**(740)**	**764,707**	**763,967**	**772,780**
Total comprehensive income in 2020			-				
Profit/loss for the year	-	-	-	-	(82,045)	(82,045)	(82,045)
Other comprehensive income:			-				
Exchange rate adjustments relating to foreign entities	-	-	-	1,728	-	1,728	1,728
Total other comprehensive income	-	-	-	1,728	-	1,728	1,728
Total comprehensive income for the period	-	-	-	1,728	(82,045)	(80,317)	(80,317)
Transaction with owners:			-				
Capital increase	279	8,507	-	-	-	8,507	8,786
Transfer	-	(8,507)	5,352	-	3,155	-	-
Purchase/disposal of Treasury shares/warrants	-	-	-	-	3,591	3,591	3,591
Share based payments	-	-	-	-	2,493	2,493	2,493
Total transactions with owners	279	-	5,352	-	9,239	14,591	14,870
Equity at 31 December 2020	**9,092**	**-**	**5,352**	**988**	**691,901**	**698,241**	**707,333**

FINANCIAL STATEMENTS

PARENT STATEMENT OF CHANGES IN EQUITY

DKK'000	Share capital	Share premium	Reserve for loans and security	Translation reserve	Retained earnings	Reserve total	Total
	PARENT						
Equity at 25 October 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income in 2018/19							
Profit/loss for the period 25 October 2018 to 31 December 2019	-	-	-	-	(106,791)	(106,791)	(106,791)
Other comprehensive income:							
Exchange rate adjustments relating to foreign entities	-	-	-	(740)	-	(740)	(740)
Total other comprehensive income	-	-	-	(740)	-	(740)	(740)
Total comprehensive income for the period	-	-	-	(740)	(106,791)	(107,531)	(107,531)
Transaction with owners:							
Foundation of the company	50	-	-	-	-	-	50
Capital increase	8,763	872,501	-	-	-	872,501	881,264
Transfer	-	(872,501)	-	-	872,501	-	-
Purchase/disposal of Treasury Shares	-	-	-	-	(7,606)	(7,606)	(7,606)
Employee payments for warrants	-	-	-	-	4,463	4,463	4,463
Share-based payment	-	-	-	-	2,140	2,140	2,140
Total transactions with owners	8,813	-	-	-	871,498	871,498	880,311
Equity at 31 December 2019	**8,813**	**-**	**-**	**(740)**	**764,707**	**763,967**	**772,780**
Total comprehensive income in 2020							
Profit/loss for the year	-	-	-	-	(82,045)	(82,045))	(82,045)
Other comprehensive income:							
Exchange rate adjustments relating to foreign entities	-	-	-	1,728	-	1,728	1,728
Tax of other comprehensive income	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	1,728	-	1,728	1,728
Total comprehensive income for the period	-	-	-	1,728	(82,045)	(80,317)	(80,317)
Transaction with owners:							
Capital increase	279	8,507	-	-	-	8,507	8,786
Transfer	-	(8,507)	5,352	-	3,155	-	-
Purchase/disposal of Treasury shares/warrants	-	-	-	-	3,591	3,591	3,591
Share based payments	-	-	-	-	2,493	2,493	2,493
Total transactions with owners	279	-	5,352	-	9,239	14,591	14,870
Equity at 31 December 2020	**9,092**	**-**	**5,352**	**988**	**691,901**	**698,241**	**707,333**

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 2020 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 comparison figures for 2018/19 comprises the 14 months period 25 October 2018 - 31 December 2019. There has been activity within Omada Group ApS from 12 December 2018 where the parent company acquired Gubernare BidCo ApS including the Omada Group.

For periods up to and including the year ended 31 December 2019, the Group and the Parent Company prepared its financial statements in accordance with the Danish Financial Statement Act. These financial statements for the year ended 31 December 2020 are the first the Group has prepared in accordance with IFRS. At the date of the IFRS transition 25 October 2018 the Parent Company had no operating activities and the balance sheet items only consisted of cash and equity. Due to the immateriality of the amounts no third column with an opening balance is presented. Refer to note 27 for information on how the Group adopted IFRS and the effects from the Danish Financial Statements Act.

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 28.

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 2020, 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 2020. 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 results, assets and liabilities, equity or cash flows.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

By applying the Group's accounting policies as described in note 28, 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.

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 2020, the carrying value of goodwill is DKK 471,900k (2019: 471,900k). For a 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, or when there is indication of impairment, an estimate is made of how the parts of the business (cash-generating units) that ongoing 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 the likelihood of the recoverability of amounts receivable from customers under sales contracts, 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. Allocation of the transaction price may require management's judgement in certain circumstances, such as when an extension option exists and a part of the transaction price must be allocated to this future performance obligation. A decision to allocate revenue to future licenses, covered by an extension option, has the impact of deferring a portion of revenue to a later point in time. Management's assessments of these areas may have an impact on both the amount and timing of revenue recognised.

NOTES TO FINANCIAL STATEMENTS

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.

UTILIZATION OF TAX LOSS CARRY FORWARDS

Deferred tax assets are recognized for all unused tax losses and deductable 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 2020, the carrying value of recognized tax was DKK 157 thousand (2019: 0 thousand), which is estimated to be realized in a foreseeable future (5 years or less).

BUSINESS COMBINATIONS

The Group is required to allocate the acquisition cost of entities through business combinations on the basis of the fair value of the acquired identifiable assets and assumed liabilities. The Group uses external and internal valuations to determine the fair value. The valuations include management estimates and assumptions as to future cash flow projections from the acquired business and selection of models to compute the fair value of the acquired components and their amortisation period. Estimates made by Management influence the amounts of the acquired identifiable assets and assumed liabilities and the amortisation of acquired assets in the income statement.

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 2018/19 and 2020.

	2020		2018/19*	2019
DKK'000	**Revenue**	**Non-curent assets**	**Revenue**	**Non-curent assets**
Denmark	47,540	815,750	65,191	863,545
Rest of Scandinavia	24,635	-	22,935	-
Germany	69,694	3,006	83,125	1,441
USA	27,900	2,192	25,519	2,185
Other countries	22,012	2,696	38,714	3,467
Total	**191,781**	**823,644**	**235,484**	**870,638**

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

NOTE 4. REVENUE

Revenue from sale of software are recognised when the service is delivered to the customer, while revenue from software maintenance, updates & support are recognised over time.

Recurring revenue growth YoY of 54% in 2020.

	GROUP		PARENT	
DKK'000	**2020**	**2018/19***	**2020**	**2018/19***
Software	43,853	54,558	-	-
Software maintenance, up-dates & support	35,577	33,426	-	-
Revenue from software	**79,430**	**87,984**	**-**	**-**
Sales value of finished projects	129,394	173,323	-	-
Change in contract assets	(17,043)	(25,823)	-	-
Revenue from implementation services	**112,351**	**147,500**	**-**	**-**
Total Revenue	**191,781**	**235,484**	**-**	**-**
Contract liabilities, beginning of period	25,823	14,466	-	-
Contract liabilities, end of period	42,866	(40,289)	-	-
Total change in contract liabilities net	**17,043**	**(25,823)**	**-**	**-**

NOTES TO FINANCIAL STATEMENTS

NOTE 5. OPERATING COSTS

DKK'000	Staff and external costs	Amortisation & depreciation	GROUP Total	PARENT Total
2020				
Cost of goods sold	105,163	57,907	163,070	-
Sales & marketing	60,451	10,387	70,838	-
Research & development	8,651	13,468	22,119	-
General & administrative	34,523	997	35,520	500
Total	**208,788**	**82,759**	**291,547**	**500**
2018/19				
Cost of goods sold	149,317	56,196	205,513	-
Sales & marketing	66,809	10,980	77,789	-
Research & development	7,314	14,002	21,316	-
General & administrative	32,217	1,029	33,246	(80)
Total	**255,657**	**82,207**	**337,864**	**(80)**

NOTE 6. OTHER OPERATING COSTS

	GROUP		PARENT	
DKK'000	**2020**	**2018/19***	**2020**	**2018/19***
Transaction cost in connection with the acquisition of Omada A/S	-	21,174	-	-
Costs in relation to restructuring after the acquisition	5,844	-	-	-
Total	**5,844**	**21,174**	**-**	**-**

NOTES TO FINANCIAL STATEMENTS

NOTE 7. STAFF EXPENSES AND REMUNERATION COSTS

	GROUP		PARENT	
DKK'000	**2020**	**2018/19***	**2020**	**2018/19***
Wages and salaries	170,366	151,778	-	-
Defined contribution plans	2,256	10,834	-	-
Other social security expenses	1,111	3,760	-	-
Share-based payment	2,493	2,140	-	-
Wages/salaries in the group capitalised as development projects	(20,125)	(10,462)	-	-
Staff expenses	**156,101**	**158,050**	-	-
Average number of employees	183	186	-	-

GROUP STAFF EXPENSES AND REMUNERATION COSTS ATTRIBUTABLE TO:

DKK'000	**Executive Board**	**Board of Directors**	**Other key employees**
2020			
Wages and salaries, etc.	-	843	8,057
Defined contribution pension plans	-	-	211
Share-based payment	-	-	785
Total	-	**843**	**9,053**

DKK'000	**Executive Board**	**Board of Directors**	**Other key employees**
2018/19			
Wages and salaries, etc.	-	537	6.736
Defined contribution pension plans	-	-	164
Termination benefits	-	-	462
Performance-related bonus	-	-	584
Share-based payment	-	-	1.163
Total	-	**537**	**9.109**

The executive board consist of members from the majority shareholders while other key employees consist of executive board 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.

The service contracts for other key employees contain terms, including for notice of termination, which are customary for members of the executive board in similar companies.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. FINANCIAL INCOME

	GROUP		PARENT	
DKK'000	**2020**	**2018/19***	**2020**	**2018/19***
Interest income from subsidiaries	-	-	-	119
Interest income, banks etc.	-	69	-	-
Interest income on financial assets not measured at fair value in the results	-	69	-	119
Foreign exchange gains	-	352	4	-
Total financial income	**-**	**421**	**4**	**119**

NOTE 9. FINANCIAL EXPENSES

	GROUP		PARENT	
DKK'000	**2020**	**2018/19**	**2020**	**2018/19**
Interest expenses, banks etc.	1,627	347	3	68
Lease interest	568	599	-	-
Amortisation of loan cost	58	58	-	-
Interest expenses on financial liabilities not measured at fair value in the results	**2,253**	**1,004**	**3**	**68**
Foreign exchange loss	490	388	-	-
Total financial expenses	**2,743**	**1,392**	**3**	**68**

NOTES TO FINANCIAL STATEMENTS

NOTE 10. CORPORATE TAX

	GROUP		PARENT	
DKK'000	**2020**	**2018/19**	**2020**	**2018/19**
Corporation tax is specified as follows:				
Tax on profit/loss for the year	26,308	17,734	7	-
Total	**26,308**	**17,734**	**7**	**-**
Corporation tax is specified as follows:				
Current tax on profit/loss for the year	4,425	(72)	7	-
Deferred tax on profit/loss for the year	21,099	18,437	-	-
Adjustments relating to previous years (net)	784	(631)	-	-
Total	**26,308**	**17,734**	**7**	**-**
Analysis of tax on profit/loss:				
22% tax of profit/loss before tax	23,838	27,396	(18,051)	(23,494)
Tax effect of result of investments in subsidiaries	(152)	-	17,942	23,488
Write down of deferred tax assets	(198)	(4,821)	110	-
Deferred tax asset - Investment grant	1,501	-	-	-
Non-tax deductible transaction expenses	-	(4,658)	-	-
Non-tax deductible expenses	(18)	(530)	-	-
Other, including prior year adjustments	941	348	-	6
Total	**26,308**	**17,734**	**(7)**	**-**
Effective tax rate	24.3%	14.2%	0.0%	0.0%

NOTES TO FINANCIAL STATEMENTS

NOTE 10. CORPORATE TAX

	GROUP		PARENT	
DKK '000	**2020**	**2018/19 ***	**2020**	**2018/19 ***
Deferred tax at begin of period	74,145	-	-	-
Currency adjustment				
Deferred tax, acquisition of subsidiaries	-	92,582	-	-
Adjustment relating to previous years	15	-	-	-
Changes in corporation tax rate	-	-	-	-
Deferred tax on profit/loss for the year	(21,099)	(18,437)	-	-
Deferred tax at 31 December (net)	**53,061**	**74,145**	**-**	**-**
Deferred tax is recognized in the balance as follows:				
Deferred tax assets	(157)	-	-	-
Provision for deferred tax	53,218	74,145	-	-
Deferred tax at 31 December (net)	**53,061**	**74,145**	**-**	**-**
Deferred tax concerns:				
Intangible assets	77,033	83,438	-	-
Property, plant and equipment	(52)	(76)	-	-
Trade receivables	376	746	-	-
Tax loss	(24,296)	(9,963)	-	-
	53,061	**74,145**	**-**	-

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.

Tax losses in foreign subsidiaries are not included in the estimated deferred tax assets of the Group. Whether the losses can be used to offset against expected future income within the limitation periods applying in the countries where the losses were incurred is subject to uncertainty.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. INTANGIBLE ASSETS

	GROUP					
DKK'000	Goodwill	Customer Relationships	Software	Completed development projects	Development projects in progress	Total
2020						
Cost at 1 January	471,900	220,100	218,859	13,325	4,560	928,744
Additions	-	-	3,616	-	22,746	26,362
Transfer	-	-	-	19,153	(19,153)	-
Cost at 31 December	**471,900**	**220,100**	**222,475**	**32,478**	**8,153**	**955,106**
Amortisation and impairment losses at 1 January	-	28,889	47,159	1,405	-	77,453
Amortisation for the year	-	27,512	38,261	12,577	-	78,350
Amortisation and impairment at 31 December	**-**	**56,401**	**85,420**	**13,982**	**-**	**155,803**
Carrying amount at 31 December	**471,900**	**163,699**	**137,055**	**18,496**	**8,153**	**799,303**
Internally generated assets included above	-	-	-	18,496	8,153	26,649
Amortisation period	-	8 years	5 years	5 years	-	-

NOTES TO FINANCIAL STATEMENTS

NOTE 11. INTANGIBLE ASSETS

	GROUP					
DKK'000	**Goodwill**	**Customer Relationships**	**Software**	**Completed development projects**	**Development projects in progress**	**Total**
2018/19						
Cost at 25 October 2018	-	-	-	-	-	-
Addition from acquistions of subsidiaries	471,900	220,100	218,400	-	-	910,400
Additions	-	-	459	-	17,885	18,344
Transfer	-	-	-	13,325	(13,325)	-
Cost at 31 December	**471,900**	**220,100**	**218,859**	**13,325**	**4,560**	**928,744**
Amortisation and impairment losses at 25 October 2018	-	-	-	-	-	-
Amortisation for the period	-	28,889	47,159	1,405	-	77,453
Amortisation and impairment at 31 December	**-**	**28,889**	**47,159**	**1,405**	**-**	**77,453**
Carrying amount at 31 December	**471,900**	**191,211**	**171,700**	**11,920**	**4,560**	**851,291**
Internally generated assets included above	-	-	-	11,920	4,560	16,480
Amortisation period	-	8 years	5 years	5 years	-	-

NOTES TO FINANCIAL STATEMENTS

NOTE 11. INTANGIBLE ASSETS

GOODWILL, CUSTOMER RELATIONSHIPS AND SOFTWARE

As at 31 December 2020, management performed an impairment test of the carrying amount of goodwill (DKK 471,900 thousand), customer relationships (DKK 163,699 thousand) and software (DKK137,055 thousand) relating to the acquisition of Omada A/S and its subsidiaries. The acquisition is monitored as a single cash generating unit.

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 2021-2024 and business plans for 2025-29.

The most important parameters are revenue, cost related to operations, applied working capital, expected investment in the further development of products 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 27% during the period 2021-24 and an average of 15% in 2025-29. Beyond this period a growth rate of 2% has been applied. In calculating the recoverable amount, the charge in costs relating to operations has been estimated at an average EBIT margin of 15%.

To determine any indication of impairment, a discount rate of 14.9% was applied in the calculation of the recoverable amount.

Based on the impairment test performed, management believes that goodwill is not impaired.

DEVELOPMENT PROJECTS IN PROGRESS

Costs relating to development projects in progress of DKK 8,153 thousand (31 December 2019: DKK 4,560 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 impairment at the end of the financial year, which did not lead to any writedown.

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

	GROUP			
DKK'000	**Other fixtures and fittings, tools and equipment**	**Right-of-use assets (Offices)**	**Right-of-use assets (Cars)**	**Total**
2020				
Cost at 1 January	1,742	19,102	2,080	22,924
Exchange rate adjustments	-	(499)	(5)	(504)
Additions	1,489	1,387	1,269	4,145
Disposals	-	(1,155)	(670)	(1,825)
Cost at 31 December	**3,231**	**18,835**	**2,674**	**24,740**
Depreciation and impairment losses at 1 January	669	3,362	723	4,754
Exchange rate adjustments	-	(58)	(2)	(60)
Depreciation for the year	620	3,006	783	4,409
Reversal of depreciation of disposals in the year	-	(1,155)	(670)	(1,825)
Depreciation and impairment at 31 December	**1,289**	**5,155**	**834**	**7,278**
Carrying amount at 31 December	**1,942**	**13,680**	**1,840**	**17,462**
Depreciation period	3-5 years	2-7 years	2-4 years	-

NOTES TO FINANCIAL STATEMENTS

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

	GROUP			
DKK'000	**Other fixtures and fittings, tools and equipment**	**Right-of-use assets (Offices)**	**Right-of-use assets (Cars)**	**Total**
2018/19				
Cost at 25 October 2018	-	-	-	-
Addition from acquistions of subsidiaries	1,255	14,379	860	16,494
Additions	487	4,723	1,220	6,430
Cost at 31 December	**1,742**	**19,102**	**2,080**	**22,924**
Amortisation and impairment losses at 25 October 2018	-	-	-	-
Amortisation for the period	669	3,362	723	4,754
Depreciation and impairment at 31 December	**669**	**3,362**	**723**	**4,754**
Carrying amount at 31 December	**1,073**	**15,740**	**1,357**	**18,170**
Amortisation period	3-5 years	2-7 years	2-4 years	-

Low value assets expensed amounts to DKK 0 in 2020 (2018/19 DKK 0) and short term leases expensed amounts to DKK 0 (2018/19 DKK 0.1 million).

Lease payments amount to DKK 4,082 thousand (2018/19 DKK 3,491 thousand).

NOTES TO FINANCIAL STATEMENTS

NOTE 13. INVESTMENTS IN SUBSIDIARIES

	PARENT	
DKK'000	2020	2019
Cost at begin of period	876,696	-
Acquisition of subsidiary		876,696
Cost at 31 December	**876,696**	**876,696**
Value adjustments at begin of period	(112,968)	-
Exchange rate adjustments	(234)	(740)
Share of the profit/loss for the year	(81,553)	(106,762)
Share based payments	2,493	2,140
Treasury shares/warrants recognised in equity	3,592	(7,606)
Value adjustments at 31 December	**(186,708)**	**(112,968)**
Carrying amount at 31 December	**689,988**	**763,728**

NAME	REGISTERED ADDRESS	INTEREST HELD 2020	INTEREST HELD 2019
Gubernare BidCo ApS	Copenhagen	100%	100%
Omada A/S	Copenhagen	100%	100%
Omada Services A/S	Copenhagen	100%	100%
Omada Solutions Inc	USA	100%	100%
Omada GmbH	Germany	100%	100%
Omada Ltd	UK	100%	100%
Omada Poland S.P.z.o.o	Poland	100%	100%

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RECEIVABLES

	GROUP	
DKK'000	**2020**	**2019**
Trade receivables from customers	39,369	54,685
Accrued revenue	3,250	10,428
Loss allowances	(214)	(559)
Total receivables	**42,405**	**64,554**
Receivables (gross) at begin of the period	65,113	-
Receivables from acquisition of subsidiaries	-	53,277
Exchange rate adjustments	(487)	243
Change in receivables during the period	(22,007)	11,593
Receivables (gross) at 31 December	42,619	65,113
Provisions for bad debt at begin of period	559	-
Provisions from acquisition of subsidiaries	-	568
Exchange rate adjustments	-	4
Change in provisions for bad debt during the period	(198)	(13)
Loss realized during the period	(147)	-
Provisions for bad debt at 31 December	214	559
Carrying amount at 31 December	42,405	64,554

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 20.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RECEIVABLES

DKK'000	2020	2018/19
Age of trade receivables (gross):		
Not due	31,401	50,641
0-30 days	6,225	6,016
31 - 60 days	411	3,758
61 - 90 days	3,456	1,937
91 - 180 days	1,126	2,321
181 - 275 days	-	16
276 - 360 days	-	360
Above 360 days	-	64
Total	**42,619**	**65,113**
Age of impairment:		
Not due	-	-
0-30 days	12	12
31 - 60 days	2	19
61 - 90 days	86	48
91 - 180 days	113	232
181 - 275 days	-	4
276 - 360 days	-	180
Above 360 days	-	64
Total	**214**	**559**

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RECEIVABLES

DKK'000	2020	2018/19
Provision matrix:		
Not due	0.0%	0.0%
0-30 days	0.2%	0.2%
31 - 60 days	0.5%	0.5%
61 - 90 days	2.5%	2.5%
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

	GROUP	
DKK'000	**2020**	**2019**
Balance at begin of the period	(25,823)	-
Acquisition of subsidiaries	-	(14,567)
Changes in contract assets during the period	15,778	(23,575)
Changes on account billing and prepayments during the period	(32,821)	12,319
Balance at 31 December	**(42,866)**	**(25,823)**
Work in progress	30,244	14,466
On account billing and prepayments	(73,110)	(40,289)
Balance at 31 December	**(42,866)**	**(25,823)**
The net value is included in the balances as follows		
Contract assets	170	311
Prepayment on contract assets	(2,236)	(3,163)
Contract liabilities	(40,800)	(22,971)
Balance at 31 December	**(42,866)**	**(25,823)**

Contract assets exist whenover 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. Contract assets are recognised from implementation services where the receipt of consideration is dependent on a successful completion.

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.

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.

The transaction price allocated to the remaining performance obligations (either unsatisfied or partially unsatisfied) as of 31 December 2020 totals DKK 43 millions (31 December 2019: 26 million) of which DKK 36 million is expected to be recognised as revenue in 2021 (31 December 2019: DKK 23 million is expected to be recognised as revenue in 2020).

Unsatisfied or partly unsatisfied performance obligations relate to SaaS and maintenenace, and 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 9,092,693. The share capital consists of 909,269,345 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.

The share capital is fully paid up.

	NOMINEL VALUE	
	2020	**2019**
A Shares - 849,099,547 shares of DKK 0.01 each	8,490,995	8,490,995
B Shares - 9,339,225 shares of DKK 0.01 each	93,392	93,392
C Shares - 292,966,573 shares of DKK 0.01 each	292,966	228,755
D Shares - 21,534,000 shares of DKK 0.01 each	215,340	-
31 December	**9,092,693**	**8,813,143**

As of 31 December 2020, the subsidiary Omada A/S has acquired 3,633,424 shares (31 December 2019: 6,104,756) in the company and 5,880,012 warrants (31 December 2019: 22,090,200) from employees who have left the Group. The Value of the acquired shares and warrants, DKK 4,015 thousand (31 December 2019: DKK 7,606 thousand), are recorded directly in equity. The intention is to sell the treasury shares / warrants to employees joining the Group.

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

	GROUP		
DKK'000	Cars	Offices	Total
2020			
Less than 1 year	879	3,477	4,356
Between 1 and 5 years	990	10,668	11,658
More than 5 years	-	-	-
Total	**1,869**	**14,145**	**16,014**

	GROUP		
DKK'000	Cars	Offices	Total
2019			
Less than 1 year	1,443	2,437	3,880
Between 1 and 5 years	2,949	7,994	10,943
More than 5 years	589	2,029	2,618
Total	**4,981**	**12,460**	**17,441**

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 DKK14,141 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 4 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 4 years is determined by Management's estimate of the likely time horizon for a future sale/IPO of Omada Group ApS.

The warrants vest over a period of 4 years beginning December 2018 at 1/48 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.

During 2019, the company bought back some of the warrants issued to the previous founder of Omada A/S and warrants held by employees who are no longer employed within the Group. In 2020, the company bought back warrants from resigning Executives/employees and sold most of the warrants to new executives/employees of the Group. Resigning employees are compensated initial cost of warrants paid. New employees acquire warrants on the same conditions as defined at the initial grant date.

As per 31 December 2020, an amount of DKK 8,848 thousand (31 December 2019 DKK 6,563 thousand) is expected to be accrued over the vesting period as share-based payments in the income statement.

In 2020, the Group expensed DKK 2,493 thousand (2018/19 DKK 2,140 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 management	Other key employees	Other employees*	Total
Warrant program						
25 October 2018	-	-	-	-	-	-
Granted during the period	1.76	-	-	-	-	68,626,527
Forfeited during the period	1.76	-	-	(12,149,610)	(9,940,590)	(22,090,200)
Outstanding at 31 December 2019	1.76	**-**	**-**	**25,955,985**	**20,580,342**	**46,536,327**

	Average exercise price per warrant	Board of directors	Executive management	Other key employees	Other employees*	Total
Warrant program						
Outstanding at 1 Januar 2020	1.76	-	-	25,955,985	20,580,342	46,536,327
Reclassification during the period	1.76	-	-	(7,179,315)	7,179,315	-
Granted during the period	1.76	-	-	6,275,625	22,548,567	28,824,192
Forfeited during the period	1.76	-	-	(9,388,335)	(3,225,672)	(12,614,007)
Outstanding at 31 December 2020	1.76	**-**	**-**	**15,663,960**	**47,082,552**	**62,746,512**
Total warrants which can be exercised 31 December 2019 and 31 December 2020	-	-	-	-	-	-
Weighted average remaining contractual life (years) as per 31 December 2019	-	-	-	2.9	2.9	2.9
Weighted average remaining contractual life (years) as per 31 December 2020	-	-	-	1.9	1.9	1.9
Range of exercise price per warrant	-	-	-	1.46 - 2.07	1.46 - 2.07	1.46 - 2.07

* Other key employees are executive board of Omada A/S.

NOTES TO FINANCIAL STATEMENTS

NOTE 19. BUSINESS COMBINATIONS

On 12 December 2018 the Group acquired 100% of the shares in Omada A/S. The Omada Group is a software development company selling its software globally in the market for Identity Governance software. Total acquisition price amounts to DKK 852,203 thousand settled partly in cash and contribution in kind for shares in Omada Group ApS.

DKK'000	2020	2018/19*
Fair value assessment of trade receivables		
Trade receivables, gross amount	-	53,277
Trade receivables, not expected to be collected	-	(568)
Trade receivables, fair value	**-**	**52,709**

The goodwill of DKK 471,900 thousand arising from the acquisition is attributable to the workforce and expected growth in the acquired business. The goodwill recognised is not expected to de deductible for income tax purposes.

Transaction costs of approximately DKK 0 million (2018/19: DKK 21 million) has been recognised as other operating costs in the income statement.

The final purchase price allocation for the business acquired is as follows:

DKK'000	2020	2018/19*
Fair value at acquisition		
Intangible assets - client contracts	-	220,100
Intangible assets - software	-	218,400
Property, plant & equipment	-	1,255
Right of use assets	-	15,239
Deposits	-	989
Deferred tax assets	-	5,146
Trade receivables	-	52,709
Contract assets /work in progress	-	3,035
Other current assets	-	14,059
Cash and cash equivalents	-	33,457
Deferred tax liability	-	(97,728)
Prepayments from clients	-	(17,602)
Trade payables	-	(19,724)
Lease liability	-	(14,989)
Other payables	-	(34,043)
Identifiable net assets	**-**	**380,303**
Goodwill	-	471,900
Total acquisition price	**-**	**852,203**
Hereof cash**	-	(33,457)
Contribution in kind	-	(134,574)
Warrant loan note	-	(19,981)
Consideration loan note	-	(2,139)
Cash consideration on acquisition date	**-**	**662,052**

** Including DKK 34,078 thousand in pass through regarding Omada Digital Services A/S.

NOTES TO FINANCIAL STATEMENTS

NOTE 20. 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 continously 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 including interest. The maturity analysis shows a ratio of 1.0 (2018/19: 1.5) between financial assets and financial liabilities.

DKK'000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
2020				
Receivables	42,405	-	-	42,405
Cash and bank balances	46,530	-	-	46,530
Total financial assets	**88,935**	**-**	**-**	**88,935**
Financial institutions	-	49,146	-	49,146
Trade payables	20,850	-	-	20,850
Other liabilities	-	250	-	250
Lease liability	4,356	11,658	-	16,014
Total financial liabilities	**25,206**	**61,054**	**-**	**86,260**
Ratio				1.0
2019				
Receivables	63,809	745	-	64,554
Other receivables	1,404	-	-	1,404
Cash and bank balances	3,363	-	-	3,363
Total financial assets	**68,576**	**745**	**-**	**69,321**
Financial institutions	-	7,083	-	7,083
Trade payables	22,931	-	-	22,931
Other liabilities	-	250	-	250
Lease liability	3,880	13,561	-	17,441
Total financial liabilities	**26,811**	**20,894**	**-**	**47,705**
Ratio				1.5

NOTES TO FINANCIAL STATEMENTS

NOTE 20. FINANCIAL RISK AND FINANCIAL INSTRUMENTS

INFORMATION FOR THE GROUP

Financial facilities

DKK'000	2020	2019
Cash and bank balances	46,530	3,363
Unused credit facilities	10,854	52,924
Total	**57,384**	**56,287**

The Group has a revolving credit facility with Nordea of DKK 60 million of which DKK 49.1 million is drawn 31 December 2020 (31 December 2019: DKK 7.1 million). Cash reserves and expected cash flow for 2021 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 unforseen fluctuations in cash.

The maturity date of the revolving credit facility with Nordea is November 2022.

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 2020, the Group invoiced approx. 25% (2019: 29%) of its sale in DKK, 47% (2019: 49%) in EUR, 15% (2019: 10%) in USD and the remaining 13% (2019: 12%) in various currencies. As Omada Group ApS is incorporated in Denmark, a large part of the costs are incurred i DKK corresponding to approx. 34%, approx. 37% in EUR, approx. 16% in USD and approx. 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, mangement 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 2020, EBIT would have been DKK 0.1 million lower (2019: 0.9 million lower).

Currency risk 31 December

DKK'000 Currency	Payment/ maturity	Receivable	Cash at bank and in hand	Debt	Hedging contracts	Net position
31 December 2020						
USD	< 1 year	4,441	4,846	7,012	-	2,275
31 December 2019						
USD	< 1 year	6,217	1,279	8,848	-	(1,352)

A decrease in the USD/DKK exchange rate of 10% at 31 December 2020 would decrease the value of the Groups financial instruments, net and equity by approx. 0.3 million (31 December 2019 a reduction in the negative value of the financial instruments, net of 0.2 million and an increase in equity of DKK0.2 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 20. 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. By the end of 2020, an increase in interest rates of half a percentage point would increase the Group's financial interests by less than DKK 0.1 million (2019: 0.1 million). Net position with financial institutions are used in the analysis.

Credit risk

The Group's credit risk primarily derive from receivables. Receivables are distributed between many customers and geografical 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 2020 (31 December 2019: 15%).

DKK'000	2020	2019
Categories of Financial instruments		
Other non-current financial assets	6,334	1,177
Trade receivables	42,405	64,554
Other receivables	-	1,404
Cash at bank and in hand	46,530	3,363
Measured at amortised cost (receivables and deposits)	**95,269**	**70,498**
Financial institutions	49,146	7,083
Trade payables	20,850	22,931
Other liabilities	250	250
Lease liabilities	16,014	17,441
Measured at amortised cost (loans and other debt)	**86,260**	**47,705**

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

NOTES TO FINANCIAL STATEMENTS

NOTE 20. 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
2020				
Receivables from Group subsidiaries	14,424	-	-	14,424
Other receivables	30	-	-	30
Cash and bank balances	3,238	-	-	3,238
Total financial assets	**17,692**	**-**	**-**	**17,692**
Trade payables	354	-	-	354
Total financial liabilities	**354**	**-**	**-**	**354**
Ratio				34.9
2018/19				
Receivables from Group subsidiaries	8,686	-	-	8,686
Cash and bank balances	448	-	-	448
Total financial assets	**9,134**	**-**	**-**	**9,134**
Trade payables	82	-	-	82
Total financial liabilities	**82**	**-**	**-**	**82**
Ratio				111.4

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

DKK'000	2020	2019
Categories of Financial instruments		
Receivables from Group subsidiaries	14,424	8,686
Other receivables	30	-
Cash at bank and in hand	3,238	448
Measured at amortised cost (receivables and deposits)	**17,692**	**9,134**
Trade payables	354	82
Measured at amortised cost (loans and other debt)	**354**	**82**

NOTES TO FINANCIAL STATEMENTS

NOTE 21. 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 an "Other Key Employee (cf. note 7)". The loan is remunerated on market terms and matures upon the earlist of the following to occur: 1) Termination of employment, 2) Sale of Omada Group ApS or 3) on 31 December 2025.

NOTE 22. CHANGES IN WORKING CAPITAL

	GROUP		PARENT	
DKK'000	**2020**	**2018/19***	**2020**	**2018/19***
Change in receivables and contract assets	22,290	(9,121)	(5,740)	(8,686)
Change in other receivables	2,131	2,857	(30)	-
Change in payables and contract liabil-ities	14,821	11,737	273	82
Change in other liabilities	3,115	(16,622)	-	-
Cash flow from changes in working capital	**42,357**	**(11,149)**	**(5,497)**	**(8,604)**

NOTE 23. 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.

			ADJUSTMENTS FOR NON-CASH TRANSACTIONS			
GROUP DKK'000	**1 January 2020**	**Cash flows**	**Acquisition of subsidiaries**	**Addition of right-of-use assets**	**Other**	**31 December 2020**
Income Statement						
Lease liabilities	17,440	(1,427)	-	2,656	(2,655)	16,014
Financial institutions	7,083	42,063	-	-	-	49,146
Total	**24,523**	**40,636**	**-**	**2,656**	**(2,655)**	**65,160**

			ADJUSTMENTS FOR NON-CASH TRANSACTIONS			
GROUP DKK'000	**25 October 2018**	**Cash flows**	**Acquisition of subsidiaries**	**Addition of right-of-use assets**	**Other**	**31 December 2019**
Lease liabilities	-	(3,491)	14,989	5,942	-	17,440
Financial institutions	-	7,000	-	-	83	7,083
Total	**-**	**3,509**	**14,989**	**5,942**	**83**	**24,523**

NOTES TO FINANCIAL STATEMENTS

NOTE 24. 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 25. SECURITY

As security for debt to financial institutions, Omada A/S has entered an agreement of floating charges with a value of DKK 20,000 thousand in the company's basic receivables, inventories (if any), fixed assets or similar and goodwill.

In addition, there are no collateral.

NOTE 26. EVENTS AFTER THE REPORTING PERIOD

No significant events requiring specific metioning in the financial report have occured in 2021.

NOTE 27. FIRST-TIME ADOPTION OF IFRS

These financial statements, for the year ended 31 December 2020, are the first the Group and the Parent company have prepared in accordance with IFRS as adopted by EU. For the previous period ending 31 December 2019, which was the first reporting period of the Group and the Parent Company, the financial statements were prepared in accordance with the Danish Financial Statements Act.

Accordingly, the Group has prepared financial statements that comply with IFRS as adopted by EU applicable as at 31 December 2020, together with the comparative period data for the financial period ended 31 December 2019, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 25 October 2018, the Group's date of transition to IFRS as adopted by EU. There are no adjustments made in restating the opening balance 25 October 2018 as the company was founded on that date by a capital contribution of DKK 50 thousand due to the immateriality of the amounts no third column with an opening balance as per 25 October 2018 is presented.

This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with the Danish Financial Statements Act, including the statement of financial position as at 31 December 2019.

The accounting effect of the Group's transition to IFRS was limited to goodwill amortisation, share-based payment awards of the Company and to leasing arrangements of offices and cars. In addition hereto the Group has changed its presentation of the income statement from presenting it by nature to presenting it by function. The transitions has no significant effect on the cash flow statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 27. FIRST-TIME ADOPTION OF IFRS

a) Warrants:
Under the Danish Financial Statements Act, the expense related to warrants granted to employees was not recognised. Under IFRS, the fair value of the warrants granted to employees is recognised as an expense over the vesting period of the warrants. The fair value of the warrants granted to the employees are expensed over the vesting period which is assessed to be 4 years.

b) Goodwill:
Under the Danish Financial Statements Act acquired goodwill was amortised over a period of 10 years. Under IFRS goodwill has an indefinite useful life and is tested annually for impairment.

c) Leasing:
Under the Danish Financial Statements Act the expense related to operating lease contracts are recognised directly in the income statement as operating expenses. Under IFRS such operating lease contracts are being recognised on the balance sheet in accordance with IFRS 16 and the assets are being depreciated and the liability is being amortised.

d) Gains and losses on exchange rate adjustments:
Under the Danish Financial Statements Act gains and losses on exchange rate adjustments are being presented net. Under IFRS such gains and losses are being presented gross.

The accounting effect regarding transition to IFRS for the Group is as follows:

DKK'000	Reference:	DK GAAP 31 December 2019	Effect of Transition to IFRS	IFRS 31 December 2019
Income Statement				
Staff cost	a)	155,910	2,140	158,050
Amortisation goodwill	b)	49,549	(49,549)	-
Operating lease	c)	4,089	(4,089)	-
Depreciation fixed assets	c)	669	4,085	4,754
Financial income	d)	(69)	(352)	(421)
Financial expenses	c)+d)	441	951	1,392
Profit before tax		**(171,339)**	**46,814**	**(124,525)**
Tax on profit for the period		17,734		17,734
Profit for the period		**(153,605)**	**46,814**	**(106,791)**
Assets				
Goodwill	b)	422,351	49,549	471,900
Right-of-use assets	c)	-	17,097	17,097
Other receivables		-	1,403	1,403
Total assets		**888,793**	**68,049**	**956,842**

NOTES TO FINANCIAL STATEMENTS

NOTE 27. FIRST-TIME ADOPTION OF IFRS

DKK'000	Reference	DK GAAP 31 December 2019	Effect of Transition to IFRS	IFRS 31 December 2019
Total equity		**723,826**	**48,954**	**772,780**
Liabilities				
Lease liabilities	c)	-	17,441	17,441
Other payables	c)	17,831	1,654	19,485
Total liabilities		**164,967**	**19,095**	**184,062**

Effect on transition to IFRS on other receivables and payables relates to reclassification of VAT receivable and decommissioning cost relating to office lease agreements.

The accounting effect regarding transition to IFRS for the Parent Company is as follows:

PARENT COMPANY

DKK'000	Reference	DK GAAP 31 December 2019	Effect of Transition to IFRS	IFRS 31 December 2019
Income Statement				
Investment in subsidiaries	a) - d)	(153,576)	46,814	(106,762)
Profit before tax		**(153,605)**	**46,814**	**(106,791)**
Tax on profit for the period		-	-	-
Profit for the period		**(153,605)**	**46,814**	**(106,791)**
Assets				
Investment in subsidiaries	a) - d)	714,774	48,954	763,728
Total assets		**723,908**	**48,954**	**772,862**
Total equity		**723,826**	**48,954**	**772,780**

The transition has no effect on the Parent Company's cash flow.

NOTES TO FINANCIAL STATEMENTS

NOTE 28. 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 either a rental license or 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

For both rental and 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 both types of license is recognised on a point-in-time basis.

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.

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.

NOTES TO FINANCIAL STATEMENTS

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 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.

NOTES TO FINANCIAL STATEMENTS

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 crystalize 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.

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.

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 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.

NOTES TO FINANCIAL STATEMENTS

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

Lease liabilities are initially measured at the net present value of the fixed lease payments to 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.

NOTES TO FINANCIAL STATEMENTS

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.

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.

NOTES TO FINANCIAL STATEMENTS

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.

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).

NOTES TO FINANCIAL STATEMENTS

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 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.

NOTES TO FINANCIAL STATEMENTS

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:

Return on assets	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity, year end x 100}}{\text{Total equity and liabilities, year end}}$
Return on equity	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Average equity}}$
Annual recurring revenue (ARR)	Annual recurring revenue is defined as revenue from contracts recurring in more than one financial year.
EBIT before non-recurring items DKK'000	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.
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